2026
Sustainability Supplement

colesgroup

Pictured: cover – Coles Knox Store Manager Tim with Outer East Foodshare Hub Coordinator Marilyn Lambert.

Pictured: here – Pathway Community Centre Director Noelle Wallis, SecondBite Community Partnerships Officer Sepi Mobedi and food relief recipient Anna at Pathway Community Centre in South Australia.

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Supporting community food relief

Food relief organisations continue to play an important role in supporting Australians experiencing cost-of-living pressures. Pathway Community Centre in Adelaide receives food deliveries from SecondBite, including food donated by Coles, to support its community food relief program.

Pathway's program supports around 2,000 households each fortnight and has indicated that ongoing food donations are critical to maintaining its current level of service.

One community member accessing the program is Anna, a single mother of six, and grandmother to 16 children. Living on a limited income, she said she was very grateful for the food hampers as she struggled to afford groceries.

"I get SecondBite food regularly… I don't think I would survive without it," said Anna.

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Acknowledgement of Country

Coles Group acknowledges the Traditional Owners of Country throughout Australia.

We recognise their strength and resilience and pay our respects to Elders past and present.

We recognise their ongoing connection to the lands, waters and skies.

Our 2026 reporting suite

Our corporate reporting suite contains detailed information on Coles' strategy, financial and non-financial performance, risk management and governance frameworks.

The suite also includes our progress against our sustainability and human rights commitments. We continually evolve our reporting suite in response to shareholder and stakeholder feedback, and to align with legislation, disclosure frameworks and leading practices.

To view these reports, visit **colesgroup.com.au**.

2026 Annual Report
2026 Corporate Governance Statement
2026 Sustainability Supplement
2026 Modern Slavery Statement
2026 Economic Contribution Report

This report is interactive

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Forward-looking statements

This report contains forward-looking statements, including statements regarding the Group's intent, belief, goals, objectives, opinions, initiatives, plans, commitments or current expectations which may relate to the Group's business, market and financial conditions, results of operations and risk management practices. Forward-looking statements can generally be identified by the use of words such as 'forecast', 'will', 'anticipate', 'may', 'believe', 'should', 'expect', 'intend', 'outlook', 'guidance', 'likely', 'aim', 'aspire' and other similar expressions. The report also includes and relies upon various management judgements and estimates.

Any forward-looking statements, management judgements and estimates are based on the Group's current knowledge, assumptions and intent as at the date of this report. These forward-looking statements, judgements and estimates involve known and unknown risks, uncertainties and assumptions, many of which are beyond the control of the Group. The Group does not give any assurance that the assumptions will be correct and the actual results or outcomes may differ materially from the implication made in such statements, judgements or estimates. Forward-looking statements are not guarantees or predictions of future performance or outcomes.

Risks that may also affect the reliability of the forward-looking statements include legal and regulatory change and enforcement approach; industry competition; changes to consumer behaviour; the development and adoption of new technologies and related implementation risks; macro-economic and geopolitical factors, including global market conditions; and the physical impacts of climate change such as climate variability and the occurrence of natural disasters.

Forward-looking statements, management judgements and estimates should be considered together with the risks, uncertainties and assumptions associated with the relevant statements particularly given the inherent unpredictability of future policy, market conditions, and technological developments. Except as required by applicable laws or regulations, the Group does not undertake to publicly update, review or revise any of the forward-looking statements in this report or to advise of any change in assumptions on which any such statement is based or changes to management judgements or estimates.

Other notices

Past performance cannot be relied on as a guide for future performance.

This document may contain statements that have been prepared by Coles on the basis of information from publicly available sources, and other third-party sources. While Coles believes that each of these third-party sources is credible and that third-party information relied upon has been prepared by a reputable source, this information has not been verified by the Group and the Group cannot guarantee the currency, accuracy, or completeness of such information in this report. There may be differences in the way third parties calculate or report data compared to Coles, which means third-party data may not be comparable to Coles' data.

This report also includes forward-looking statements regarding sustainability including energy transition and other environmental scenarios. The long-term nature of sustainability targets and commitments also means related forward-looking statements are inherently uncertain, as outlined above.

Report scope

In this report, the terms 'Coles', 'the Group', 'Coles Group', 'our business' and 'organisation' refer to Coles Group Limited ('the Company') and its controlled entities. This report contains information for the Company and its controlled entities collectively (unless otherwise stated).

Unless otherwise stated, this report covers the period 30 June 2025 to 28 June 2026 (FY26) for the Group, reflecting Coles' retail calendar, which ends on the last Sunday in June. Greenhouse gas emissions and energy metrics are an exception and are reported for the period 1 July 2025 to 30 June 2026.

The report focuses on topics that matter most to our stakeholders and our business, as determined through our 2026 materiality assessment, detailed on page 43.

This report has been prepared in accordance with the Global Reporting Initiative (GRI 1: Foundation 2021). Our 2026 Sustainability data pack (available at **colesgroup.com.au/sustainability**) includes the GRI Content Index for this report, as well as our alignment with the United Nations (UN) Global Compact Principles and the UN Sustainable Development Goals (SDGs).

Ernst & Young (EY) has provided independent limited assurance in respect of this report, with the exception being greenhouse gas and energy metrics, which are subject to reasonable assurance. The assurance engagement included consideration of whether the appropriate indicators have been reported in accordance with the GRI Sustainability Reporting Standards. A copy of EY's independent assurance report is on pages 49 to 52.

Glossary

Refer to pages 45 to 48 in the Appendix for a glossary of terms included in this report.

Feedback

We welcome feedback on this report. Please contact us at **sustainability@coles.com.au**.

FY26 sustainability snapshot

Maintained top quartile for team member engagement[1]

$150.5m in community contributions[3]

Women in leadership roles[5]

42.4%

3.4% of team members[7] identify as Aboriginal or Torres Strait Islander

100% of Coles Own Brand shell eggs and egg ingredients in Coles Own Brand products are cage-free[2]

88.2% of total solid waste[4] diverted from landfill

87.2% of packaging across Coles Own Brand and Coles Liquor Own Brand is recyclable[6]

100% renewable electricity[8] sourced for our operations

1. Benchmarked by Culture Amp against Australian organisations with more than 5,000 employees. Top quartile benchmark period: January to December 2025. — 2. Includes Coles Own Brand products containing egg ingredients. Excludes pet food products and products where egg ingredients comprise less than 1% of the recipe. — 3. Community contributions include Coles' direct contributions, fundraising/leverage, value of in-kind donations and management costs, aligned with the Business for Societal Impact (B4SI) Framework. — 4. Excludes liquid waste except high-strength sludges (which contain a high proportion of solids) and liquids diverted for use as food (such as donations to SecondBite and farmers). — 5. Leadership positions comprises the Executive Leadership Team, general managers, team members pay grade eight and above and supermarket store managers. Pay grade eight and above includes middle managers and specialist roles. — 6. Based on packaging data overlaid with unit sales over a 52-week period until June 2026. — 7. Based on results of our May 2026 *mysay* team member engagement survey (67% participation). — 8. Renewable electricity percentage is calculated on a market-based basis and includes voluntary large-scale generation certificates (LGC) surrendered by us, renewable power percentage (RPP), jurisdictional renewable power percentage (JRPP) and onsite solar within Coles' operational control. The JRPP is only applicable in the ACT, where the electricity supply is legislated to be 100% renewable. For all other Australian jurisdictions, the RPP is used to represent the renewable content of grid electricity unless specific renewable procurement (e.g. LGC surrender) is demonstrated. FY26 electricity consumption includes one month of estimated data (based on meter data or weighted averages of actuals) and 11 months of actual data.

Message from our Chairman and CEO

This year marked an important milestone for Coles as the first year of reporting against our FY26–FY30 Sustainability Strategy. Built around three pillars – Climate, Nature and Circularity – our strategy reflects the areas where we believe we can have the greatest impact and where the challenges ahead are most significant. Many of the issues we are working to address are complex and interconnected, requiring sustained effort and long-term collaboration.

Our operating environment remains challenging. Cost-of-living pressures, geopolitical uncertainty and evolving stakeholder expectations continue to shape the context in which we operate. As we pursue our sustainability ambitions, we remain focused on balancing progress with our responsibility to provide affordable food and everyday essentials to our customers, while supporting the resilience of our business and supply chains.

Climate

This year, we released our first Climate Transition Plan alongside our first mandatory climate-related disclosures under AASB S2, included in our Annual Report. These disclosures strengthen transparency, accountability and integration of climate considerations into business planning. We also maintained our sourcing of 100% renewable electricity for our operations and continued progress towards our net zero Scope 1 and 2 emissions by 2050 ambition.

Most of our emissions sit outside our direct operations across a diverse and complex supply chain. Reducing these emissions will require collaboration with suppliers, industry partners and customers, supported by continued investment in capability, innovation and data. We recognise there is much still to do and do not underestimate the challenges associated with achieving our Scope 3 emissions reduction targets.

Nature

Nature-related challenges, including deforestation, land use change and biodiversity loss, remain among the most complex issues facing the food system. Disappointingly, we have fallen short of our no deforestation ambition for beef and cocoa. We remain committed to the ambition we set in FY25, while acknowledging that achieving it for beef requires system-level change and cannot be achieved by any one organisation alone. We have, therefore, modified our approach, recognising that collaboration across industry, government and the agricultural sector will be critical to driving meaningful outcomes over time.

In response to stakeholder concerns, we have also completed an assessment of nature-related risks associated with seafood sourcing to strengthen our understanding of impacts across both wild-caught and aquaculture supply chains.

Circularity

We continued initiatives to reduce waste and keep materials in use for longer, including through industry collaboration on soft plastics, supporting product stewardship schemes and progressing our packaging commitments.

In FY26, 87.2% of eligible packaging[1] was assessed as recyclable and contained an average of 28.1% recycled content. We also continued to address problematic and unnecessary single-use plastic packaging, with less than 0.5% remaining in scope for phase-out. In addition, the Australasian Recycling Label continued to be applied to products within the eligible packaging scope to help customers recycle packaging correctly.

Packaging remains essential for protecting food quality and safety while helping reduce food waste. Our focus is to use less packaging where possible, design more packaging for recovery and reuse, and make evidence-based changes that support better outcomes for customers and the environment. Since 2021, we have removed more than 700 million pieces of conventional plastic from Own Brand packaging, including 108 million labels from fresh milk bottles in FY26.

During the year, Coles diverted 88.2% of total solid waste from landfill. While this is encouraging progress, broader advances in infrastructure, regulation, technology and consumer behaviour will be critical to supporting Australia's transition to a circular economy.

Supporting our team members and communities

Supporting our three sustainability pillars are six foundational areas that underpin our business – human rights; enable and develop teams; diversity and inclusion; health, safety and wellbeing; community support; and healthy, safe and affordable food.

Through our long-standing partnerships with SecondBite and Foodbank Australia, we donate unsold edible food to help address food insecurity. To date, our donations have helped provide the equivalent of more than 384 million meals to people in need across Australia.

Our team members remain central to delivering our sustainability ambitions. By fostering a safe, supportive and inclusive workplace, we enable our people to innovate, contribute and better serve our customers and communities.

Looking ahead

We recognise the path ahead is not straightforward, but we remain confident in our strategy and focused on delivering practical, measurable outcomes.

In FY27, our priorities include embedding climate transition planning across the business, further developing our approach to nature-related risks and opportunities, and continuing progress towards a more circular economy.

We thank our team members, customers, suppliers, shareholders, and community partners for their ongoing support as we work together to create a more sustainable future.

Peter Allen

Chairman,
Coles Group Limited

Leah Weckert

Managing Director and
Chief Executive Officer,
Coles Group Limited

1. Eligible packaging is defined as all of Coles Own Brand product packaging and Coles Liquor Own Brand packaging.

Our business, strategy and approach to sustainability

Coles is one of Australia's leading retailers, with an extensive footprint of over 1,800 supermarkets and liquor stores nationally. We employ more than 115,000 team members, engage with more than 8,000 suppliers, and serve millions of customers through our store network and digital platforms every week.

Our corporate strategy is centred around our purpose of 'Helping Australians eat and live better every day'. It comprises three strategic pillars of 'Destination for food, drink and everyday essentials', 'Accelerated by digital', and 'Delivered consistently for the future'. These strategic pillars are underpinned by our enablers of 'Win Together' and 'Foundations'.

Sustainability governance

Our sustainability strategy is supported by a robust governance framework. Oversight of sustainability-related risks and opportunities across the Group supports the achievement of our business strategy.

The Board oversees and approves the Group's strategic direction (including in relation to sustainability) and oversees the effectiveness of Coles' governance policies and practices. The Audit and Risk Committee supports the Board in fulfilling its responsibilities by evaluating the adequacy and effectiveness of the Group's identification, prioritisation and management of risks, and its disclosures of any material exposures to those risks, both financial and non-financial.

Management accountability sits with the Chief Commercial & Sustainability Officer, who works with the Executive Leadership Team (ELT) to oversee the development of sustainability priorities and targets, monitor performance, and provide regular updates to the Board.

Led by the Managing Director and Chief Executive Officer and the ELT, management implements the sustainability strategy. Management's implementation of the strategy is supported by a governance framework which facilitates appropriate oversight and reporting. The Executive Sustainability Committee oversees implementation of the sustainability strategy, management of sustainability-related risks and opportunities and progress against external targets. The Australian Sustainability Reporting Standards (ASRS) Steering Committee oversees the Group's ASRS reporting and the Sustainability Steering Committee oversees sustainability performance.

Detailed information on Coles Group's business model and strategy, and our sustainability governance is discussed in our **2026 Annual Report**.

Approach to sustainability

Our approach to sustainability is focused on building business resilience for the long term and delivering stakeholder value.

We are seeking to embed sustainability across our business, integrating sustainability considerations into how we make decisions every day – from the products we put on our shelves, to how we move them around the country, to which suppliers we partner with.

With more than 1,800 stores and an extensive network of Australian and international suppliers, our scale provides opportunities to improve sustainability outcomes across our operations and supply chain.

Our FY26–FY30 Sustainability Strategy is built around three interconnected pillars of **Climate**, **Nature** and **Circularity**.

We are working to reduce emissions across our operations and value chain, in partnership with suppliers and stakeholders.

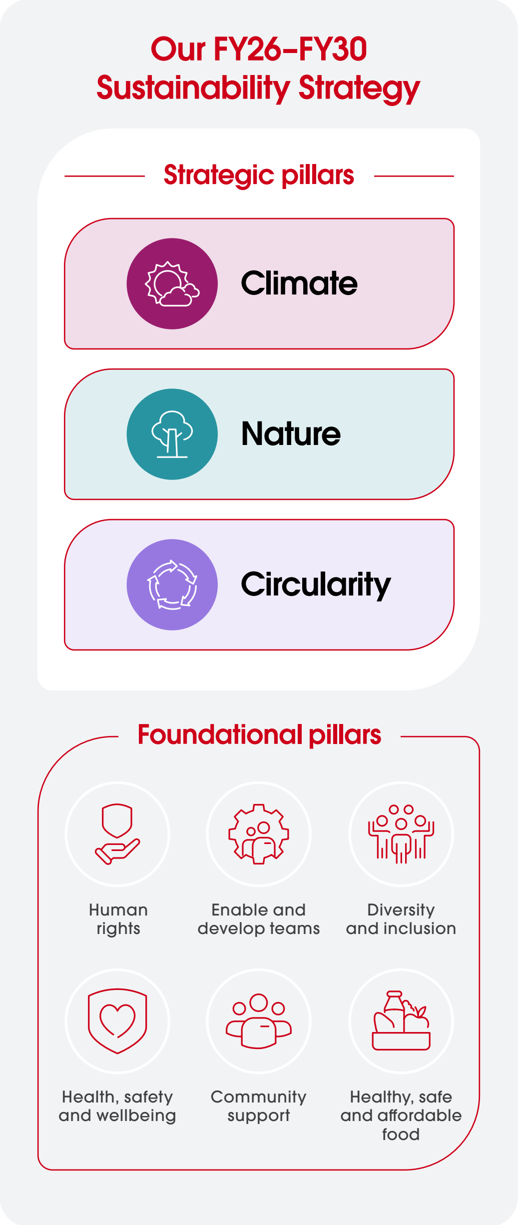
At the same time, we are collaborating with farmers and suppliers to support responsible sourcing practices, seeking to reduce environmental impacts and safeguarding animal welfare.

In support of the transition to a circular economy, we are reducing waste in our operations, keeping materials in use for longer, and embedding recycling, reuse and improved product and packaging design.

These three strategic sustainability pillars are underpinned by our continued commitment to human rights, enabling and developing our team, diversity and inclusion, health, safety and wellbeing, community support, and providing healthy, safe and affordable food.

