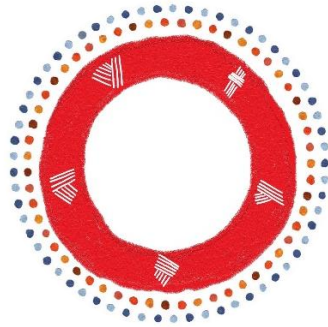


Media Release

coles | Value the Australian way



Friday, 19 March 2021

COLES LAUNCHES 'TOGETHER TO ZERO' STRATEGY TO DRIVE GENERATIONAL SUSTAINABILITY

***New targets to accelerate climate action and reduce greenhouse gas emissions
as Coles opens next generation sustainable supermarket***

As part of its ambition to be Australia's most sustainable supermarket, Coles Group is launching a refreshed sustainability strategy built around the pillar of 'Together to Zero', commencing with targets to further reduce greenhouse gas emissions, commit to 100% renewable electricity and set a course to net zero greenhouse gas emissions.

Coles Group has today released its Climate Change Position Statement and announced targets to reduce greenhouse gas emissions, including the following commitments:

- to deliver net zero greenhouse gas emissions by 2050;
- for the entire Coles Group to be powered by 100% renewable electricity by the end of FY25, building on the progress already made towards this target through renewable power purchase agreements, onsite solar and agreements with renewable electricity generators; and
- to reduce combined Scope 1 and 2 greenhouse gas emissions by more than 75 per cent by the end of FY30 (from a FY20 baseline).

The refreshed strategy and new targets will be brought to life at the launch of Coles' newest sustainability concept store in Moonee Ponds, Victoria, which has been designed to set a new standard in supermarket sustainability and help Coles create opportunities to reduce its environmental impact into the future.

Coles Group CEO Steven Cain said the launch of 'Together to Zero', along with the announcement of the new greenhouse gas reduction and renewable electricity targets were important steps in Coles Group's mission to drive generational sustainability.

"As part of these targets that we are setting today, we are delighted to introduce 'Together to Zero' which underlines our commitment to work together with all stakeholders towards net zero greenhouse gas emissions," he said.

“A key part of our ambition to be Australia's most sustainable supermarket will be reducing our environmental impact, and we have a responsibility to help create a better Australia for future generations.”

Lal Lal Windfarms agreement brings targets closer

Today's announcement comes as Coles Group has signed an agreement with Lal Lal Wind Farms near Ballarat, Victoria, for the purchase of large-scale generation certificates for renewable electricity until the end of 2030.

Under the agreement, Coles Group will purchase enough large-scale generation certificates from Lal Lal Wind Farms to further increase Coles' renewable electricity to 45% of total consumption by FY23. Lal Lal Wind Farms has been exporting renewable electricity at full capacity to the Victorian grid since December 2020.

Coles Group is already well on the path to deliver on each of the greenhouse gas emissions targets announced today after becoming the first major Australian retailer to commit to buying renewable electricity through a power purchase agreement in 2019. From July 2022, Coles will also source more than 90% of its Queensland electricity requirements from renewable sources.

“With over 2500 stores and support centres across Australia, more than 118,000 team members and an average of 21 million customer transactions each week, Coles Group is Australia's 12th largest user of electricity,” Mr Cain said.

“We have already reduced Scope 1 and Scope 2 greenhouse gas emissions by 36.5% since 2009, and with these new targets we have an opportunity to play a leading role in driving climate action.

“Our new targets for Scope 1 and 2 emissions commit us to an accelerated reduction in greenhouse gas emissions that exceed the climate change ambitions of the Paris Agreement.

“We're looking forward to working collaboratively with our team members, suppliers, customers and communities to set a pathway toward our long-term goal of net zero greenhouse gas emissions by 2050.”

Together to Zero – emissions, waste and hunger

In addition to today's announcement, “Together to Zero” involves a long-term aspiration towards *zero emissions, zero waste and zero hunger*, with Coles Group constantly striving to find ways to reduce waste, reduce greenhouse gas emissions and help Australians in need.

In February, it was announced that Coles would no longer sell single-use plastic tableware products including cups, plates, bowls, straws and cutlery from 1 July 2021¹. The move will divert 1.5 million kilograms worth of single-use plastic from landfill each year.

Working with REDcycle since 2011, Coles and its customers have helped collect more than 1.4 billion pieces of soft plastic that have been turned into furniture, playground equipment, roads and most recently used in the construction of Coles supermarket carparks.

Coles this week announced a partnership on a joint feasibility study to determine the technical, economic, and environmental benefits of a local advanced recycling industry in Victoria. This new collaboration marks the first steps into a circular economy for soft plastic packaging.

¹ The phase-out across Coles Group outlets will be complete by 1 July 2021, with stores in South Australia phasing out the legislated single-use plastic tableware by 1 March 2021, in line with South Australian law.

