

Coles Group Climate Change Position Statement

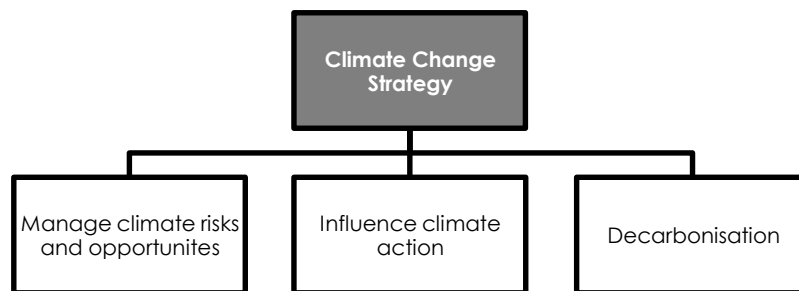
1. Background

Coles' vision is to become the most trusted retailer in Australia and grow long-term shareholder value, and our purpose is to sustainably feed all Australians to help them lead healthier, happier lives. Responding to the challenges presented by climate change is essential to fulfilling our vision and purpose.

We acknowledge the risks climate change presents to the community and the planet. Coles supports the goals of the Paris Agreement to keep global temperatures well below 2° Celsius and pursue efforts to limit the temperature increase even further to 1.5° Celsius above pre-industrial levels. We also support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

As one of Australia's largest companies, we understand our responsibility to minimise our environmental footprint, as well as mitigate the environmental and social impacts of climate change and will do this by:

- Building the resilience of our business, our community and our value chain against climate impacts, both physical and transitional (*manage climate risks and opportunities*);
- Using our position and our voice to play a constructive role in building a roadmap aligned with the Paris Agreement (*influence climate action*); and
- Taking action to reduce and negate our climate impacts (*decarbonisation*).



In accordance with the Coles Risk Management Framework, climate change has been identified as a material business risk with wide-ranging implications.

The Coles Group Board has oversight of Coles' management of climate change risks. The Board is supported by the Audit and Risk Committee.

The Board has endorsed the Group Sustainability Steering Committee as the management committee responsible for overseeing the Group-wide identification and response to sustainability issues.

As climate change is recognised as having wide-ranging implications, responsibilities for managing and mitigating climate change risks are Group-wide. The Group Sustainability Steering Committee coordinates this response through a specific Climate Change Sub-Committee.

Ultimately, Coles' Chief Executive Officer, supported by the Chief Sustainability, Property and Export Officer (Chairman of the Group Sustainability Steering Committee), has accountability for ensuring climate change risks are identified, assessed and appropriately managed.

2. Manage Climate Risks and Opportunities

Climate change presents an evolving and dynamic set of risks and opportunities for Coles. Our approach to managing and mitigating the impacts of climate change is holistic, grounded in science and informed by our risk analysis. As supporters of the TCFD, we will work towards a holistic and integrated approach to managing and reporting climate-related risks and opportunities.

Climate-related risks and opportunities are generally classified as risks related to the physical impacts of climate change (physical risk) and those related to the transition to a lower-carbon economy (transition risk). These risks and opportunities will be integrated into, and managed through the application of, the Coles Risk Management Framework

3. Influence Climate Action

With thousands of locations across Australia, more than 118,000 team members and an average of 20 million customer transactions across our business each week, we have a deep connection with urban and rural communities.

Our ability to influence climate action is not limited to those areas directly under our control, but more broadly across our value chain. We will seek out opportunities to work together with our team members, suppliers, customers and communities to create positive change. Our aim is to find constructive and proactive approaches to reduce emissions, develop resilience to climate impacts and build momentum towards the aims of the Paris Agreement.

We will constructively engage on issues and challenges associated with climate change and climate policy with a consistent and balanced approach that is responsive to the needs of stakeholders.

4. Decarbonisation

Coles will continue to reduce greenhouse gas emissions and implement initiatives to reduce greenhouse gas emissions in areas over which we have control and influence.

Where possible, we will deploy mature and available technology to reduce our greenhouse gas emissions and work with industry and stakeholders to invest in knowledge and research to identify pathways to address difficult or as yet unsolved decarbonisation challenges.

We will target 100% renewable electricity by FY25.

5. Holding Ourselves Accountable

We will be transparent about our progress. We commit to disclosing the nature of, and our response to, climate change risks in our Annual Reporting suite and through engagement with our stakeholders.

Reviewed and approved by the Coles Group Board in February 2021.