We are prioritising actions under each of our three strategic sustainability pillars that seek to deliver both commercial and environmental benefits. The work we are doing now is aimed at making Coles and our supply chain more resilient and efficient into the future.

We have a suite of targets and commitments to help drive progress across the pillars of our FY26–FY30 Sustainability Strategy (see page 8 for progress against these targets).



Progress on our FY26–FY30 sustainability targets and commitments

Achieved and/or sustaining ✓
Progressing or partially achieved →
Off track/not achieved ✗

Climate

Target	Status
Reduce combined Scope 1 and 2 greenhouse gas emissions by more than 75% (FY20 baseline year) by the end of FY30.[1]	Achieved and/or sustaining
Deliver net zero Scope 1 and 2 greenhouse gas emissions by 2050.	Progressing or partially achieved
Maintain sourcing of 100% renewable electricity.[2]	Achieved and/or sustaining
Achieve Scope 3 Supplier Engagement Target (SET) of: 80% of suppliers by spend (covering purchased goods and services, upstream transportation and distribution, capital goods, waste generated in operations, and upstream leased assets) to have science-based[3] emissions reduction targets by the end of FY29.	Off track/not achieved
Deliver 30.3% reduction in Scope 3 Forest, Land and Agriculture (FLAG) sector emissions by the end of FY30 (FY24 baseline year).	Off track/not achieved

Nature

Target	Status
Ambition to achieve no deforestation across material Coles Own Brand primary deforestation-linked commodities[4] (no later than 31 December 2025).[5]	
• Beef and cocoa.	Off track/not achieved
• Palm oil, soy and timber.	Achieved and/or sustaining
Maintain appropriate animal welfare and responsible sourcing standards[6] within Coles Own Brand.	Achieved and/or sustaining
Maintain greater than 85% of cage-free shell egg supply.	Achieved and/or sustaining
Achieve 100% of cage-free eggs used as ingredients in Coles Own Brand products.[7]	Achieved and/or sustaining

Circularity

Target	Status
Maintain greater than 85% diversion of the Group's solid waste[8] from landfill.	Achieved and/or sustaining
Deliver average of 30% recycled content in eligible packaging[9] by the end of FY30.	Progressing or partially achieved
Continue to phase out problematic and unnecessary eligible single-use plastic packaging by the end of FY30.	Progressing or partially achieved
Achieve greater than 85% of eligible packaging being reusable and/or recyclable by the end of FY30.	Achieved and/or sustaining

1. Coles does not plan to rely on the use of carbon credits for the achievement of our FY30 Scope 1 and 2 emissions reduction target. — 2. Renewable electricity percentage includes voluntary LGC surrendered by us, RPP, JRPP and onsite solar within Coles' operational control. The JRPP is only applicable in the Australian Capital Territory, where the electricity supply is legislated to be 100% renewable. For all other Australian jurisdictions, the RPP is used to represent the renewable content of grid electricity unless specific renewable procurement (e.g. LGC surrender) is demonstrated. — 3. Coles uses the SBTi's Supplier Engagement Guidance to assess whether a supplier's emissions reduction target is science-based. This guidance defines the key criteria that includes, but is not limited to: a) target boundary (coverage of scopes, emission types and subsidiaries), b) target coverage (≥95% of Scope 1 and 2 emissions, ≥67% near-term Scope 3 and ≥90% long-term Scope 3), c) target type (absolute, intensity, or engagement), d) base year (≥2015), e) target year (near-term maximum 10 years and long-term maximum 2050), and f) target reduction/ambition (Scope 1 and 2 1.5°C, Scope 3 near-term well below 2°C and long-term 1.5°C). — 4. The scope of Coles' no deforestation ambition includes targeted high-risk/high-volume products across the following commodities: beef, cocoa, palm oil, soy (sourced for livestock and aquaculture feed) and timber/pulp/paper. It excludes Coles Own Brand products not sold in supermarkets; Coles Own Brand pet food; goods not for commercial sale; and Exclusive Proprietary and Proprietary branded products. Further detail on the scope of Coles' no deforestation ambition is set out in our Protecting Forests Statement (PFS) available at colesgroup.com.au/nature. — 5. Further detail is included in our PFS on the specific products that are in scope for the initial phase of our no deforestation ambition, together with further details on how Coles is approaching the in-scope products, and our progress. — 6. For Coles, this means implementing animal welfare and responsible sourcing practices that support the current program of Coles Own Brand sustainable sourcing commitments. — 7. Includes Coles Own Brand products containing egg ingredients. Excludes pet food products and products where egg ingredients comprise less than 1% of the recipe. — 8. Excludes liquid waste except high-strength sludges (which contain a high proportion of solids) and liquids diverted for use as food (such as donations to SecondBite and farmers). — 9. Eligible packaging is defined as all of Coles Own Brand product packaging and Coles Liquor Own Brand packaging.

Climate

Climate change is a significant global challenge and has the potential to impact the long-term sustainability of our business and the wellbeing of our team, suppliers and the communities in which we operate.

Pictured: Coles team members with one of the two 0.8 MW solar systems at our Fresh MilkCo production facilities. The systems are expected to reduce annual grid electricity consumption by an average of 19.31%.

CASE STUDY

Strengthening energy resilience with Origin Energy (Origin)

Energy management is a key part of reducing emissions and building long-term business resilience.

Through our strategic alliance with Origin, Coles has expanded onsite renewable electricity and battery storage across selected sites.

Between FY23 and FY26, we installed 16.45 MW of rooftop solar capacity and 1.35 MWh of battery energy storage, with participating sites expected to reduce annual grid electricity consumption by an average of 19.43%.

In FY26, we also trialled a battery energy storage system that combines back-up power with participation in energy markets through a virtual power plant. The trial will help assess the operational performance, commercial viability and emissions reduction potential of battery storage, informing future deployment.

Origin has extended the partnership for a further three years. The next phase is expected to deliver an additional 15 MW of rooftop solar capacity and 15 MWh of battery energy storage.

Climate continued

Our approach to decarbonisation

We are focused on reducing Scope 1 and 2 emissions from activities within our direct control and reducing our Scope 3 emissions through engagement and partnership across our supply chain. Our long-term aim, supported by a number of climate-related targets, is to strengthen the climate resilience of our operations and supply chain and help build a more resilient food system in Australia.

We have released our first Climate Transition Plan (CTP). This is available at **colesgroup.com.au/climate**.

Informed by our decarbonisation plan, and broader sustainability programs of work, the CTP outlines our approach and the actions we are taking in relation to:

- our climate-related risks and opportunities;
- reducing emissions and improving resilience across our own operations;
- decarbonising and strengthening resilience across our supply chain;
- enabling climate transition through internal and external mobilisation;
- broadening sustainability priorities including nature and circularity.

Since FY20, Coles has been identifying, assessing and managing climate-related risks and opportunities using the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

From FY26, Coles is reporting in accordance with Australia's mandatory climate-related financial disclosure regime, the Australian Sustainability Reporting Standards (ASRS).

Our climate-related financial disclosures are available on pages 40 to 81 of our 2026 Annual Report and include detailed information on our climate-related risks and opportunities, risk management, governance and metrics and targets.

By the end of FY26, we reduced our combined Scope 1 and 2 emissions relative to the FY20 baseline by 82.6%, positioning us ahead of our FY30 target. This has been achieved through market-based renewable electricity purchases, including the surrender of large-scale generation certificates (LGCs), solar installations across our operations, implementing energy efficiency initiatives, and progressing refrigeration upgrades. Coles has not used carbon credits to achieve our Scope 1 and Scope 2 emissions reductions.

Scope 1 and 2 (operational) emissions

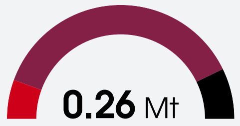
Our primary Scope 1 emissions come from refrigerant gases, natural gas and transport fuels, with a small contribution from stationary LPG and diesel used for onsite back-up generators, and diesel used by online delivery trucks.

Scope 2 emissions come from the electricity we purchase to power our stores, distribution centres and offices, and represent the majority of our combined Scope 1 and Scope 2 emissions.

Pictured: Stockyard Hill Wind Farm in Victoria, supporting Coles' renewable electricity arrangements through Origin.

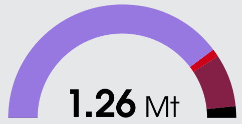
FY26 combined Scope 1 and 2 emissions inventory (Mt CO_2-e)[1,2]

Market-based



Electricity	0 Mt	0%
Natural gas	0.03 Mt	11.4%
Refrigerants	0.19 Mt	74.3%
Fuels and others[3]	0.04 Mt	14.4%

Location-based



Electricity	1.01 Mt	79.7%
Natural gas	0.03 Mt	2.3%
Refrigerants	0.19 Mt	15.0%
Fuels and others[3]	0.04 Mt	2.9%

1. FY26 Scope 1 and 2 emissions include one month of estimated data (based on meter data or weighted averages of actuals) and 11 months of actual data. — 2. Figures and percentages may not total exactly due to rounding. — 3. Includes transport fuels, stationary diesel and LPG, as well as heating oil and bulk carbon dioxide.

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Refrigeration

Refrigeration and air conditioning accounts for around 70% of store electricity use and is a major driver of our Scope 1 emissions.

Upgrading refrigeration systems is a key activity for Coles and we have a phased program though which we aim to upgrade 20–30 systems each year as stores reach end of life or in line with refurbishment schedules. Our goal is to transition from high-Global Warming Potential (GWP) refrigerants to lower-GWP or natural alternatives by 2050.

Additionally, when building new supermarkets, Coles uses natural refrigerants which have close to no GWP refrigerants compared with conventional synthetic refrigerants.

By the end of FY26, natural refrigerants were in use in approximately 16% of Coles supermarkets (141 stores, up from 104 in FY25) and approximately 9% of Coles liquor stores (94 stores, up from 80 in FY25).

We have continued investing in our refrigeration pipe replacement program, helping to reduce refrigerant gas leakage and our overall Scope 1 emissions.

Alongside this, through our asset lifecycle program, we continue to trial and adopt energy-efficient technologies such as lighting, electrified heat pumps and heating, ventilation and air conditioning (HVAC) systems, where commercially viable.

Heat recovery

As part of our transition to natural refrigerants, Coles is trialling advanced heat generation and recovery technologies that capture waste heat from refrigeration systems and repurpose it to meet most in-store heating. This trial is helping assess opportunities to improve overall energy efficiency, reduce natural gas use and lower operational emissions.

Our natural gas sub-metering program

Since FY22, Coles has been implementing a natural gas sub-metering and optimisation program across selected stores to improve visibility of gas use and identify opportunities to reduce consumption. Enhanced monitoring and targeted changes, including optimising boiler settings and heating controls, have enabled stores to better respond to seasonal conditions while maintaining in-store comfort.

To date, participating stores have reduced natural gas use by an average of approximately 18%, with some sites achieving significantly higher savings following targeted interventions, including detailed building management system optimisation to stabilise store conditions and improve energy performance.

Energy efficiency and heat optimisation

In FY26, Coles' Chef Fresh ready-meal production facility in NSW implemented targeted initiatives to improve energy efficiency and reduce reliance on natural gas. Heat recovery systems were installed to capture waste heat from both the boiler steam system and the air compressors for hot water generation. Increased use of reverse osmosis water also improved performance, reducing wastewater discharge and water consumption. Together, these initiatives have reduced energy use, operating costs and emissions.

Renewable electricity

Coles sources renewable electricity for its operations on a market-based basis. Like other electricity users connected to national and regional grids, the electricity Coles physically consumes from the grid reflects the relevant grid's generation mix at the time of consumption, which may include both renewable and non-renewable generation. For reporting purposes, Coles matches its electricity consumption with renewable electricity attributes through a combination of on-site solar, renewable electricity contracts with providers such as Origin and CleanCo and associated LGCs, and other LGC arrangements.

This means Coles' market-based renewable electricity claim reflects an equivalent amount of renewable electricity generation and associated renewable electricity attributes to Coles' electricity consumption for the reporting period.

In FY26, we maintained sourcing of 100% renewable electricity for our operations as part of our FY26–FY30 sustainability strategy.

During FY26

- **8.96 MW** of solar installed across **34** sites
- **156 sites** total number of solar-enabled sites
- **39,370 MWh** of renewable electricity generated, up from **33,803** MWh in FY25
- representing **2.4%** of Coles' electricity consumption

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Scope 3 emissions

Scope 3 emissions are the greenhouse gas emissions outside of our direct control that occur across our value chain – for example diesel used in farming equipment, methane produced by livestock, and electricity, fuel and refrigerant use across our suppliers' logistics and manufacturing processes. Scope 3 emissions also include the emissions associated with our customers' waste going to landfill. While we have no direct control over these emissions, we have a role to play in helping our supply chain and customers to decarbonise.

Scope 3 emissions totalled 18.98 million tonnes CO_2–e[1], with 55.6% arising from Forest, Land and Agriculture (FLAG) sources. Our total Scope 3 emissions made up more than 90% of our total emissions.

Coles' approach to reducing Scope 3 emissions focuses on supplier engagement and the development and implementation of emissions reduction activities.

Supplier engagement

Our Supplier Engagement Target requires 80% of suppliers by spend (covering purchased goods and services, upstream transportation and distribution, capital goods, waste generated in operations, and upstream leased assets) to have science-based emissions reduction targets by the end of FY29.

By year-end, 46.9% of suppliers had set Scope 1 and 2 science-based targets and 41.1% had targets covering Scope 1, 2 and 3 emissions.

Progress this year has been slower than anticipated and we are currently not on track to achieve our FY29 Supplier Engagement Target. We understand some of our suppliers face challenges in setting science-based targets (SBTs), including limited internal capability and resources, emissions data limitations, cost pressures and uncertainty about how requirements apply to their operations. Some suppliers have been cautious about setting public targets before they have sufficient data.

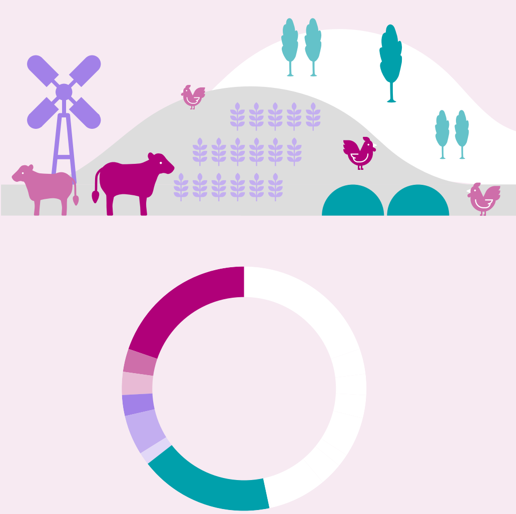
During the year, we continued to strengthen our supplier engagement approach. We worked with our commercial category teams to directly engage with our suppliers, building a better understanding of their challenges and identifying ways to support them in setting SBTs.

We also introduced improved tracking of supplier progress, including visibility of suppliers with full or partial SBTs, net zero commitments and other emissions targets. This helps us better understand and address supplier maturity and target our engagement efforts.

1. Based on reporting Category 3 emissions under the market-based method. Under the location-based method, Coles' total Scope 3 emissions were 19.08m tonnes CO_2–e in FY26.

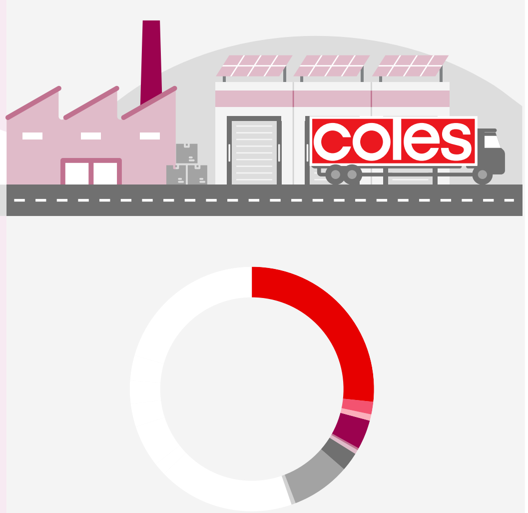
FY26 Scope 3 emissions breakdown

FLAG sector emissions 55.6%



Beef	20.6%
Chicken	3.5%
Lamb	2.9%
Pork	3.1%
Milk and cheese	5.4%
Fresh produce	1.9%
All other FLAG sector emissions	18.2%

Energy and industrial emissions 44.4%



Goods for resale	26.6%
Goods not for resale	1.7%
Capital goods	0.7%
Transport	3.8%
Waste	0.4%
Leased assets	0.5%
Product use	2.6%
Consumer waste	7.6%
All other energy and industrial sector emissions	0.5%

Climate continued

Climate education for suppliers was expanded through the Coles Supplier Central portal, providing guidance on greenhouse gas emissions, practical steps to set SBTs, and clearer expectations with respect to climate action.