Coles is committed to helping customers understand what packaging they can recycle and more than 2,800 Coles Brand products now carry the Australasian Recycling logo.

Coles' community partnerships help Australians in need while driving improved sustainability outcomes, including through food donations equivalent to more than 138 million meals since 2011, as part of Coles' partnership with food rescue organisation SecondBite.

Further information, including Coles Group's Climate Change Position Statement and Together to Zero can be found at <https://www.colesgroup.com.au/climatechange>

Significance of Together to Zero logo

The new sustainability pillar 'Together to Zero' will become a key part of Coles' visual identity with a new sustainability logo.

Designed by Bundjalung/ Biripi Artist Nikita Ridgeway of Boss Lady Design and Communication, the logo has been designed to reflect the notion of community.

"Coles is the largest private sector employer of Indigenous Australians so it's meaningful that the logo has been designed to foster conversations between the Indigenous community and the broader Australian community, as part of Coles' ongoing mission to encourage non-Indigenous Australians to learn more about Aboriginal Culture and People," Nikita said.

Understanding our logo

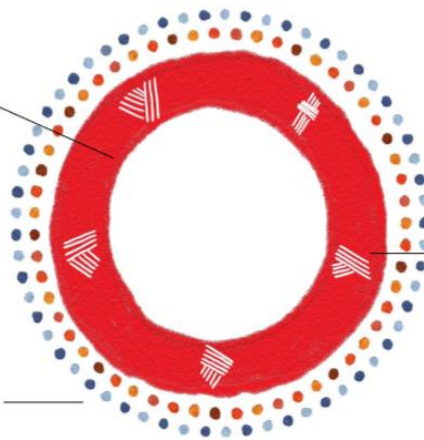
The Sustainability logo for 'Towards Zero' and 'Better Together' has many components

The foundation is the Coles roundel. This:

- Is uniquely Coles
- Highlights the zero in 'Together to ZERO'

The colour palette used in the artwork is representative of the many **beautiful colours and textures** of the Great Southern Land of Australia.

The **dots**, which portray the many people that are involved in Coles' initiatives, are significantly representative of the Northern Aboriginal Australian people.



"The design has an **Aboriginal look and feel** to encourage conversation between the Indigenous community and the broader Australian community."

Nikita Ridgeway, artist and designer

The artwork also portrays **cross hatching designs**, paying respects to the Aboriginal people of Southern parts of Australia. The cross hatching in the logo lends itself to the strong meaning behind the **weaving** technique used in Aboriginal culture to create many tools such as baskets, ropes and dilly bags. These all allow tribes to hunt and gather food to provide sustenance and shelter for the entire tribe.

This art piece with its minimalistic elements speaks volumes to the story of Australia and its First Nations People.

This original artwork design was created for Coles by Bundjalung/Biripi artist Nikita Ridgeway of Boss Lady Design and Communications.

Coles Moonee Ponds sets a new benchmark for sustainability and innovation

Together to Zero – Waste, emissions, hunger

- Plastic packaging will be reduced using new 'packageless' refill stations that dispense laundry soaps, household detergents, bodywash, handwash, shampoo and conditioner from major Australian brands Omo, Surf and Sukin.
- Trial of misting and cold plates which has enabled the removal of certain packaging without compromising freshness, quality and home life for customers.
- Reduction of plastic from fresh produce including herbs, chilli punnets, prepacked leeks, prepacked celery sticks, continental cucumbers, prepacked tri colour capsicums and sweet pointed capsicums.
- A fruit and veg bar where customers can have their healthy fruit and veg sliced, diced or riced right in front of them, or squeezed into a freshly made juice. The bar aims to produce the best juice and reduce waste by using fruit and vegetables at their ripest for juicing.
- Hand sanitising stations throughout the store made from recycled plastic.
- More than 80% of construction waste to transform Moonee Ponds was diverted from landfill and recycled over the duration of the project.
- Reusable cardboard boxes are available for customers to carry their grocery shopping in, housed in a container made from recycled plastic from Replas.
- Coles Marine Reusable Shopping Bags are being introduced which are made with 80% recycled content, including 20% marine industry waste.
- Trolley baskets are Australian made from 90% recycled milk bottles and 10% recycled plastic collected through REDcycle.
- The Fresh Produce single use plastic bag is now made from 50% recycled content and can be recycled via Redcycle at any Coles store. Reusable fresh produce bags are also available to purchase for 50c.
- The roof is catching water with a rainwater harvesting system, reducing external water use.
- Simply Cups coffee cup recycling station for customers to sustainably discard their coffee cups and divert them from land fill and the coffee is from Rainforest Alliance certified farms.
- First Coles renewal store to be upgraded with a natural refrigeration solution virtually eliminating greenhouse gas emission from refrigerant gases, and with recently installed doors on fridges to reduce energy consumption.
- Waste heat is captured from the refrigeration system to help warm the store.
- Moonee Ponds' new naked herb range is being grown and delivered by Fresh Leaf Farms, based in Clyde, Victoria. The herbs have had all plastic packaging removed with the product label made for the first time from paper, not plastic. Fresh Leaf Farms received a Coles Nurture Fund grant award in 2011. This grant was used to invest in more sustainable growing techniques rather than traditional soil growing methods, ultimately using less water to grow herbs.
- Coles team member polo shirts are made from 65% recycled bottles.
- The Moonee Ponds store donates leftover edible food to food rescue organisation SecondBite which distributes to local community organisations including Flemington People's Pantry, Asylum Seeker Resource Centre, Merri Outreach and Open Table. Last year the store donated 4,310kg of edible food which is the equivalent of 8,620 meals.
- REDcycle soft-plastic recycling available for customers at the front of the store with the soft-plastics used to make benches, furniture, playground equipment, roads and most recently carparks at Coles stores. Last year the store collected 3,992kg of soft plastic to be recycled.

