coles group

Group Risk Policy

Coles Group Limited
ACN 004 089 936

1. Purpose

Coles is committed to the effective and robust management of risk with the purpose of:

- Supporting our vision of becoming the most trusted retailer in Australia and growing long-term shareholder value;
- Strengthening confidence across our team members, business partners, shareholders and communities in which we operate;
- Operating ethically and responsibly, including the safeguarding of human rights; and
- Meeting our business objectives and legal and regulatory obligations.

The purpose is achieved through the delivery of our risk management objectives, which focus on the proactive management of risks to:

- Support the pursuit of our strategy and operational objectives whilst managing associated risks within a pre-defined level of appetite;
- Facilitate informed decision making based on a comprehensive understanding of the threats and opportunities;
- Establish appropriate risk management responses so that we reduce surprises and associated costs and losses; and
- Provide the Board and Executive with clear and transparent information to enable appropriate oversight of Coles risk management program including current risks and mitigation.

2. Policy Application

The Policy applies to Coles Group (**Coles**) and all Coles subsidiaries, functions and Business Units; and to all Coles team members, contractors and partners. This policy must be applied to all levels of the Coles Group and to all processes, practices and activities which involve the achievement of business objectives. At a minimum this must include the following:

- Coles' Corporate Planning process;
- When setting strategy, business plans and budgets for each business unit and function;
- The lifecycle and delivery of all approved projects, including Capital Approval Committee (**CAC**) and Cost Leadership Committee (**CLC**), including when implementing significant changes to existing programs and projects;
- When managing third parties including sourcing, contracting and off-boarding; and
- When planning or implementing significant changes to existing organisational structures, IT systems, or business processes, and business partners.

3. Definitions

Term	Definition
Risk	Coles defines risk as "the effect of uncertainty on objectives" in accordance with the AS/NZ ISO 31000 Risk Management Guidelines and Principles

The Glossary Of Terms for the definitions used by Coles are aligned to the ISO Guide 73: Risk Management - Vocabulary.

4. Policy Requirements

(a) **Understanding and managing our risks** is part of how we work at Coles. It helps us meet our business objectives and obligations, make better decisions, and act ethically in the best interests of Coles and our shareholders.

(b) **Risk management is everyone's responsibility**. All team members must understand relevant risks and their impacts when making business decisions. Accountability for risk management must be assigned, including who will design and implement the Risk Management Policy and Standards, and roles responsible for managing specific risks.

(c) **We have a 'no surprises' approach to risk management**. Risks should be quickly raised and communicated and consulted about in an open, timely and transparent manner when they become known. If team members identify a risk and are unsure who to raise it with, talk to your manager or to a member of the Risk and Compliance team.

(d) **Risk appetite, organisational thresholds and limits must be evaluated when making decisions about how risks are to be treated**. These limits may be in the form of appetite statements, policies and procedures, delegations of authority and other organisational measures.

(e) **Appropriate action plans must be put in place** if a decision is made to mitigate a risk, or if a risk is outside of risk appetite, organisational thresholds and limits.

(f) **Risks within risk appetite and organisational thresholds and limits can be accepted**, as long as all decision makers (in accordance with the Coles Delegation of Authority and Document Execution Authority) understand the consequences of accepting the risks and agree to the risk acceptance.

(g) **Description of the risk, action plans and risk decisions must be documented for Coles material risks**. This will help us to better understand our risks and communicate them to others.

(h) **Risks change over time. Team members must continue to monitor and review risks** so that plans and actions to manage them, including risk acceptance decisions, remain relevant.

(i) **A positive risk culture of accountability must be maintained and fostered** at all levels of the business. This will encourage positive risk management behaviours, whilst exercising strong stewardship and good corporate governance.

(j) **Executives must ensure their areas of accountability are appropriately resourced to perform their risk management duties**, and an appropriate level of capability is maintained to implement the Risk Management Policy and Standards.

5. Breach of Policy

Any breaches of this policy will be treated as serious misconduct and will result in disciplinary action being taken, which could include termination of employment or termination of contractual arrangements.

6. Policy Review

This Policy will be reviewed annually to:

1. ensure that it remains current with respect to legal and regulatory requirements;
2. ensure that it operates effectively; and
3. confirm whether any changes are required.

Any amendment to this Policy must be endorsed by the Audit and Risk Committee (ARC) and approved by the Board.

Adopted by the Board 20 May 2024.

7. References

7.1 Policies & Standards

- Anti-Bribery and Corruption Policy
- Digital Accessibility Policy
- Ethical Sourcing Policy
- GNFR Third Party Risk Management Standard
- GNFR Third Party Management Policy
- Group Response Policy
- Health, Safety and Wellbeing Policy
- Information Security Policy
- Privacy Policy
- Sanctions Policy
- Security of Critical Infrastructure (SOCI) Risk Management Standard

7.2 Relevant Legislation

- N/A

7.3 Other Documents

- N/A