Looking ahead, we will continue to refine our approach to support measurable emissions reductions, particularly in emissions-intensive categories. This includes support for suppliers through education, tools for measuring emissions and ongoing engagement to support credible target-setting and emissions reduction pathways.

FLAG emissions

In FY25, Coles established a target to reduce FLAG sector emissions in our supply chain by 30.3% by the end of FY30, relative to an FY24 baseline year. Delivery of this target is highly dependent on emissions reductions achieved by our suppliers, reflecting the concentration of emissions within agricultural supply chains. The target covers key FLAG emissions sources (primarily meat and dairy) in line with SBTi FLAG sector boundary requirements.

At the end of FY26, in-boundary FLAG emissions were 1.8% higher than FY25. This increase was primarily driven by higher customer demand for beef, with other categories remaining broadly stable.

FLAG emissions reductions are not yet evident, reflecting the early stage of development and implementation of supporting activities, and the time required to implement and measure agricultural abatement. This is compounded by the immaturity of emissions reduction technologies, with many interventions still in development and not yet commercially viable at scale.

Further, consistent farm-level emissions data remains limited across the sector. To address this, Coles is investing in data improvement programs and working directly with our dairy and beef suppliers to measure emissions.

During FY26, we also progressed activities to support delivery of our FLAG target, with a focus on further developing FLAG reduction pathways and supporting activities for beef and dairy as our two largest FLAG emissions sources in FY26.

Overall, FY26 represented a foundational year. While emissions increased modestly, this reflects demand dynamics, reliance on suppliers, and the time needed to implement changes, with emissions reduction expected over the longer term as programs scale. We do not underestimate the size of the challenge to achieve this target but remain committed to progressing our decarbonisation planning and activities for beef and dairy, expanding emissions reduction initiatives to other commodities, and strengthening integration with climate risk management and supply resilience.

Driving emissions reduction in beef and dairy

Coles works with agri-environmental consultants Integrity Ag and selected beef producers to measure and manage greenhouse gas emissions across our beef supply chain. These partnerships support improved understanding of emissions sources, particularly enteric methane and on-farm inputs, and inform the identification of abatement opportunities across Scope 3 emissions.

For these select producers, emission reduction activities are primarily implemented at farm level (for example, dietary changes and productivity improvements). On average, participating producers recorded lower farm-gate emissions than the most recent Australian beef industry average for emissions intensity.

Producers also participated in a pilot project measuring land sector emissions. Farms were assessed for land use change emissions and identifying removals based on FullCAM modelling. Over 61,000 ha were assessed across 12 Australian bioregions. Natural capital assessments were undertaken on farm, which mapped ecosystem services such as native vegetation, wetlands and riparian corridors across each property, helping producers understand and quantify the natural capital they already hold.

In FY26, we began rolling out the Coles Dairy carbon workshops to help our direct dairy producers measure their emissions and identify ways to reduce them. Delivered with Integrity Ag, the workshops support producers to create a carbon baseline for their farms, develop farm specific emissions reduction actions and share ideas with other farmers in their region.

Over time, the workshops will help Coles gain a better understanding of our dairy farming carbon footprint and guide future initiatives through the Coles Sustainable Dairy Development Group – see page 20 for more information on this group.

Climate continued

Reducing transport emissions and improving efficiency

We are seeking to reduce transport emissions by making deliveries more efficient and using lower-emissions vehicles.

Improving freight movements

Coles continued to improve transport efficiency in FY26 by prioritising initiatives that reduce fuel use and avoid unnecessary freight movements. These actions contributed to lower emissions intensity across parts of the network.

In FY26, two electric trucks were deployed at our Kewdale Distribution Centre in WA for metro store deliveries. These trucks are in addition to the electric vehicle operating in Victoria, with further rollouts planned as carrier contracts allow.

In addition, eight vehicles and 76 trailer-mounted refrigeration units at the Kewdale site use onsite electricity instead of diesel while loading, reducing fuel use during idle periods.

Across the network, our Eastern Creek Chilled Distribution Centre in NSW and our Edinburgh Parks Distribution Centre in South Australia utilise onsite renewable energy instead of diesel to run their fleet refrigeration units during idle time.

The Coles store delivery fleet is being used more efficiently, carrying freight on return trips that would otherwise be empty. Around one in four available store delivery vehicles now return to distribution centres with supplier freight. We have also improved pallet utilisation across the distribution centre network, reducing the movement of more than 181,000 pallets in FY26.

Pictured: Toll President, Retail & Consumer, Nick Vrckovski, Toll Senior Vice President, Transport & Grocery, Michael Freestone, and Coles team member Ian with one of the electric prime movers at our Kewdale Distribution Centre in WA.

Transitioning to a lower emissions home delivery fleet

By the end of FY26, more than 200 Coles Online vans had been fitted with electric refrigeration units, reducing reliance on diesel-powered refrigeration systems. These improvements are supported by improved route optimisation, driver practices and matching vehicle size to delivery requirements.

From FY27, Coles intends to begin introducing Euro 6 emissions standard vehicles into the Online fleet. These vehicles are designed to produce lower exhaust emissions than older diesel models and will form part of our broader fleet renewal program. Over time, our intention is to expand the use of lower-emissions vehicles across our in-store and Customer Fulfilment Centre fleets as older vehicles reach the end of their operating life.

Pictured: Coles Online delivery vans fitted with electric refrigeration units at the Wetherill Park Customer Fulfilment Centre, NSW.

Supporting lower-emissions transport

In FY26, Coles installed its first fast electric vehicle charging station at the Coles Middle Camberwell supermarket, providing customers with access to four fast charging bays while they shop.

Pictured: Managing director and CEO of Evie Chris Mills with Coles team member Matt at the new charging station.

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Nature

As a food and drink retailer, our business depends on a thriving natural environment – where healthy ecosystems and biodiversity underpin the food system and resilient product supply chains.

CASE STUDY

Supporting seagrass restoration

Seagrass meadows provide habitat and food for a range of marine species, improve water quality and contribute to the ecological health of the Great Barrier Reef.

Through our partnership with the Great Barrier Reef Foundation (GBRF), Coles is helping fund seagrass restoration activities, including support for SeaGrow, the world's largest purpose-built seagrass nursery in Gladstone, Queensland.

Indigenous Land and Sea Rangers have been playing a central role to seagrass restoration activities across their Sea Country, including seed collection, field monitoring and data collection. In April 2026, GBRF hosted its third annual Traditional Owners Seagrass Forum in Gladstone, bringing together more than 200 Traditional Owners to share cultural knowledge, local insights and technical expertise.

In FY26, Coles' funding has supported the development of new technology, including robotic and drone-based seed dispersal, to help scale seagrass restoration activities and strengthen the long-term health of the Reef.

Pictured: Coles Head of Indigenous Affairs Sara Stuart with Great Barrier Reef Foundation Managing Director Anna Marsden in Queensland with a collection of sea grass.

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Nature continued

Our approach

We seek to advance nature-positive outcomes by working with Australian farmers, suppliers and industry partners to strengthen supply chain resilience, support responsible sourcing practices and safeguard animal welfare.

During the year, we continued to build on work undertaken in FY24 and FY25 to develop our Nature Roadmap and complete a high-level assessment of Coles' nature-related impacts, dependencies and potential financial risks. This work indicated that our most significant nature-related risks are concentrated in our upstream agricultural and seafood supply chains rather than in our direct operations.

Building on this assessment, and informed by several years of targeted program reviews, risk assessments and enhanced oversight of farmed salmon sourcing in Tasmania, in FY26 we completed a more detailed review of nature-related risks associated with seafood sourcing, as outlined on page 17.

Progress with respect to the nature pillar of our strategy was more limited than anticipated this year as resources were prioritised toward implementing Australia's mandatory climate-related reporting requirements.

We will continue to further develop our approach to nature in FY27 and progressively integrate material nature-related risks and opportunities into our broader sustainability and climate strategy.

Responsibly sourced products and ingredients

Responsible sourcing and product certifications

We work with our farmers, suppliers and industry partners to support responsible sourcing practices that help reduce the environmental impacts associated with Coles Own Brand products.

To support customers to make informed choices, we use independent and internationally recognised certification and verification programs across Coles Own Brand products that include higher-risk commodities.

In 2021, we established a product certification review framework to assess the strength and credibility of third-party certifications, verification programs and internal standards. This framework is supported by our Responsible Sourcing Product Certifications and Internal Standards Policy (the Policy), which requires certifications to be assessed against a range of criteria, including purpose, customer expectations, independence, robustness, transparency, and continuous improvement.

Following an internal review in FY25, we strengthened our Certification Framework Assessment process in FY26 to improve clarity, efficiency and responsiveness to emerging risks.

The revised process more clearly defines the Policy scope and objectives; clarifies internal roles and responsibilities within the assessment process; streamlines assessment and reassessment requirements to reduce duplication; and introduces clearer triggers for reassessment where significant incidents, adverse media or stakeholder concerns may affect the credibility of a certification. We also expanded the assessment criteria to consider emerging issues, including customer expectations and relevant regulatory guidance. These improvements are intended to support more consistent, risk-based decisions about the certifications recognised within our product certification framework.

Seafood

Our Responsibly Sourced Seafood Program (the Program) uses recognised certifications and assessment frameworks to assess seafood against defined environmental and management standards. These frameworks support the implementation of best practice standards for the management of surrounding ecosystems. The Program applies to fresh, thawed, frozen and canned seafood, as well as to food products where seafood is a primary ingredient.[1]

We have benchmarked our approach against comparable domestic and global companies and completed a gap analysis of our Program and Ethical Sourcing Policy against the Conservation Alliance for Seafood Solutions (CASS) Guidance for Companies. This work identified alignment across many principles and recommendations, particularly those relating to environmental responsibility, as well as opportunities to continue strengthening our seafood sourcing due diligence.

Further information on Coles' Responsible Sourcing program is available at **colesgroup.com.au/nature**.

In March 2026, Coles received its eighth Marine Stewardship Council (MSC) Best Sustainable Seafood Supermarket award, recognising our sourcing of MSC-certified wild-caught seafood, including the entire Coles Own Brand canned tuna range. The use of third-party certifications, such as the MSC, complements our broader approach to responsible seafood sourcing.

Nature-related risks in seafood sourcing

Coles recognises it depends on healthy marine and freshwater ecosystems through its seafood supply chains, and that our sourcing decisions can influence biodiversity outcomes.

Key dependencies include:

- Healthy fish stocks at sustainable levels
- Functioning marine and freshwater ecosystems
- Water quality
- Natural resources for feed production

1. Under the Program, Australian- and New Zealand-farmed bivalves are deemed responsibly sourced due to the low environmental impact of mollusc aquaculture and are not required to be certified to a third-party standard.

Nature continued

During FY26, we commissioned an independent assessment of nature-related risks across Coles Own Brand seafood supply chain. Using 2025 sourcing and sales data, the assessment considered key sourcing locations and species, the associated nature-related risks and how this is managed via Coles' current seafood sourcing policies, including certification requirements and risk-assessment processes. Requirements relating to the Taskforce on Nature-related Financial Disclosure (TNFD) framework were also considered.[1]

Coles seafood volume

~60% Farmed

~40% Wild-caught

Key farmed species and sources include Atlantic salmon, prawns, barramundi, and basa from Australia, Norway and Asia. Key wild-caught species and sources include tuna, prawns, salmon and whitefish from the Pacific, Australia, New Zealand, Alaska and South Africa.

Farmed seafood

Aquaculture supply chains create a distinct set of nature-related dependencies and impacts compared with wild-caught fisheries. Key risks include nutrient discharge, water-quality impacts, disease and mortality events, chemical and antibiotic use, escapes, feed-related impacts and potential effects on sensitive ecosystems and Endangered, Threatened and Protective (ETP) species.

Coles requires farmed seafood production to be either Aquaculture Stewardship Council (ASC)[2], Best Aquaculture Practices (BAP) or GLOBALG.A.P. These certification schemes differ in scope, governance and assurance approaches and assess many areas relating to farming standards and environmental impacts, inclusive of the risks referenced above to varying degrees. Whilst schemes such as the ASC publish audit reports publicly, Coles does not routinely have access to underlying farm-level audit data consistently across certifications.

Wild-caught seafood

Coles' wild-catch sourcing framework is mature, with the majority of wild-catch volume sourced from fisheries certified to the MSC Fisheries Standard through independent third-party assessment, and the balance assessed through the Coles Wild Seafood Assessment Framework (WSAF). The MSC Fisheries Standard assesses target stock status and management systems, bycatch and interactions with ETP species, and gear-related habitat impacts, with WSAF considering similar areas.

Some residual risks remain, however, including ETP species impacts, bycatch, and habitat disturbance in some trawl fisheries.

The MSC sets standards for sustainable fishing and seafood supply chain assurance, with fisheries and supply chain businesses independently assessed against them by third-party certification bodies, while Coles uses WSAF assessments. We recognise these approaches do not eliminate all nature-related impacts, so Coles engages with certification bodies and suppliers to drive sustainable practices.

Future considerations

As noted above, while our existing approach to wild-caught seafood is robust, we will continue to monitor evolving risks, particularly impacts on ETP species and habitats.

We have also identified several opportunities to strengthen nature-related risk management with respect to aquaculture. During FY27, we will consider options to increase transparency of audit outcomes, assess whether the three approved certifications provide sufficiently consistent environmental assurance, and begin developing a heightened due diligence approach for higher-risk species, suppliers and sourcing regions. This could include identifying environmental indicators, regulatory developments and other circumstances that would prompt additional supplier engagement, further mitigation measures or a change in sourcing strategy.

Atlantic salmon – Tasmania and Macquarie Harbour

Atlantic salmon is our highest-volume seafood species, with Tasmania supplying approximately 94% of our Atlantic salmon in FY25. Given the nature-related risks and stakeholder concerns associated with salmon farming in Tasmania, we have maintained enhanced oversight and ongoing review of our salmon sourcing arrangements, particularly in relation to Macquarie Harbour.

Since 2019, our due diligence has included engagement with a range of stakeholders, including non-government organisations, scientists and the Tasmanian Environment Protection Authority. Members of Coles' senior management and Board have also visited Tasmania to better understand the environmental risks and the actions being taken to manage them.

Certification remains an important foundation for managing nature-related risks, but does not address all location and farm specific impacts. In future sourcing decisions, Coles will seek to consider certification alongside source farm traceability, audit outcomes, local ecosystem impacts, resilience to climate and disease related risks, and stakeholder expectations. This requires direct engagement with suppliers to improve visibility of farm-level practices, understand emerging risks and support continuous improvement in environmental performance.

We continue to monitor relevant scientific research, regulatory developments and publicly available information on environmental indicators, including dissolved oxygen levels in Macquarie Harbour and the status of the Maugean skate population. We also expect the findings of the Tasmanian Government's Salmon Industry Study (commenced in February 2026) to inform our future salmon sourcing strategy.

1. Note: Coles did not undertake a full TNFD LEAP (locate, evaluate, assess and prepare) assessment as part of this review.
2. ASC is the only ISEAL Code Compliant aquaculture certification program.

Nature continued

Our actions to support no deforestation

In FY25, Coles set an SBTi-validated FLAG sector emissions reduction target, which includes a commitment to work to achieve no-deforestation outcomes.

Given the differences across various products and supply chains, there is significant complexity in understanding practices and implementing objectives in this area. For this reason, we are aiming to achieve no deforestation outcomes through a phased approach to allow Coles, and our suppliers, appropriate time to build capability to meet requirements and manage supply constraints.

In this initial phase of our no deforestation ambition, we have sought to achieve no deforestation outcomes across Coles Own Brand[1] primary deforestation-linked commodities no later than 31 December 2025 for the following products or supply chains.[2]

- **Beef: directly sourced beef used for Coles Own Brand products**
- **Cocoa: Coles Own Brand confectionery chocolate blocks**
- **Palm oil: identified high-risk and high-volume Coles Own Brand food and drink products containing palm oil**
- **Soy: soy used in feed for Coles Own Brand fresh chicken, turkey, farmed salmon and trout products**
- **Timber: Coles Own Brand timber, pulp and paper products**

1. Excludes Coles Own Brand products not sold in supermarkets, Goods not for resale (GNFR); Coles Own Brand pet food; and Exclusive Proprietary and Proprietary branded products. — 2. SBTi FLAG Guidance states the most critical deforestation-linked commodities are beef, palm oil, soy, cocoa and timber and wood fibre.