Winning together through community partnerships:

- The store has partnered with the Ascot Vale Heights School and donated \$5,000 to help the school set up a Stephanie Alexander Kitchen Garden supporting food education for local children
- Essendon Little Athletics Centre based at the Moonee Valley Athletics Track has received a \$4600 grant from Coles to buy brand new sports gear thanks to funds raised through the sale of Coles' Community Chiller Bags.
- During 2020, Coles Moonee Ponds raised over \$25,000 for charity and community programs including the Red Cross Disaster Relief and Recovery Fund, Bravery Trust, FightMND, the SecondBite Winter Appeal, the Curing Homesickness Card Campaign, Monash Children's Hospital and Coles' Christmas Appeal for Redkite and SecondBite.

New store innovations:

- New premium locally caught seafood available at The Fishery which is run by renowned industry expert John Sussman. Local chef Sam Cheetham, the former head chef of Melbourne restaurant Cumulus Inc, serves up local catches for customers like fresh Victorian mussels, King George whiting, flathead, gummy shark, scallops, gemfish, pink ling, blue grenadier, high country trout, octopus, calamari and cured fish from a local Melbourne smokehouse. The Fishery is able to freshly fillet seafood upon customer request, as well as provide cooking tips and recipe inspiration.
- Renowned local pizza makers Tremila have a new pizzeria in store selling pizza from an Italian oven which can cook a pizza in 90 seconds. Pizzas are sold whole or by the slice for customers to enjoy onsite or takeaway.
- Established in Melbourne's CBD in 2012, Vietnamese restaurant Roll'd is in store with a full menu available, including rice paper rolls ("Soldiers"), pho, salads and rice bowls, banh mi and traditional Vietnamese iced coffee and tea.
- The Liquorland store will focus on local ranges including 140 unique local beer, wine and spirits such as Fowles, Are you game? Wine from Strathbogie Ranges in Victoria, Patient Wolf handcrafted gin distilled in Southbank and Hopnation beer from Footscray brewery just a hop, skip and jump down the road from Moonee Ponds.
- Our artisan cheese nook is packed with specialty cheeses, delivered from small Melbourne producers.
- Husband and wife duo Brittany and Bronson from Vegan Dairy are supplying Vegan cheeses, butters and desserts handmade in Dromana on the Mornington Peninsula. Their products come in 100% home compostable vacuum seal bags, and 100% home compostable labels.
- From Thomastown, Coles has partnered with the team at That's Amore to range 13 lines under the exclusive to Coles brand 'Giorgio's Artisan Cheese' bringing the freshest local Wet Cheese to Moonee Ponds residents.
- Premium Victorian food distributor Flinders + Co. is stocking their new Home Chef Series range of products at Coles Moonee Ponds, and in 23 other Coles supermarkets.
- Flinders + Co's Home Chef Series is all handmade by chefs using quality ingredients and includes slow roasted Wagyu beef with BBQ glaze, roaring forties lamb shoulder with green goddess dressing, free range pork belly with granny smith apple sauce and Braised grass-fed beef cheeks with red wine jus.
- There is a SISU Health Station onsite which provides customers a free computerised in-store health checks.
- Furry friends don't miss out with a 'Pick-And-Mix' Pet Treat bar.
- Digital screens throughout the store to help display inspiring, seasonal and local content.
- Click and Collect will include the recently launched Click & Collect Rapid which takes 90 mins from click to boot, includes BBQ chickens and an extensive convenience range.
- Customers will enjoy an easier checkout experience with a wide choice of checkouts. There are larger belts served by friendly Team Members and more comfortable self-service, including belts for trolley shops.

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For further information, please contact:

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