Further detail is included in our Protecting Forests Statement (PFS) available at **colesgroup.com.au/nature** on the specific products that are in scope for the initial phase of our no deforestation ambition, together with further details on how Coles is approaching the in-scope products, and our progress as at 30 April 2026.

- ✓ We have met our ambition for timber, paper and pulp, soy and palm oil.
- ✗ We have not met our ambition for beef and cocoa.

With respect to cocoa, as outlined in our PFS, Coles had intended to use the requirements of the European Union's Deforestation Regulation (EUDR) to support its approach to verifying the no-deforestation status of in-scope cocoa products. The EU's decision to delay implementation of the EUDR until 30 December 2026 means we have not yet been able to achieve this ambition. While Rainforest Alliance and Fairtrade offer certification standards that include deforestation-related requirements, it is not currently feasible to transition all of our in-scope cocoa products to segregated certified cocoa due to the limited supply and operational complexities involved. We are engaging with suppliers and exploring potential alternative pathways and next steps on this industry-wide challenge.

With respect to beef, as outlined in our PFS, we received feedback from a number of our suppliers who indicated they were unable to support our initial no deforestation ambition. Coles remains committed to a pragmatic and collaborative approach with our producers to address deforestation risk within our beef supply chain. Since early 2026, we have been further engaging with in-scope beef suppliers, via email and in person, to address their feedback and invite them to support our no deforestation ambition. To date, a small number of our suppliers have been willing to support our no deforestation ambition.

It is important to note we are engaging with a highly fragmented supplier base, largely made up of family operated farms and independent feedlots. For this reason, a partnership-based approach to support practical change is critical. We intend to continue to engage with suppliers to try to overcome current challenges and concerns.

Achieving full alignment with the Accountability Framework, including whole of life traceability, is not solely within Coles' control. It is a system-level challenge due to the multiple properties cattle may move through over their lifetime, often across different ownership structures. The development of a robust national verification and traceability system for the Australian beef supply chain will require broad ecosystem-wide collaboration.

We are committed to continuing to work collaboratively with industry, and other stakeholders, including government and NGOs, to overcome current challenges and advance towards broad industry alignment on a consistent approach to traceability and verification.

Enhancing palm oil supply chain transparency

Limited visibility beyond direct suppliers can make it difficult to identify and manage environmental and human rights risks in global palm oil supply chains. To better understand these risks, Coles partnered with the Rainforest Alliance in FY26 to map the palm oil supply chain for Coles Own Brand food and drink products and undertake a sourcing risk assessment across Indonesia and Malaysia.

The project identified environmental, social and economic risks at plantation, mill and supply chain levels, providing greater visibility of the risks in our upstream supply chain.

These insights are informing procurement decisions, including transitioning selected high-volume, higher-risk products to segregated palm oil supply chains, and supporting implementation of Coles' no deforestation ambition (as detailed in our PFS) and ongoing risk mitigation activities in Indonesia's Sintang region.

Nature continued

Animal welfare

Animal welfare practices

Coles is committed to working with suppliers who uphold animal welfare standards. We recognise our role in influencing positive animal welfare outcomes across our global supply chains for Coles Own Brand products.

For more information, see our **Animal Welfare Policy**, which sets out our expectations for the treatment of animals across our supply chains.

All Coles Own Brand products in the following categories meet higher animal welfare standards:

- **Fresh chicken** (barn-raised and free-range) – RSPCA Approved
- **Fresh turkey** (barn-raised and free-range) – RSPCA Approved
- **Fresh free-range pork** – RSPCA Approved
- **Fresh beef** – produced without added hormones
- **Shell eggs and eggs used in Own Brand products** – cage-free
- **Fresh pork, ham and bacon** – higher welfare and produced without artificial growth promotants

As at the end of FY26,

320
Coles Own Brand products with RSPCA Approved ingredients.

Completed
21
supplier site audits covering animal welfare practices across the supply chain and at slaughter.

Cage-free eggs and supply continuity

Coles Own Brand shell eggs continue to be 100% cage-free and during FY26 we achieved our target of 100% cage-free egg ingredients in Coles Own Brand products.[1]

Ongoing impacts from avian influenza have affected egg supply across Australia. To help maintain product availability, Coles has paused the transition of branded (proprietary) shell eggs to cage-free and revised the target date for exiting caged egg sourcing to 2030, which remains ahead of the industry's 2036 timeframe for conventional battery cages.

Coles remains committed to maintaining greater than 85% of cage-free shell egg supply, with FY26 levels at 97%.

This approach seeks to balance supply continuity and biosecurity considerations with our animal welfare standards, including supporting housing systems that enable hens to express natural behaviours such as movement, perching and dust bathing.

1. Includes Coles Own Brand products containing egg ingredients. Excludes pet food products and products where egg ingredients comprise less than 1% of the recipe.

Pictured: A supplier checking in using ExoFlare's digital biosecurity platform.

Strengthening biosecurity in the egg supply chain

Disease outbreaks, including avian influenza, continue to pose risks to animal health and welfare and egg supply.

In FY26, Coles partnered with Australian agri-tech provider ExoFlare to strengthen on-farm biosecurity across our shell egg supply chain.

As part of this partnership, Coles subsidised egg suppliers to adopt ExoFlare's digital biosecurity platform, which delivers real-time risk assessments, enhanced traceability and consistent compliance with industry biosecurity standards.

During the year, all Coles Own Brand shell egg suppliers not previously using ExoFlare (or a similar tool) adopted the system, replacing manual processes with a more proactive, data-driven biosecurity approach and supporting supply continuity.

Nature continued

Coles Farm Program

Established in 2014, the Coles Farm Program provides a structured framework for animal welfare and husbandry standards across key Coles Own Brand supply chains, including cage-free shell eggs, GRAZE®[1] Grass Fed beef and lamb, and dairy suppliers under our direct sourcing model.

In FY26, the program covered 465 suppliers.

Coles GRAZE® producers self-reported the following on-farm environmental improvements in FY26:

232 farms have conservation plans

186 farms are planting trees with more than 127, 000 trees planted in 12 months

168 producers have a renewable energy system

170 producers are monitoring and/or managing on-farm biodiversity

1. GRAZE® Grass Fed beef and lamb are sourced from pasture-raised livestock that meet Coles' standards for animal welfare, traceability, feed, and water, with beef raised without added hormones and lamb raised without antibiotics.

Supporting Australian producers

Coles is committed to strong, long-term partnerships with Australian farmers and producers, helping to support domestic supply chains and access to locally grown food. Our Australian-first sourcing policy prioritises locally grown fresh produce whenever possible. Where domestic supply is constrained, we work closely with growers and suppliers to help address supply challenges.

In FY26, more than 97.5% of our fresh produce[2], by volume, was sourced from Australian suppliers. All of Coles Own Brand fresh meat, milk and eggs are Australian grown.

Support for dairy farmers

The Coles Sustainable Dairy Development Group, which supports our direct-supply dairy farmers to adopt more sustainable practices, has invested more than $3.78 million in on-farm initiatives, including education, training, herd health, and milk quality improvements.

2. Excluding floral, nuts, dried fruit, sauces, dressings and packaged salads. Coles may import fresh produce when produce is not available in Australia or supply is limited during parts of the year.

Support for producers through the Coles Nurture Fund

Since 2015, the Coles Nurture Fund has awarded over $43 million to 127 small and medium sized Australian businesses to support innovation and sustainable practices. In FY26, Coles awarded more than $3.5 million to support eight new projects, including technologies to improve on-farm productivity and create value from surplus produce.

More information on the Coles Nurture Fund and recipients is available at **coles.com.au/nurturefund**.

Supporting innovation in Australian agriculture

The Coles Nurture Fund, awarded a $500,000 grant to long-term supplier Cummaudo Farms to trial autonomous tractor technology on its Victorian vegetable farm. The project will assess how the technology performs under Australian farming conditions, generating insights that may inform future adoption across the sector.

By supporting producers to test new approaches, the Coles Nurture Fund contributes to building more resilient agricultural supply chains and supports innovation that may help strengthen productivity, resource management and the long-term sustainability of Australian farming.

Pictured: The Cummaudo family from Cummaudo Farms, recipients of a Coles Nurture Fund grant.

Circularity

At Coles, we think about circularity as minimising waste and making the most of resources by keeping materials in use for longer. We seek to do this through innovative packaging, smarter product design, recycling and finding new ways to re-use materials.

CASE STUDY

Reducing food waste on farm

Turning surplus produce into Australian-made ingredients

Not all produce grown on farms meets market specifications, leaving some crops unable to be sold in stores, but suitable for food production.

This year, Queensland family farm Mount Sylvia Fresh was awarded a $500,000 Coles Nurture Fund grant to establish Australia's first on-farm ginger paste and turmeric powder processing facility. The facility is designed to convert surplus and second-grade ginger and turmeric into shelf-stable, Australian-grown cooking ingredients, increasing the proportion of each crop that can be used. Currently, up to 25% of the farm's ginger crop and 50% of its turmeric crop cannot be sold as fresh produce.

Once fully operational, the facility is expected to improve crop utilisation, create Australian-made products, support local employment, and reduce reliance on imported ingredients.

Pictured: The Crust family from Mount Sylvia Fresh, recipients of a Coles Nurture Fund grant supporting on-farm processing innovation.

Circularity continued

Our approach

We seek to apply the Australian Circular Economy Framework's principles where possible across product design, operations and partnerships, moving beyond traditional waste management.

For packaging, our priority is to avoid and reduce unnecessary packaging, while improving reuse, recyclability and recycled content, reducing the amount of virgin material used. We recognise that recycling alone will not deliver a circular economy, and that strong end markets are needed to support the recovery and reprocessing of packaging into new materials and products.

Our progress depends on effective waste management across our operations (especially our stores and distribution centres), positive collaboration with our suppliers and well-managed industry stewardship programs. Our progress also relies on the availability of industry recycling infrastructure, processing capacity and customer participation.

Keeping materials in use

Waste and landfill diversion

Coles prioritises waste recovery pathways that seek to retain the value of materials and keep materials in circulation. Diversion rates vary by location due to differences in regional infrastructure and service availability. We assess recovery opportunities with a view to operational and commercial viability, and whether they will support circularity and emissions reduction.

In FY26, Coles diverted 88.2% of total solid waste[1] from landfill, supported by recycling, organics processing and waste recovery programs.

Trialling bin cameras to improve waste management

To improve our waste diversion performance, we need to better understand why recyclable and organic materials end up in general waste.

In FY26, Coles partnered with Cleanaway and SmartEnds Australia to trial bin camera technology at two Coles stores in northern NSW – the first trial of its kind in Australia.

Cameras installed in general waste and organics back-of-store bins capture images of discarded materials, providing insights into waste disposal behaviours. The trial is helping identify opportunities to improve waste sorting, reduce contamination and divert more material from landfill.

Back-of-store container recovery

Beverage containers used by team members in store and distribution centres (DCs) can be difficult to recover consistently for recycling in established waste streams. Coles' Back of House container recovery program integrates container collection into everyday store operations, helping divert eligible containers from landfill.

In FY26, the program expanded to 315 stores and two DCs nationally, recovering more than 780,000 eligible containers for recycling. Coles will continue working with industry partners to expand the program and increase recycling.

Product stewardship and recycling

Product stewardship helps ensure materials are recycled even when they fall outside Coles' direct operations.

Coles supports industry-led programs by providing collection points at many of its supermarkets and liquor stores through partnerships with scheme operators, and by promoting customer participation through education and awareness initiatives. These programs provide customers with practical options to recycle products after use.

Battery recycling, soft plastics and container deposit schemes are key areas of focus, and we continue to work with partners to improve the availability and convenience of these programs.

As at the end of FY26,

>370
tonnes of batteries collected across Coles supermarkets.

>751m
containers returned across more than 290 Coles-linked reverse vending machine sites.

Soft plastics

Soft plastics are used in packaging for groceries, personal care products, and household goods.

In FY25, Coles joined other leading retailers and brand owners to establish Soft Plastics Stewardship Australia (SPSA). SPSA was established to design and operate a national, industry-led product stewardship scheme to increase the collection and recycling of used soft plastic packaging from consumers and support Australia's transition to a circular economy.

In November 2025, SPSA received ACCC authorisation to operate the scheme for eight years, with plans to progressively expand collection and processing of material through kerbside and additional drop-off options over time.

Coles collaborates with SPSA and other industry partners to support a national approach to recycling soft plastics, noting there are several challenges at present, including the inherently low value and high cost to reprocess soft plastic material, as well as limited processing capacity in the domestic market. These challenges underscore the need for investment in large-scale, national collection and recycling solutions, and Coles will continue to look at opportunities to reduce unnecessary soft plastics where practicable and improve packaging design.

Legacy stockpiles

Throughout FY26, the Soft Plastics Taskforce continued to process materials remaining after the soft plastics recycling scheme run by REDcycle ceased in 2024. All remaining material has been allocated for processing, completing the remediation effort.

1. Excludes liquid waste except high-strength sludges (which contain a high proportion of solids) and liquids diverted for use as food (such as donations to SecondBite and farmers).

Circularity continued

Reducing food waste

Reducing food waste is a priority due to its financial, environmental, and social impacts. We apply a circular approach by retaining edible food in the human food system for as long as possible, recovering value from inedible materials and avoiding landfill. This approach is guided by our food waste hierarchy, prioritising the donation of surplus edible food, diversion to animal feed, organics recycling, and other recovery pathways.

Working together to reduce food waste

As a signatory to the Australian Food Pact, Coles supports Australia's National Food Waste Strategy to halve food loss and waste by 2030.

We work with End Food Waste Australia to improve data quality and identify opportunities to better understand where food waste occurs across our operations. These insights help inform initiatives to prevent food waste, increase diversion and improve resource recovery.

Since 2019, every Coles supermarket and distribution centre has had at least one food waste diversion option.

Keeping food in productive use

Coles' food waste hierarchy sets out our approach to managing surplus food and food waste.

Highest

Priority

Food relief

We prioritise redirecting unsold edible surplus food by donating it to our long-term food rescue partners, SecondBite and Foodbank, supporting communities experiencing food insecurity.

SecondBite

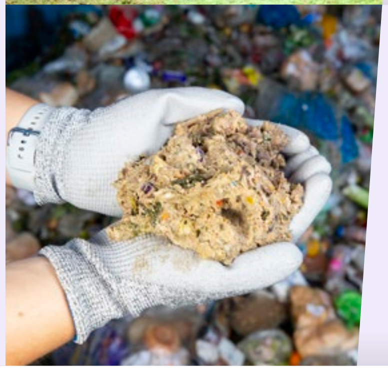
FOOD BANK

In FY26,
20,479 tonnes
donated

Farmer program

Where food is no longer suitable for human consumption, it is donated to local farmers, animal sanctuaries and zoos to support them with feed stock for their animals.

In FY26,
48,443 tonnes
of food diverted for animal feed.



Organic waste program

Remaining inedible food is processed into nutrient-rich compost.

In FY26,
30,300 tonnes
of inedible food diverted to organics recycling.

CASE STUDY: Progressing circularity through regional composting

Pictured: Dan and Lana Nicholson from Topsoil farms.

The introduction of mandatory food organics and garden organics (FOGO) collections in NSW from July 2026 has increased capacity in regional organics processing infrastructure. In preparation, Coles worked with service providers and industry partners in regional areas, to expand their servicing network to accommodate a weekly food organics collection service to every Coles store in NSW.

Through a Coles Nurture Fund grant awarded in 2025, Topsoil Organics established a compost bagging facility in regional NSW, strengthening regional organics processing capability, ahead of the regulatory reforms.

In FY26, the facility processed more than 500 tonnes of food waste collected from 79 Coles supermarkets, into nutrient-rich compost for agricultural use. This program is helping divert food waste from landfill while building regional capability to support NSW's FOGO reforms and a more circular food system.

Circularity continued

Packaging

Packaging plays an important role in maintaining food quality and safety for our customers, while also helping to reduce food waste by keeping food fresher for longer.

Our approach

We are committed to reducing unnecessary packaging, improving recyclability and increasing recycled content across all our Own Brand packaging. Our approach is informed by our R**3** Packaging Framework, which is centered on redesigning our Own Brand packaging to support a circular economy.

As a member of the Australian Packaging Covenant Organisation (APCO), Coles remains committed to supporting industry progress towards the National Packaging Targets.

Our progress

Progress against our FY26–FY30 sustainable packaging targets continued during the year across Coles Own Brand packaging.

In FY26,

- 87.2% of eligible packaging[1] was assessed as recyclable (87.6% in FY25).
- with an average of 28.1% recycled content across eligible packaging.

1. Eligible packaging is defined as all of Coles Own Brand product packaging and Coles Liquor Own Brand packaging. Based on packaging data overlaid with unit sales over a 52-week period until June 2026.

We also continued to address unnecessary plastics, phasing out problematic and unnecessary eligible single-use plastic packaging items, including 8.7 tonnes of carbon black fruit platter bases in the deli by transitioning to clear PET bases.

Challenges remain for some packaging formats, including PVC blister packs, polystyrene probiotic bottles and certain dairy tubs. We will continue working with suppliers and APCO to identify and support solutions.

Coles supports a nationally consistent regulatory framework that helps reduce packaging waste, improves packaging design and recyclability, increases the use of recycled content and supports effective product stewardship models.

In FY26, we continued to work with government, industry, and APCO (which leads industry feedback to the Commonwealth Department of Climate Change, Energy, the Environment and Water) on potential stronger national regulation such as mandatory recyclability standards and producer responsibility arrangements. We recognise that coordinated national regulation, industry action and investment in recycling infrastructure will be necessary to achieve meaningful reductions in plastic waste at scale.

Our R**3** Packaging Framework guides packaging decisions across Coles Own Brand and Coles Liquor Own Brand through three pillars: Reduce, Recycle and Reimagine. In FY26, we refreshed the framework to align with our FY26–FY30 Sustainability Strategy and the evolving regulatory landscape. The framework prioritises avoiding and reducing unnecessary packaging, while also considering opportunities to improve reuse, recyclability and recycled content.

CASE STUDY

The R3 Packaging Framework in action

1 Reduce

Reduce unnecessary packaging where possible, while maintaining product safety, quality and preventing product waste.

2 Recycle

Improve recyclability and increase recycled content where possible, reducing the amount of virgin materials.

3 Reimagine

Enhance our customers' experience.

Improving packaging requires balancing material reduction, recyclability, product protection and customer usability.

The redesign of the Coles Antibacterial Hand Wash bottle demonstrates how our R**3** Packaging Framework is applied to achieve these outcomes.

The redesign reduced virgin plastic by 10% avoiding approximately 1.1 tonnes of material annually, while increasing pallet utilisation by 25% to improve transport efficiency.

The bottle incorporates 50% post-consumer recycled plastic, the label contains 30% recycled content, and the secondary packaging uses 100% recycled fibre. The refill-friendly design supports reuse, while improved grip makes the product easier to use and the Australasian Recycling Label (ARL) helps customers dispose of the packaging correctly.

Circularity continued

Supporting circularity through partnership

Transitioning to a more circular economy relies on collaboration across the value chain and requires informed customer participation and community action.

Through our partnership with Planet Ark, Coles supports practical recycling and waste reduction initiatives in schools and local communities. Since 2024, the Coles and Planet Ark Sustainable Schools Competition has awarded $200,000 to 40 schools to deliver projects focused on recycling, circular systems and biodiversity. In FY26, Coles was the major sponsor of Planet Ark's National Recycling Week, which aims to educate the community about behavioural changes they can make to support recycling and circularity.

Pictured: Waverley Primary School in Tasmania - one of the 2025 Coles and Planet Ark Sustainable Schools Competition winners.

Australasian Recycling Label

Coles has applied the ARL to the packaging artwork across all Coles Own Brand products sold in Coles supermarkets and online. The ARL provides clear disposal instructions to help customers recycle packaging correctly.

Reducing packaging

Small design changes can reduce packaging while maintaining product functionality.

Consolidating product information onto a single label has removed more than 57 tonnes of plastic annually[1] across the Coles Own Brand 2 and 3 litre fresh milk range.

1. Based on sales over a 52-week period until March 2026.

Reusable crates

Reducing single-use transport packaging is one way Coles is supporting a more circular supply chain.

Reusable crates are used across parts of our fresh produce and meat supply chains, replacing one-way transport packaging. Through our partnership with CHEP Australia, crates are collected, maintained and redistributed for reuse, reducing reliance on single-use transport packaging.

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Foundational pillars

Our FY26–FY30 Sustainability Strategy is supported by foundational pillars that guide how we operate and reflect our purpose and values.

Our foundational pillars, set out below, are part of our everyday business activities and are managed through clear policies, controls and performance tracking.

Pictured: Coles team member Angela and her nephew Caiden during Coles Quiet Hour at Coles The Glen, in Victoria. Quiet Hour provides a low-sensory shopping experience for customers by implementing small changes in store for 60 minutes every weekday, to improve accessibility for customers.

Human rights

Respecting human rights is central to how we do business, from supporting our team members and customers, to working with suppliers and protecting the rights of workers across our extended supply chain.

Our approach

Our actions are guided by our values and our commitment to international standards, including the United Nations Guiding Principles on Business and Human Rights.

Our group-wide Human Rights Strategy guides how we identify and address human rights risks and impacts across our value chain. It is centred around our salient issues, and the areas of our operations and value chain that could involve the most severe impacts to people.

More information on our Human Rights Strategy and salient issues can be found at **colesgroup.com.au/humanrights**.

Our progress

In FY26, we continued to build internal awareness on human rights, with the progressive roll-out of our human rights e-learning module across the business (see target on page 28). We also sought to better understand how our salient human rights issues present across our business and value chain through cross-functional engagement led by our Human Rights Steering Committee. Key areas explored include:

- **Procuring from Indigenous businesses** – we recognise standard supplier onboarding processes may result in unintended barriers for smaller and First Nations suppliers. We are exploring how we can create a more tailored and accessible procurement approach for these suppliers.
- **Climate-related social impact** – we engaged different business functions on how a Just Transition[1] approach may apply in food retail, including considering trends shaping Australia's transition to a lower-carbon economy, and potential implications for communities and farmers. Our initial approach to Just Transition is included in our Climate Transition Plan, also released this year.
- **Equity and inclusion** – In addition to our internal diversity and inclusion focus, which includes gender equity, we conducted an initial analysis of supplier demographic and audit data to explore opportunities to incorporate a gender lens across key ethical sourcing initiatives in our extended supply chain.

CASE STUDY:

Progress update on our salient issue – living wage[2]

We have a target to develop a living wage framework by the end of FY27 for high-risk sourcing countries in our international supply chain. In FY26, we progressed phase two, which included a living wage gap analysis using the Anker methodology at two seafood supplier sites in Vietnam, and an assessment of responsible purchasing practices with our Seafood commercial team. Our Ethical Sourcing team also visited suppliers in both Thailand[3] and Vietnam, gaining direct insight into worker experiences, supplier capability, and the commercial and operational factors that influence wages.

In Vietnam, our supplier engagements indicated that progress toward a living wage is influenced by commercial pressures and the need for more consistent buyer support. The living wage gap analysis, based on verified data from a 10% sample of site workers, found both supplier sites paid workers above the legal minimum wage. One site appears to have exceeded the living wage benchmark[4], whereas the other appeared below it, with the difference driven primarily by variations in additional earnings, rather than differences in base pay.

We also observed that prawn processing roles are mostly performed by women, highlighting the importance of considering how wages, benefits and working conditions support full participation in the workforce. Workers at the Vietnam sites receive benefits such as subsidised meals, transport support and a childcare allowance. Understanding how workers rely on these benefits helps us assess whether their overall income meets basic needs.

These insights are informing the development of our living wage framework, including how we embed human rights into purchasing practices and support collective industry initiatives to strengthen wage setting systems in high-risk sourcing countries in our international supply chain.

1. The United Nations (UN) Global Compact states that a Just Transition ensures that environmentally sustainable economies are promoted in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. For further information, see: https://unglobalcompact.org/take-action/think-labs/just-transition.

2. According to the International Labour Organisation (ILO), a living wage is the minimum income required for a worker to afford a decent standard of living for themselves and their families. See www.ilo.org/what-living-wage for more information. — 3. In FY25, we undertook phase one of the development of our living wage framework, including a living wage gap analysis of two supplier sites in Thailand. Refer to our 2025 Sustainability Report and Modern Slavery Statement for more information. — 4. The living wage benchmark was based on the Anker Living Wage Methodology using the published Living Wage Reference Value for Vietnam (Minimum Wage Region 3).

Human rights continued

Alongside our Human Rights Strategy, our Ethical Sourcing Program is central to managing human rights risks in our supply chain. In FY26, our focus was on maturing key areas of the program and adopting a more targeted approach to due diligence.

Deep dive into our salient issue – severe exploitation[1]

In FY26, we reviewed specific sectors with heightened worker vulnerability, including seafood, Australian horticulture and selected goods not for resale (GNFR) services. These reviews strengthened our understanding of severe exploitation and how it may arise across different supply chain contexts. We assessed labour rights risks within the Australian horticulture industry and engaged with seafood suppliers to understand conditions on domestic fishing vessels.

Insights gained around labour arrangements, recruitment practices and working conditions across these sectors will help inform our due diligence approach, including targeted monitoring and supplier engagement. Further information on what we identified, actions undertaken and what we learned is provided in our Modern Slavery Statement – to be released in September 2026.

Refining our due diligence approach

We progressed a strategic review of our Ethical Sourcing Program, refining our approach to supplier oversight based on sector, audit performance and stakeholder insights. We continued our unannounced audit program. While no business critical non-conformances requiring immediate attention were identified, the unannounced audits highlighted varying audit maturity, with limited variance at more experienced sites. These insights reaffirm their value as a component of our broader due diligence approach, as part of a maturing program (refer to our 2026 Modern Slavery Statement for more information).

Grievance and remediation

During the year, we investigated 18 human-rights-related grievances raised through our grievance mechanisms. We also refined our grievance and remediation approach, applying a greater focus on identifying and addressing issues earlier. This included delivering 'Spotting the Signs' training to team members who engage directly with suppliers, helping them recognise and escalate potential modern slavery and ethical sourcing risks and supporting ongoing improvement of the program.

Our human rights targets, due by the end of FY27	FY26 progress
Develop a living wage framework including an income adequacy assessment for high-risk countries.	Continued the development of our multi-year living wage framework – refer to case study on page 27.
Validate (ethical sourcing) program effectiveness by achieving 10% of audits in high-risk countries scheduled on an unannounced basis.	28 unannounced audits[2] were conducted in three high-risk sourcing countries (China, Vietnam and Indonesia) covering strategic Coles Own Brand products. These sites represent at least 10% of in-scope suppliers that are providing goods to us from these countries.[3] We will continue the unannounced audits in FY27.
Have 95% of role relevant team members and leadership complete privacy awareness training.	99% of role relevant team members and leadership completed the training.
Have 95% of role relevant team members and leadership (including Coles Board) complete human rights training.	Incorporated our human rights e-learning module into mandatory learning requirements for progressive roll-out to store support centre team members. This year, 93.6% of role relevant team members completed the training.[4]

Progress on the remaining targets (outlined below) of our Human Rights Strategy are detailed in the *Diversity and Inclusion* section on pages 32 to 34 and the *Climate* section on page 10.

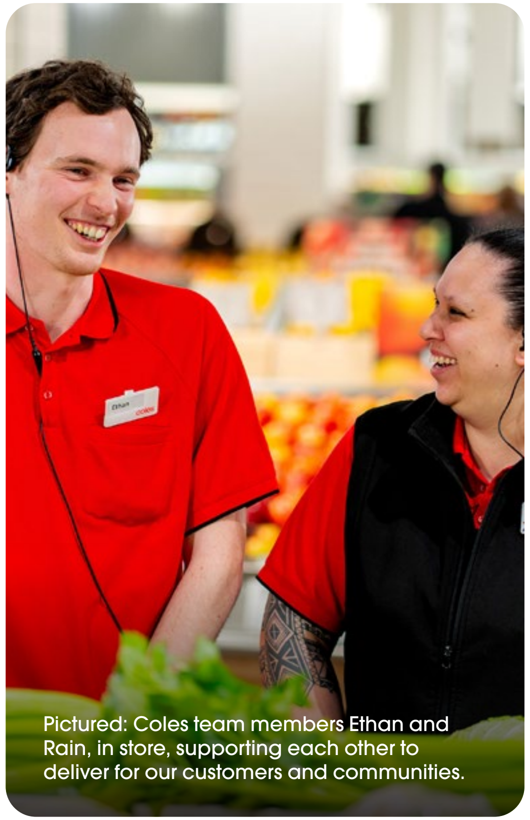
- Maintain pay parity and reduce the gender pay gap.
- Achieve Platinum Status in the Australian Workplace Equality Index.
- Increase the number of First Nations team members in management and leadership roles to 3%.[5]
- Reduce combined Scope 1 and 2 greenhouse gas emissions by more than 75% by the end of FY30 (from a FY20 baseline).

More information on the above highlights and our Ethical Sourcing Program is available at **colesgroup.com.au/humanrights** and in our 2026 Modern Slavery Statement – to be released in September 2026.

1. The *Modern Slavery Act 2018 (Cth)* defines eight types of severe exploitation including (but not limited to) trafficking in persons, slavery, forced labour, debt bondage and the worst forms of child labour. — 2. These consist of unannounced audits that we have commissioned as well as those occurring in our supply chain through other businesses who share our suppliers. — 3. This figure is at the time of writing. Country risk ratings are obtained from Sedex which compiles data on country risk indicators from publicly available sources and regularly updates country risk ratings. The number of suppliers in scope of our Ethical Sourcing Program can also vary year on year depending on sourcing. — 4. This forms part of the progressive roll out of the module, supporting our target of 95% completion by end FY27. We plan to continue rolling out the training to role relevant team members. The data excludes all workers on long-term leave as at the end of FY26. — 5. Indigenous management and leadership target revised in FY25 to better reflect the leadership aspirations of our Indigenous team members. Refer to the *Diversity and Inclusion* section.

Enable and develop teams

Our team members are at the heart of how we deliver for customers, communities and each other. We are committed to creating a workplace where people feel supported, included and empowered to grow their career at Coles.



Pictured: Coles team members Ethan and Rain, in store, supporting each other to deliver for our customers and communities.

Our approach

Our 4C values of Care, Courage, Customers and Create guide how we work together and how we serve our customers and communities.

By investing in leadership, capability development, wellbeing, recognition, inclusion, and career pathways, we equip our teams with the skills, confidence and opportunities to succeed.

This focus not only helps our people thrive and build meaningful careers, but also strengthens our culture, reinforces our values in action and underpins the long-term success of our business.

Our values

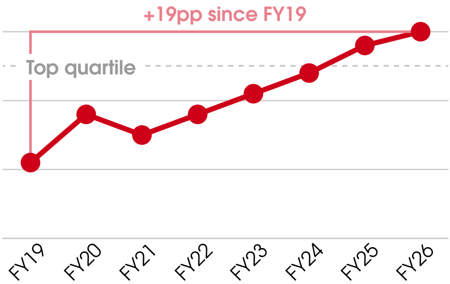
Engagement

Our *mysay* survey helps us understand team member experience and engagement.

With 67% participation, our FY26 *mysay* survey score increased by 2 percentage points (pp) from FY25 and 19 pp since FY19, keeping Coles in the top quartile relative to the Australian benchmark.[1]

This reflects our inclusive and high-performing culture, supported by continued investment in leadership, career development, recognition, and team member enablement.

Coles Group *mysay* engagement score vs benchmark



1. Benchmarked by Culture Amp against Australian organisations with more than 5,000 employees. The top quartile benchmarks cover the period January to December 2025.

Benefits and recognition

We continue to invest in benefits and recognition to enhance team member experience and create an environment where our team members feel valued, supported and recognised for their work.

Double discounts days

We expanded our team member Coles shopping discount, to include scheduled monthly periods where the everyday 5% discount is doubled to 10%.

Values-led recognition

The *mythanks* digital platform provides peer-to-peer recognition linked to our 4C values.

mythanks

In FY26:

94%
team members' profiles activated on the *mythanks* platform

1.18m recognitions
received through *mythanks*

Pictured: Coles team members connecting and recognising one another through everyday moments of appreciation.

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Enable and develop teams continued

Leadership development

Developing the capability of our store leaders to drive consistent performance and improve team and customer experiences remains a key focus. Programs delivered through a structured, multi-year Leadership Capability Delivery Roadmap equip leaders with the skills, mindsets and behaviours to inspire, coach and develop their teams. These programs include assessments that help us track how leadership skills are improving over time.

Since launch, 584 Store Managers have completed the Leading Teams program, including 117 in FY26, while 2,379 Department Managers have completed the Leading Work program, including 1,297 in FY26. These programs support stronger leadership capability and team performance across our stores.

Pictured: Former Coles Graduate Program participants who are now building careers in roles across Coles.

Talent and careers

Developing emerging talent at the early stages of their careers helps strengthen our talent pipelines and progression into leadership roles.

In FY26:

- 20 participants successfully completed the Retail Accelerator and Mentorship Program, which aims to accelerate internal team members from Supermarkets and Liquor into Store Support Manager, Store Manager and Area Manager roles
- 69 graduates were onboarded into the Coles Group Graduate Program within the Store Support Centre, in VIC.

Capability investment

We continue to develop core capabilities that are critical in supporting the evolving needs of our business and workforce.

Critical capabilities:

Master Merchant Experience

Our flagship Master Merchant Experience program builds category management capability aligned with global best practice. In FY26, 201 of the targeted population completed year one of the three-year program. Year one focused on lifting capability across the priority competencies, including category strategy, customer insights, pricing strategy and value, financial management, and supplier partnership management.

Artificial intelligence (AI) capability

In FY26, ChatGPT and Copilot were introduced across our Store Support Centres. Team members completed Responsible Use of AI training to support the safe and responsible use of these tools. In addition, through our partnerships with OpenAI and Pathfindr, self-directed learning pathways and training sessions were delivered to build skills for their effective use in day-to-day work.

Core capabilities:

Our end-to-end development pathways support team members from onboarding through to leadership, building the knowledge and skills required for their roles and future career progression.

In FY26:

- 19,003 Supermarket team members and 1,836 Liquor team members completed Foundation Skills training as part of their onboarding.
- We launched Specialist Skills training for Supermarket team members, with 6,756 completions across role-specific capabilities.

Further information on our team members is available at **colesgroup.com.au/sustainability** and at **colescareers.com.au**.

Diversity and inclusion

Coles aims to build a workforce that reflects the diversity of the communities we serve and seeks to provide an inclusive environment where all team members feel respected, supported and able to progress.

Our approach

Following a review of our FY24–FY27 Diversity and Inclusion Strategy (D&I Strategy), we strengthened our focus on inclusion and continued to build a culture where team members feel respected, valued and a strong sense of belonging.

Our D&I Strategy continues to focus on cultural diversity, accessibility, pride, gender equity, and Indigenous engagement. This is supported by 10 commitments which aim to increase diversity across our workforce and leadership and create more inclusive workplaces and stores.

Inclusion

At Coles, we believe that no matter who you are, how you identify, or where you come from, Everyone is Welcome at our Table. This is supported through the everyday actions of our team members that build connection and belonging, for example through team activities, practical tools for inclusive conversations, team member network activations, and showcasing team member stories.

Our commitment	FY26 progress
Team members genuinely show support for equality and inclusion of others	**90%** of team members[1] responded favourably (new *mysay* question in FY26).

1. Based on results of our May 2026 *mysay* team member engagement survey (67% participation).

"There's undeniably something special about taking the time to sit around a table sharing good food and drinks with people who are important to us. It brings people together. That is the spirit behind Everyone is Welcome at our Table."

Leah Weckert, CEO

Cultural Diversity

Coles is committed to reflecting Australia's diverse multicultural community in our team (including in our leadership cohort) and customer offerings.

Around a third of our team members identify as culturally diverse. Engagement and inclusion scores of this self-identified culturally diverse cohort track higher than the overall Group number.

Our commitment	FY26 progress
Increase the participation of under-represented culturally diverse team members in leadership roles	**24.6%** of our leaders[2,3] identify as being culturally diverse (+3.9pp from FY25).

In FY26, we:

- recognised and celebrated culturally significant days through food-led events and team member storytelling
- established a Cultural Diversity Working Group with Executive sponsorship and diverse representation to shape our focus
- conducted team member listening sessions, shaping our cultural learning strategy.

2. Based on results of our May 2026 *mysay* team member engagement survey (67% participation). — 3. Leadership positions comprises the Executive Leadership Team, general managers, team members pay grade eight and above and supermarket store managers. Pay grade eight and above includes middle managers and specialist roles.

Diversity and inclusion continued

Accessibility

Supporting people with a disability helps create an inclusive workplace and improve customer experience.

Our commitment	FY26 progress
Increase the engagement and workforce participation of team members with a disability	**7%** of team members[1] identify as having a disability (-0.7pp from FY25) and over 12% of our workforce[1] identify as neurodiverse (new *mysay* question in FY26). **2pp** increase from FY25 in the engagement score for team members[1] identifying as having a disability.
Provide an improved accessible customer experience across online and in-store	Enhanced our long-standing Quiet Hour program with automated scheduling to provide a more consistent sensory-friendly shopping experience.

In FY26, we:

- ranked equal second overall in the Australian Disability Network's Access and Inclusion Index 2025, which we use to measure customer experience. In addition, we achieved top ranking in Retail and Candidate Experience, and second place for Digital Accessibility
- continued to improve digital accessibility through the Coles app, which was awarded Corporate app of the Year at the 2025 Access Awards

Pride

Coles supports LGBTQI+ inclusion through visible leadership, community engagement, and initiatives that create a safe and inclusive environment.

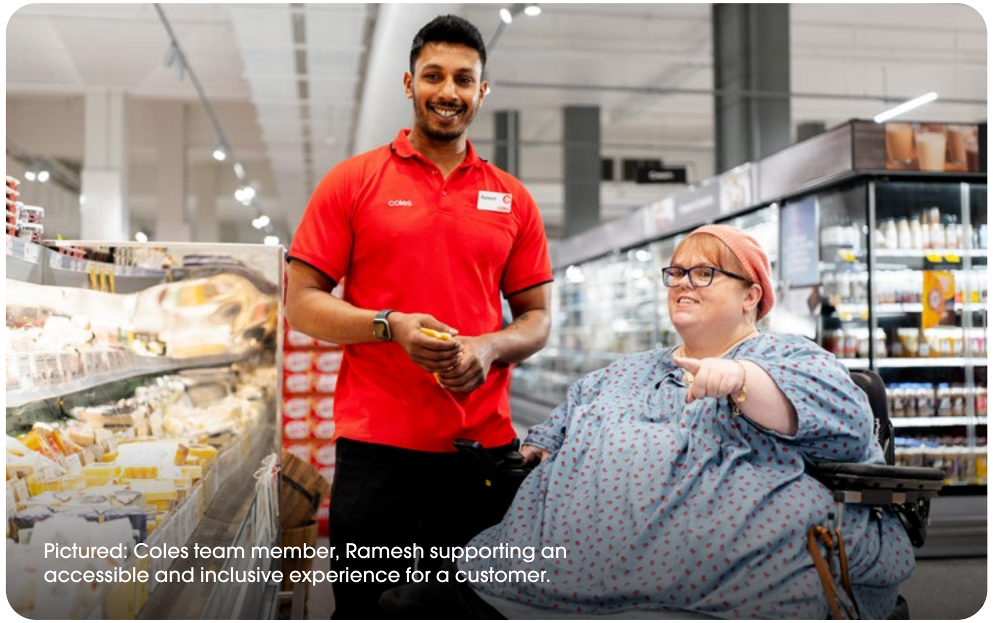
8.4%[1] of our team members identify as being part of the LGBTQI+ community and are supported by our Pride Network.

Our commitment	FY26 progress
Achieve Platinum in the Australian Workplace Equality Index (AWEI)	Maintained Platinum status. AUSTRALIAN LGBTQ+ INCLUSION AWARDS 2026 AWEI PLATINUM EMPLOYER

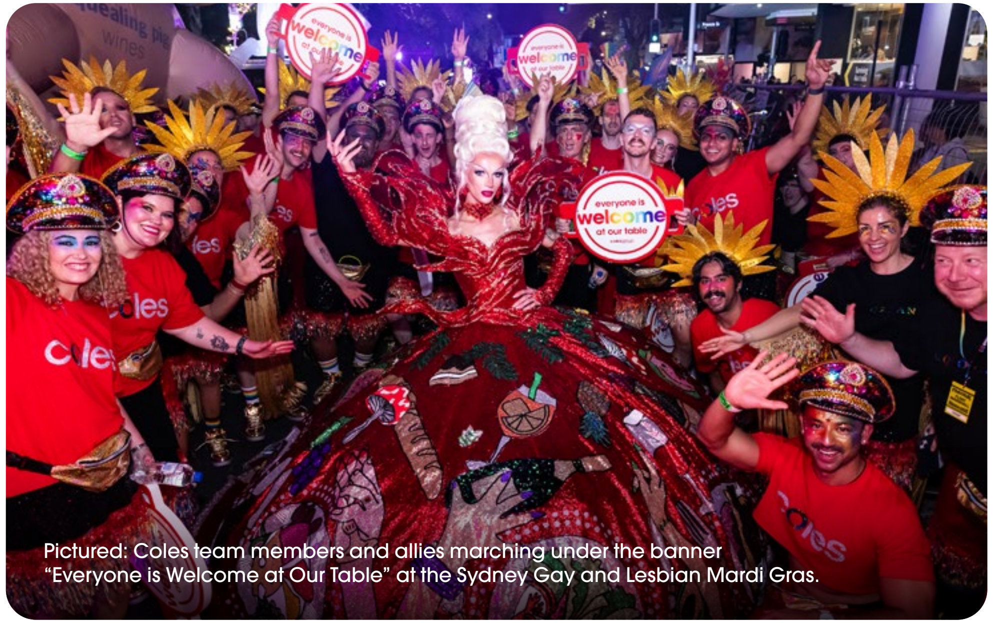
In FY26, we:

- achieved a 2pp increase in the engagement score and maintained inclusion scores for LGBTQI+ team members[1]
- launched the Proud Futures program, our AWEI Platinum project, supporting leadership pathways through mentoring by senior leaders
- celebrated our fourth year as Presenting Partner of the Sydney Gay and Lesbian Mardi Gras, alongside regional Pride events and community partnerships.

1. Based on results of our May 2026 *mysay* team member engagement survey (67% participation).



Pictured: Coles team member, Ramesh supporting an accessible and inclusive experience for a customer.



Pictured: Coles team members and allies marching under the banner "Everyone is Welcome at Our Table" at the Sydney Gay and Lesbian Mardi Gras.

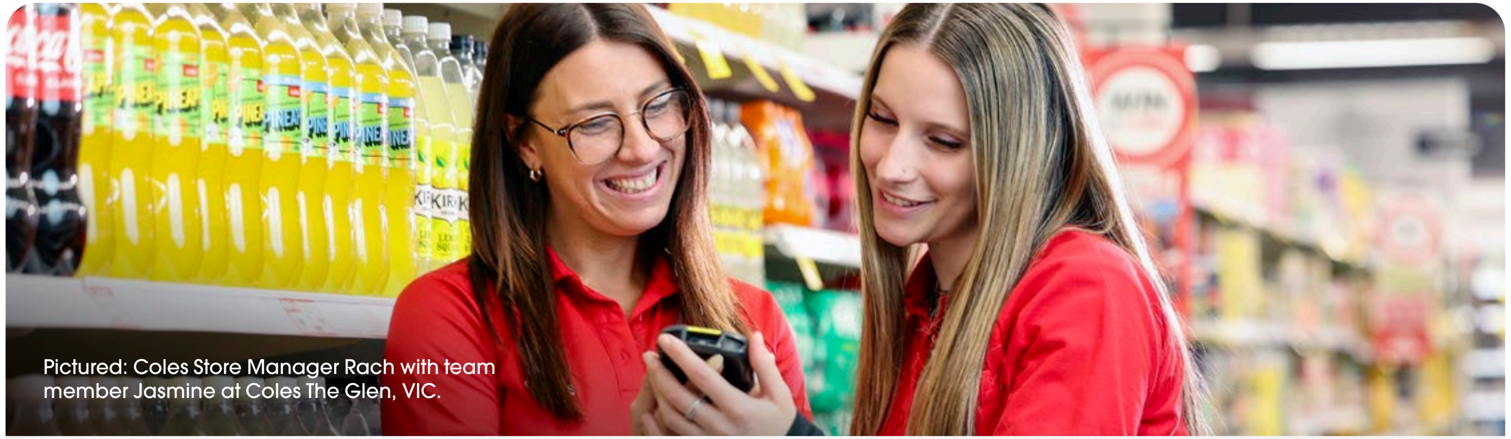
Diversity and inclusion continued

Gender Equity

We are building a diverse and inclusive workplace and advancing gender equity through fair representation, equitable pay outcomes and equal access to leadership opportunities.

Our commitment	FY26 progress
Sustain 40/40/20[1] in our leadership population	**42.4%** of leadership roles[2] were held by women, maintaining our 40/40/20 gender representation target (-0.3pp from FY25).
Sustain 40/40/20 on the Board	**50%** of Board positions were held by women, maintaining gender balance at Board level.
Maintain pay parity and reduce the gender pay gap	**<1%** pay parity gap was maintained, indicating equitable pay outcomes for team members in similar roles. Gender pay gap was 5.7% (mean) and 4.3% (median), reflecting continued progress (0.2pp improvement in mean gender pay gap from FY25).

1. 40/40/20 is 40% men, 40% women and 20% of any gender. — 2. Leadership positions comprises the Executive Leadership Team, general managers, team members pay grade eight and above and supermarket store managers. Pay grade eight and above includes middle managers and specialist roles.


Pictured: Coles Store Manager Rach with team member Jasmine at Coles The Glen, VIC.

Gender pay gap and pay parity

We report quarterly to our Executive Leadership Team on our pay parity gap and have governance processes in place to regularly review our gender pay gap. Where appropriate, targets are set to support maintaining pay parity and representation of women in leadership roles. Targets for women in leadership are set at a functional level to ensure we maintain a 40/40/20 gender representation across leadership and the Board.

Coles' company-wide gender pay parity gap is less than 1%, meaning that the average difference in pay between men and women performing the same or similar roles is less than 1%. This differs from the overall gender pay gap, which reflects differences in average pay across the organisation based on how men and women are represented in different roles.

We continue to take action to improve gender equity and support women across Coles through the following:

- **Gender equity in people management processes**
  We embed gender equity principles in key processes, including recruitment, restructuring, succession planning, annual remuneration reviews, and internal promotions, to support improved gender balance across the organisation.
- **Developing our female leaders**
  We support the career development through programs including the Change Up Leadership Program to build leadership skills, the Store Manager Accelerator Program for future store leaders and the Relauncher for women returning to technology careers.
- **Supporting working families and carers**
  We partner with specialist providers to offer coaching and resources to team members on parental leave. This includes an online carers hub, with a range of practical resources for team members with caring responsibilities.

Diversity and inclusion continued

Indigenous Engagement

We remain committed to creating and strengthening opportunities for Aboriginal and Torres Strait Islander peoples across our business. This is enabled through the delivery of our Stretch Reconciliation Action Plan (RAP) which outlines commitments across our key focus areas including long-term and sustainable careers, supplier diversity, cultural knowledge and understanding, and community partnerships.

Our Stretch 2024 – 2027 RAP is available at **colesgroup.com.au/sustainability**.

Our commitments	FY26 progress
Maintain above 3.2% Indigenous workforce representation and ensure a focus on long-term, meaningful leadership pathways for Indigenous team members throughout our business	**3.4%** of our team members[1] identify as Aboriginal or Torres Strait Islander, maintaining our above 3.2% target. 321 Indigenous team members in management and leadership roles (2.4%) (+0.1pp from FY25). Leadership capability for Indigenous team members continued to be supported through development programs, with eleven Indigenous team members graduating from the Certificate IV in Retail Management and five Indigenous leaders participating in the Mawal Program.
Achieve endorsement of a RAP from Reconciliation Australia	Achieved endorsement in March 2024 and have continued to deliver on our 82 Stretch RAP commitments.

1. Based on results of our May 2026 *mysay* team member engagement survey (67% participation).

Cultural awareness and capability

- Cultural awareness training is now embedded within our leadership development programs and reinforced through ongoing enterprise-wide and locally delivered learning opportunities.
- 'Winning Together with the RAP', an online learning module, was completed by over 32,000 team members this year.

Supplier diversity

- Worked to increase Indigenous business participation in our supply chain, engaging 91 Indigenous suppliers during the year and broadening access to commercial and procurement opportunities for 59 new Indigenous suppliers.

Community support

- Financial and in-kind contributions were provided to Indigenous organisations including The Arthur Beetson Foundation, Worowa Aboriginal College and the National Walk for Truth, building trusted relationships and economic opportunities for Aboriginal and Torres Strait Islander peoples.
- Through the Coles Nurture Fund, a $400,000 grant was awarded to Talwali Coffee Roasters to support expansion of its cultivation system through new technology and facilities.

Pictured: Coles Indigenous Affairs team members with the Djirri Djirri Dancers, the Wurundjeri women's dance group, during NAIDOC week.

Health, safety and wellbeing

At Coles, we are committed to keeping our team, customers and partners safe and healthy. We show our value of 'care for each other' by building a culture that supports both physical and mental wellbeing.

Our approach

Coles' safety strategy, Safer Choices Together, guides the delivery of our Health, Safety and Wellbeing Plan (the Plan). In FY26, we refreshed the titles of its four focus areas to improve clarity and align with our updated branding, while maintaining the same strategic priorities to support safer choices every day.

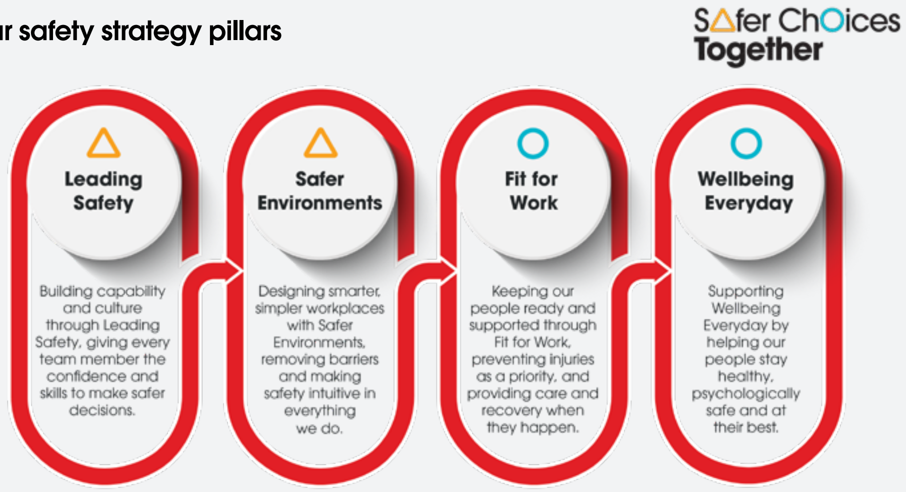
Our safety management system, SafetyCARE, supports this approach and is embedded across Coles' operations. It provides a consistent way to identify and manage safety risks and hazards for team members and contractors.

Governance and oversight

Leadership plays a central role in building and sustaining a strong safety and wellbeing culture across Coles. Our leaders are expected to actively monitor performance, reinforce standards and respond to emerging risks.

Safety performance is monitored through monthly reporting to the Board, Audit and Risk Committee, Executive Leadership Team and operational leaders, management review of performance and trends, and quarterly reviews of the Group risk profile.

Our safety strategy pillars



By looking after ourselves, our teams and the places we work, we make safer choices together.

Our progress

We track safety performance through the Coles Group Safety Index (the Index), which includes both leading and lagging indicators, including Total Recordable Injury Frequency Rate (TRIFR). We have seen continued improved performance across key measures in the Index, including hazard management and serious incidents.

In FY26, the Safety Index outcome was 11.3% ahead of target.

In relation to the TRIFR component of the Index, the FY26 outcome was 13.4, representing an 8.8% improvement on the final FY25 TRIFR.

Managing safety risks

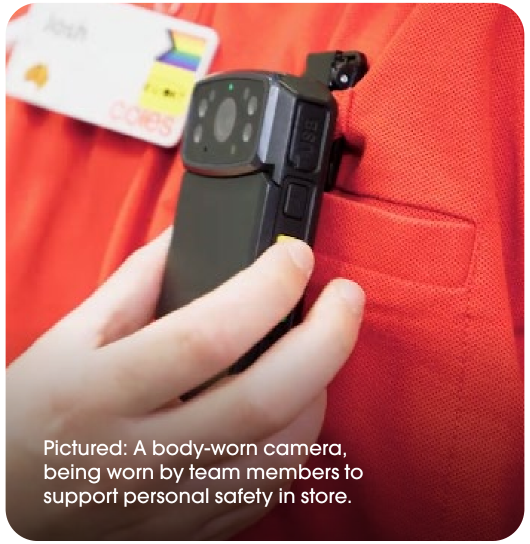
We continue to strengthen controls in the highest-risk areas across our operations to reduce hazards and ensure our safety measures meet current operational needs and legislative requirements.

In FY26, we:

completed
1,060
site-based safety assurance activities

undertook quarterly reviews of our risk profile

updated
166
safety system documents and **34** risk assessments



Pictured: A body-worn camera, being worn by team members to support personal safety in store.

Targeted controls were implemented, including:

- Deployment of additional duress pendants and body worn cameras, with de-escalation training in higher-risk stores, supported by enhanced risk profiling.
- Expansion of programs to improve spill detection and slip prevention, helping prevent customer incidents.
- Improving team safety with trials of safety gloves, improved material handling equipment and store-based safety improvements.
- Enhanced vehicle safety across the Coles Online fleet, including improved vehicle safety processes and the roll-out of additional safety features such as park brake alarms.

Health, safety and wellbeing continued

Acts of violence and aggression

Coles recognises acts of violence and aggression as a critical safety risk and has a structured control framework in place to prevent incidents and support team members.

In FY26, this framework was strengthened through more targeted, data-led actions and the roll-out of additional safeguards in higher-risk locations.

Key actions included the following:

- **Enhanced risk profiling:** using data to identify stores at higher risk of customer aggression in order to prioritise action.
- **Enhanced protective equipment:** distributing an additional 118 duress pendants and 52 body worn cameras to team members working in selected higher-risk stores.
- **Training:** delivering in-person and online de-escalation training and Threatening Situations Masterclasses for leaders and team members in higher-risk environments.
- **Advocacy and collaboration:** continuing to engage with state and federal government to support stronger protections for retail workers.

After an incident, team members receive care and support, including access to wellbeing services and follow-up care.

Healthy teams and injury management

Coles adopts a proactive approach to injury management, focused on early support and helping team members return to work safely.

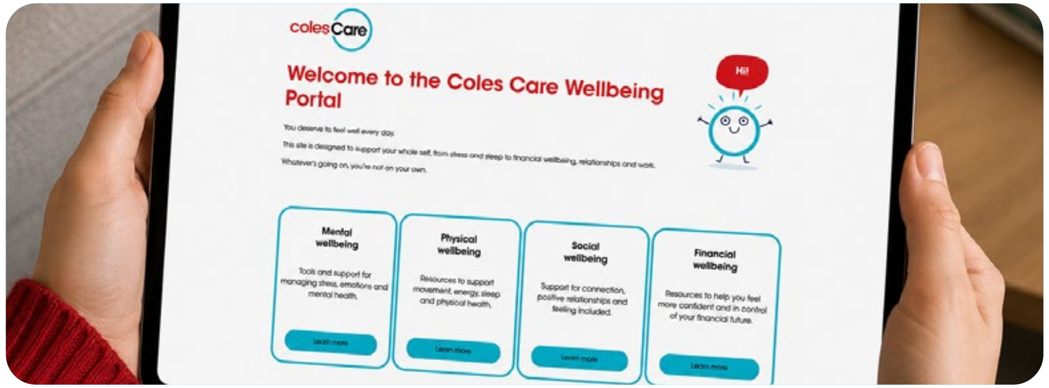
We provide access to a national network of medical and physiotherapy services for team members to seek advice, support and treatment for muscle and joint injuries and to reduce the impacts of injury.

Team members across all stores, including remote stores where access to healthcare can be limited, were also offered a free and confidential onsite health check during the year.

Mental wellbeing and psychosocial safety

Coles is committed to helping team members live healthier and happier lives and we offer a range of wellbeing support and resources to our team and their families.

Our Coles Care program helps build awareness of mental wellbeing, reduce stigma around mental health, and support team members to recognise and respond to mental health concerns. The program includes the Coles Care Wellbeing Portal which brings together mental, physical, financial and social wellbeing resources for all team members.



In FY26:

>99,500
team members completed psychosocial risk training to prevent, identify, reduce, and report psychosocial risks

>2,400
leaders completed targeted mental health training on how to identify and manage psychosocial hazards to support team member wellbeing

Maintained access to the confidential
24/7
Employee Assistance Program for coaching and counselling support.

During the year, we progressed initiatives to strengthen psychosocial risk management by providing leader training, enhancements to the Coles Care Wellbeing Portal, access to specialist psychological advice, and frameworks and toolkits to support identifying and managing psychosocial hazards.

In FY26,

90%
of team members[1] indicated that their line manager genuinely cares about their mental wellbeing.

1. Based on results of our May 2026 mysay team member engagement survey (67% participation).

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Community support

Guided by our purpose of 'Helping Australians eat and live better every day', we are committed to supporting the communities in which we operate.

Our approach

Working alongside our team members, suppliers and customers, we focus on improving health outcomes and building community resilience.

Each year, we invest through partnerships, fundraising, food donations, disaster relief, and financial and in-kind support for our community partners.

Key charity partners we supported in FY26, included:

SecondBite, Hospitals United for Sick Kids, Coles Little Athletics, Australian Red Cross, Bravery Trust, Fitted for Work, Guide Dogs, Foodbank, Fight MND, Movember, Clean Up Australia, Redkite

Community support in FY26

$150.5m[1] total community contributions:

$18.7m
in direct (cash and products) contributions to support community partners, programs and initiatives aligned to our community strategy.

$19.7m
raised through fundraising, to support key charity partners.

7,907+ hours
of team member volunteering (equivalent of $392k), contributed to community organisations through local initiatives.

$6.1m
in management and delivery costs to support the administration, governance and effective delivery of community programs.

40.9m
equivalent meals donated
to SecondBite and Foodbank (equivalent to 20.5m kgs valued at $105.7m)[2], helping to support Australians experiencing food insecurity.

1. Community support includes Coles' direct contributions, fundraising/leverage and management costs, aligned with the Business for Societal Impact (B4SI) Framework. — 2. In addition to unsold edible food, these figures also include bulk food and grocery donations to SecondBite and Foodbank.

How we direct community investment

Supporting food relief across Australia

Supporting organisations that address food insecurity is a fundamental part of our approach to community support. Through long-standing partnerships with SecondBite and Foodbank, we donate unsold edible food and non-perishable products from our supermarkets and distribution centres to support their food relief programs.

In FY26, we provided the equivalent of **40.1 million meals** to SecondBite (336 million meals since 2011) and **833K meals** to Foodbank (48 million meals since 2003).

In addition to food donations, the Coles Christmas and Winter fundraising appeals, raised more than **$3.7 million in FY26**, enabling SecondBite to provide up to **18.8 million meals** through its network of 953 community partners.

Disaster relief and community resilience

Coles partners with Australian Red Cross to help communities prepare for, respond to and recover from disasters.

In FY26, Coles supported EmergencyRedi Week, raising awareness of the importance of disaster preparedness. Coles also contributed $100,000 to the Australian Red Cross' first-ever Giving Day, a matched-giving event that helped support people and communities facing crisis.

During the year, Coles stores and supply chain teams also provided support to communities impacted by natural disasters, including product donations to Foodbank and the Country Fire Authority during the bushfires in Victoria, and food and essential items for bushfire relief in WA.

As part of the Coles SecondBite 2025 Winter and Christmas Appeals, Coles team members helped pack 2,200 emergency food hampers for SecondBite. The hampers were distributed to communities across Australia affected by floods, bushfires and cyclones.

Community support continued

Health and wellbeing partnerships

Coles supports communities through sponsorships, programs and fundraising campaigns that focus on improving health. Together with our customers, suppliers and team members we raise funds to support organisations that deliver health services, research and family support across Australia.

Redkite: Throughout FY26, $2.1 million was raised to support children with cancer and their families. This total includes Coles' year-round 5c donation from all specially marked Coles brand bread, and more than $572,000 raised during the Go Red for Redkite campaign through donations on selected products, customer donations and team member fundraising.

Hospitals United for Sick Kids: more than $2.9 million was raised in FY26, including a record $2.4 million through our annual in-store campaign, comprising of customer donations, team member fundraising, and 50 cent contributions from the purchase of more than 180 participating products. Funds raised help Hospitals United for Sick Kids provide support for eight children's hospitals, foundations and paediatric services across Australia.

More information on Coles' community partners is available at **colesgroup.com.au/community**.

Pictured: Coco and Jan Daniher in store with Big Freeze Beanies supporting the FightMND campaign.

Record-breaking FightMND campaign

Together with our customers, team members, suppliers and Australian pork farmers, Coles raised a record $9.8 million for FightMND in FY26. This was Coles' largest Big Freeze campaign to date, bringing our total contribution since partnering with FightMND in 2018 to more than $57 million, supporting FightMND's investment in research and care for people living with motor neurone disease (MND) and their families.

As part of the FY26 campaign, Coles sold more than 255,000 Big Freeze Beanies and donated 10c from every Australian fresh pork product sold. Coles' suppliers, including Peters, Mondelēz, Asahi, L'Oréal, and McCain, collectively contributed more than $1 million in FY26.

This year's campaign also recognised the legacy of Neale Daniher AO, whose advocacy has helped increase awareness of MND and support for research across Australia.

FIGHT MND. IT TAKES PEOPLE

Team and community volunteering

We support team members to contribute to community organisations through a range of local initiatives.

Community organisations can apply through their local stores for support, including gift card donations, volunteer assistance, store-front fundraising space and event support. This level of support helps strengthen community connections and contribute to causes within local communities.

In FY26, Coles team members contributed 7,907 volunteer hours, including more than 2,800 hours supporting meal services through partnerships such as the Magpie Nest program in Melbourne, which provides meals for people experiencing homelessness.

Clean Up Australia

Clean Up Australia: Since 2018, Coles has raised more than $2.9 million through in-store fundraising campaigns to support Clean Up Australia. Together with volunteer participation from more than 209 Coles team members in FY26, these funds have contributed to Clean Up Australia's national Clean Up activities.

Healthy, safe and affordable food

We aim to make our Coles Own Brand food healthy, safe and affordable. This includes improving nutrition, maintaining strong food safety standards, and providing clear nutrition information to help customers make informed choices.

Our approach

Our Nutrition, Health and Lifestyle Charter outlines our commitment to making it easier for customers to choose food that supports healthier eating and everyday wellbeing.

We continue to monitor developments in health and nutrition to provide meaningful, evidence-based solutions to meet evolving customer needs.

More information about our Nutrition, Health and Lifestyle Charter is available at **colesgroup.com.au/sustainability**.

Healthier Own Brand products

During the year, we continued to support the Australian Government's Health Star Rating (HSR) front-of pack labelling system. 98% of intended[1] Coles Own Brand products displayed a HSR, providing customers with consistent nutrition information to support product comparisons at the point of purchase.

In FY26, products with a HSR of 3.5 or above accounted for 70.29% of Coles Own Brand sales (vs 70.25% in FY25).[2]

We also continued our work towards meeting the **Australian Government's Healthy Food Partnership reformulation targets**, which seek to reduce salt (sodium), sugar and saturated fat in foods and beverages. At the end of FY26, 83% of eligible Wave 1 and 2 Coles Own Brand products met their respective Healthy Food Partnership targets, up from 81% at the end of FY25.

Nutritional improvements across Coles Own Brand products in FY26:

11 tonnes
less salt

54 tonnes
less sugar

371m
serves of fruit and vegetable highlighted on pack

373m
serves of whole grains highlighted on pack

Supporting healthier customer choices online

Customers increasingly use our digital channels for shopping and meal inspiration, creating an opportunity for us to support healthier choices online.

Coles Magazine is Australia's most widely read free magazine and connects readers with recipes, nutrition information and Coles' online content.

How we support customers

Dietitian-developed content

Our dietitians help develop recipes and nutrition information to support healthier choices.

Health content that inspires

Coles Magazine and our Health & Beauty Magazine feature articles on topics including protein, sports nutrition, immunity, and gut health together with recipes and product recommendations.

Healthier choices, easier to find

Product filters and nutrition information help customers search for healthier options.

A dedicated online aisle groups products into categories such as free from, vegan, vegetarian, and organic.

FY26 highlights

390+
Coles Healthier Living recipes available on our website and online shopping app.

5,000+
recipes featuring at least one dietary or lifestyle attribute such as high-fibre, gluten-free and vegetarian.

1. Packaged foods required to carry a nutritional information panel, that can vary in nutritional composition, as defined by the Health Star Rating System. — 2. Includes all Coles Own Brand products permitted to display a Health Star Rating.

Healthy, safe and affordable food continued

Supporting healthier choices through our Own Brand range

We continue to innovate within the Coles Own Brand portfolio to support a range of health, lifestyle and dietary preferences, including everyday wellness, high-protein and plant-based diets.

In FY26, the Coles PerFORM range expanded its ready meal offering across both its high-protein and balanced lifestyle ranges. The high-protein meals provide more than 40g of protein per serve, while the lifestyle range is designed to support balanced nutrition, with 405 or fewer calories, at least 4g of fibre and at least one serve of vegetables per meal.

Coles PerFORM remains the only supermarket Own Brand sports nutrition range endorsed by Sports Dietitians Australia, with underpinning nutrition criteria developed using an evidence-based approach to address the needs of active individuals.

We also innovated within the Coles Wellness Road range to launch products including Whey Protein Crisps, Ube Powder, Peanut Protein Powder and Organic Cacao Powder. The new range continues to offer customers a variety of health benefits through simple wholefood ingredients.

During the year, we continued to offer our plant-based Coles Natures Kitchen range, with new meat alternative products, and supported customers with vegan and vegetarian recipes in the monthly Coles Magazine.

Supporting affordable and nutritious food choices

Cost-of-living pressures continue to influence how customers shop. Coles aims to improve access to affordable and nutritious food by offering a range of value options, promotions and Coles Own Brand products across everyday categories.

Own Brand value

- Coles Own Brand products provide an affordable option whilst maintaining high product quality and taste across everyday food categories.

I'm Perfect produce

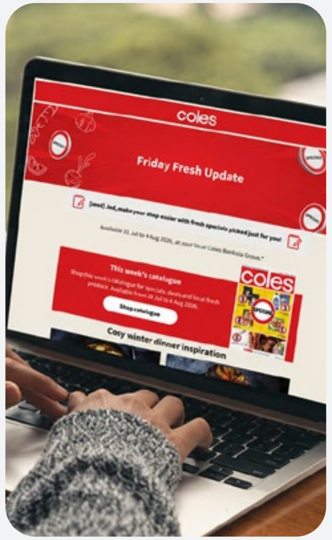
- Coles' I'm Perfect range offers a lower-cost option for selected fresh fruit and vegetables while supporting greater use of each harvest, helping to avoid food waste. In FY26, more than 25,000 tonnes were sold.

Weekly value offers

- Healthier food and drink products are regularly included in weekly specials and seasonal value campaigns.

Personalised offers

- Each week, Coles customers receive personalised offers, including on fresh produce. In FY26, fresh Friday specials reached more than 2.5 million customers.



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Healthy, safe and affordable food continued

Encouraging healthier choices for children

We take a comprehensive approach to support the health and wellbeing of children through responsible marketing and product design, and community partnerships.

Responsible marketing

As a member of the Australian Association of National Advertisers (AANA), Coles complies with the AANA Food and Beverages Code and Children's Advertising Code, which prohibit advertising and sponsorship of discretionary food and beverages directed at children.

Responsible product design

Bringing our products in line with our On-Pack Responsible Marketing to Children Policy, which permits the use of child-appealing cartoon characters only on healthier[1] Coles Own Brand products.

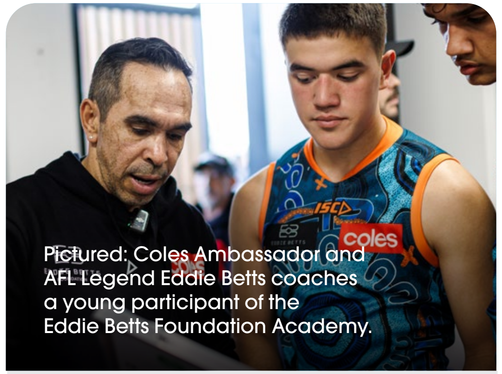
In-store support

- Provided more than 515,000 kg of free fruit for children in Coles supermarkets in FY26.
- Children's packs of mini sized fruit, perfect for lunchboxes and little hands.

Community partnerships

Our national partnerships seek to help children stay active, build confidence and make healthy choices:

1. Healthier as defined by meeting the Nutrient Profile Scoring Criterion (NPSC) as published by Food Standards Australia New Zealand.



Pictured: Coles Ambassador and AFL Legend Eddie Betts coaches a young participant of the Eddie Betts Foundation Academy.

Supporting junior sports

Coles partners with leading Australian sporting organisations, including Little Athletics, Football Australia, the AFL and AFLW, to help children get active, eat well and build lifelong healthy habits.

In partnership with The Eddie Betts Foundation, an Aboriginal-owned and led non-profit, Coles is helping create meaningful, lasting opportunities for Aboriginal and Torres Strait Islander youth. The initiative combines elite AFL footy pathways with practical life skills – including cooking lessons, job-readiness training, and strong mentoring. Together, we are ensuring young people have the tools to succeed in sport, work, and life.

Since 2017, our partnership with Little Athletics has provided more than $2.8 million in grants for sports and safety equipment to clubs and centres and donated more than 7.3 million bananas.

Across these partnerships, Coles has helped thousands of children participate in grassroots sport through funding and community support.

Food safety and product integrity

Food and product safety is prioritised at every stage of our operations. Coles maintains rigorous supplier requirements, audit and inspection programs, in-store food safety standards and product recall procedures, and training to manage risk across our supply chain.

Where product recalls are required, established processes are followed to remove affected products and communicate promptly with customers and regulators.

19,500+
hours of food safety and quality training delivered

1
Coles Own Brand product recall managed

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Pictured: Coles Team Member Alyssa and Liquorland Team member Cha at Coles Caulfield Village, Victoria.

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Stakeholder engagement

Stakeholder engagement is central to Coles' sustainability approach. We actively seek to listen and respond to what matters most to our stakeholders.

To help address global sustainability challenges such as climate change and biodiversity loss, strong collaboration is required across our value chain. Building constructive relationships with stakeholders is also critical to delivering our purpose of 'Helping Australians eat and live better every day.'

Stakeholders play a critical role in shaping our business and are, in turn, affected by our operations. Understanding their priorities and responding effectively is fundamental to our sustainability approach.

Information on our key stakeholder groups, their priority sustainability issues, and how we engage with them is available in our Sustainability Data pack available at **colesgroup.com.au/sustainabilitysupplement**.

Our material issues

Our annual materiality assessment is conducted in accordance with the Global Reporting Initiative (GRI 1: Foundation 2021) to help identify and prioritise sustainability issues that are likely to matter most to our business and stakeholders. This process helps to ensure that our sustainability strategy and external disclosures are aligned with stakeholder expectations and global reporting standards.

Consistent with GRI requirements, we conducted a desktop review of internal and external inputs, including investor discussions, media analysis and customer feedback collected throughout the year. We combined this information with feedback from interviews with external stakeholders that were facilitated by an independent consultant in FY25. The integration of these sources was used to validate and prioritise material topics based on both stakeholder perspectives and evidence of actual and potential impacts.

As part of this, stakeholders continue to identify climate change as the most material issue for our business. In FY26, responsible sourcing; healthy, safe and affordable food; the health, safety and wellbeing of our teams; and plastics and packaging were also emphasised as priority topics.

These issues inform the disclosures presented in this report and are addressed in alignment with the Global Reporting Initiative (GRI) Standards. While reported individually, these topics are interconnected; actions and progress in one area often influence outcomes in others. We also acknowledge additional issues of interest to stakeholders and relevance to our business, many of which are incorporated into our sustainability strategy and discussed throughout this report.

Aligning with Sustainable Development Goals

Coles has been a signatory to the United Nations Global Compact (UNGC) since 2019. This Sustainability Supplement serves as our annual Communication on Progress, outlining how we implement the UNGC's 10 principles across human rights, labour, environment, and anti-corruption. We are also a signatory to the UN Women's Empowerment Principles and remain committed to advancing the UN Sustainable Development Goals (SDGs), recognising the critical role businesses play in achieving them. Our sustainability strategy is aligned with several SDGs.

Details of our material issues and the relevant SDGs are on page 44.

Our sustainability strategy is aligned with, and supports, 11 of the 17 SDGs.

Our top 10 material sustainability issues for FY26 were as follows:

Issues and what it means for Coles	Relevant UNSDG	Location of disclosures
Climate change Decarbonising and building climate resilience in our operations and value chain to achieve net zero greenhouse gas emissions by 2050.	7 Affordable and clean energy; 13 Climate action	Pages 9-14
Sustainable sourcing Putting in place the standards, programs and initiatives that aim to reduce environmental impacts with respect to the Coles Own Brand products we sell in our stores.	8 Decent work and economic growth; 10 Reduced inequalities	Pages 16-20
Healthy, safe and affordable food Promoting access to healthy and affordable food, improving nutrition through product innovation and maintaining high standards of food safety and quality.	2 Zero hunger; 10 Reduced inequalities; 12 Responsible consumption and production	Pages 39-41
Health, safety and wellbeing of our teams Providing safe and respectful workplaces that protect the physical and psychological wellbeing of our team and customers, focusing on preventing violence, aggression and improving fleet safety.	3 Good health and well-being; 8 Decent work and economic growth	Pages 35-36
Plastics and packaging Working with partners across our supply chain and industry to reduce unnecessary and problematic plastics and improve packaging circularity.	12 Responsible consumption and production; 13 Climate action; 14 Life below water	Pages 24-25
Circular economy Reducing waste by applying circular economy principles to keep products, packaging and materials in use through reuse, recycling and recovery, rather than disposal to landfill.	12 Responsible consumption and production	Pages 22-25
Human rights and ethical sourcing Respecting human rights and preventing harm to people in our operations and value chain, including the most vulnerable. Creating positive impacts for our team members, customers, local communities, and workers in our supply chain.	5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities; 16 Peace, justice and strong institutions	Pages 27-28
Nature and biodiversity Understanding the impacts of our operations and supply chain on nature and biodiversity, and minimising negative impacts (including, but not limited to, deforestation from high-risk commodities and consideration of marine ecosystems). Supporting efficient use of water throughout our operations.	14 Life below water; 15 Life on land	Pages 16-20
Food waste Minimising food waste, redistributing surplus to food rescue organisations and diverting remaining waste from landfill to reduce emissions, support communities and improve supply chain efficiency.	2 Zero hunger; 12 Responsible consumption and production	Page 23
Diversity and inclusion Building an organisation that represents the diversity of our customers and communities – a place where all feel included.	5 Gender equality	Pages 31-34
Supporting Australian farmers and producers Collaborating with farmers and suppliers to drive the delivery of resilient supply chains.	2 Zero hunger; 12 Responsible consumption and production	Page 20

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Glossary

Accountability Framework:

The Accountability Framework, developed by the Accountability Framework initiative (AFi), is a guide for addressing deforestation, conversion, and human rights in the agriculture and forestry sectors.

Australian Recycling Label (ARL):

The ARL program is an on-pack labelling scheme that helps consumers to recycle correctly and supports brand owners and packaging manufacturers to design packaging that is recyclable at end-of-life.

Biodiversity:

Biological diversity (biodiversity) means the variability among living organisms from all sources including terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and ecosystems.

Cage-free:

The industry term used to describe production systems where laying hens are not confined to cages, includes cage-free (barn) and free-range systems.

Circularity/Circular economy:

A system which seeks to maintain the value of products, materials and resources in the economy for as long as practicable and to minimise the generation of waste. In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting.

Coles Liquor Own Brand:

The portfolio of product brands owned by Coles and available in Liquorland stores and/or online. It includes liquor products that are available under Coles Liquor brands and private label brands (e.g. Smithy's, Busby, Mr Finch).

Coles Own Brand:

Refers to the portfolio of product brands owned by Coles and available in Coles supermarkets and/or online. It includes grocery, fresh produce, meat and non-food products that are available under Coles brands (e.g. Coles Finest, Coles Nature's Kitchen, Coles Simply) and other exclusive own brands (e.g. Woofin' Good, Daley St).

Conventional plastic:

Plastic typically derived from fossil-based feedstock sources that is not considered to be biodegradable or compostable in any reasonable timeframe. This includes the common recyclable plastics of polyethylene terephthalate (PET), high-density polyethylene (HDPE) and polypropylene (PP).

Decarbonisation:

Decarbonisation is the term used for implementing measures to mitigate operational and value chain greenhouse gas emissions. At Coles, we use the term to describe activities or pathways that have the effect of moving towards a state that is lower in emissions as compared to the current state. It does not imply the activities or pathways will result in no greenhouse gas emissions

Food waste hierarchy:

An order of preference for the management of food waste, with donating of unsold edible food to Coles' food recovery partners being the most preferred option, and disposal being the least.

Forest, Land and Agriculture (FLAG) emissions:

Greenhouse gas emissions associated with agriculture and land use, including livestock methane and fertiliser related emissions.

Global Warming Potential (GWP):

A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given greenhouse gas relative to one unit of carbon dioxide (CO_2).

Greenhouse gas (GHG) emissions:

The aggregate anthropogenic carbon dioxide equivalent emissions of carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), ozone (O_3), perfluorinated carbons (PFCs), hydrofluorocarbons (HFCs) and sulphur hexafluoride (SF_6), categorised as Scope 1, Scope 2 and Scope 3 emissions. Nitrogen trifluoride (NF_3) GHG emissions are not currently relevant for Coles' reporting purposes because they are specific to the electronics industry.

Group Safety Index:

Coles' measurement of safety performance, which comprises key lead and lag safety indicators applicable to all business units. These include TRIFR, mental wellbeing, training and other metrics involving the proactive identification and management of safety risks.

Higher animal welfare:

Refers to animals raised to standards which go beyond minimum industry requirements.

Appendix continued

Large-scale generation certificate (LGC):

An LGC is a tradeable certificate created for every megawatt hour (MWh) of eligible renewable electricity generated by accredited large-scale renewable energy power stations, such as wind farms and solar farms, under the Renewable Energy Target (RET). Voluntarily surrendering LGCs allows an organisation to claim the associated renewable electricity in its market-based Scope 2 emissions reporting. Without surrender, the renewable generation is not attributed to the purchaser and cannot be used to claim renewable electricity use.

Location-based emissions:

Scope 2 emissions based on the average emissions intensity of the electricity grid where consumption occurs. Calculation uses emission factors specific to the energy sources used in the associated physical grid.

Lower-carbon economy:

An economy in which power needs are derived not primarily from carbon-intensive sources such as fossil fuels but from less carbon-intensive energy sources, such as wind, solar and hydroelectric power.

Market-based emissions:

Scope 2 emissions based on the specific type of electricity Coles has chosen to purchase. Calculation uses data from contractual instruments such as power purchase agreements and LGCs.

Megawatt hour (MWh):

A measure of electricity equal to one-million-watt hours.

Megawatt (MW):

A measure of electricity equal to one-million-watts.

Natural refrigerants:

Substances occurring naturally in the environment (e.g. ammonia, carbon dioxide) and used in refrigeration, air conditioning, and heat pump systems.

They are alternatives to synthetic refrigerants (e.g. chlorofluorocarbon, hydrochlorofluorocarbon) and generally have a low or zero global warming potential and ozone depletion potential.

Nature positive:

This definition is taken from the Nature Positive Initiative's paper '**The Definition of Nature Positive**'. It states that "Nature Positive is a global societal goal defined as Halt and Reverse Nature Loss by 2030 on a 2020 baseline, and achieve full recovery by 2050". To put it more simply, it means ensuring more nature in the world in 2030 than in 2020 and continued recovery after that.

Net zero:

Net zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals of greenhouse gases over a specified period. Residual emissions may be neutralised through the use of carbon credits for offsetting purposes.

Paris Agreement:

An agreement between countries party to the United Nations Framework Convention on Climate Change to strengthen efforts to combat climate change and adapt to its effects, with enhanced support to assist developing countries to do so. The central objective of the Paris Agreement is its long-term goal to hold global average temperature increase to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

Packaging:

Post-consumer recycled content:

Post-consumer recycled content is material made from products that consumers have used and are at end of life. These include everyday items such as aluminium cans, cardboard boxes, paper and plastic bottles.

Primary packaging:

Refers to the layer/s of packaging that contain and protect individual product units up to the point of sale (e.g. bag, bottle, jar, box etc.) and that are removed for use.

Problematic, unnecessary and single-use:

The APCO Action Plan for Problematic and/or Unnecessary, Single Use Plastic Packaging identifies the following nine priority materials to be addressed through immediate action:

1. Lightweight plastic shopping bags
2. Fragmentable plastics
3. Expanded polystyrene (EPS) packaging for food and beverage service and retail fresh produce
4. EPS loose fill packaging
5. Moulded EPS packaging for white/ brown goods and electronics
6. Rigid polyvinyl chloride (PVC) packaging
7. Rigid polystyrene (PS) packaging
8. Opaque polyethylene terephthalate (PET) bottles
9. Rigid plastic packaging with carbon black

Appendix continued

Recycled materials/recycled content:

Is the proportion, by mass, of pre-consumer and post-consumer recycled material in packaging (AS/ISO 14021). Pre-consumer material is material diverted from the waste stream during manufacturing (excluding rework). Post-consumer material is material waste generated by households or by commercial, industrial, and institutional facilities.

Secondary packaging:

Is additional to the primary packaging and is used to protect and collate individual product units during storage, transport and distribution. This may include shelf-ready packaging (SRP), also known as retail-ready packaging (RRP) or counter-top display units (CDUs), containing multiple product units and used for retail display.

Sustainable packaging:

The primary function of packaging is to contain and protect products from the point of manufacture, through the supply chain to the retail store or end user, to attract people to buy a product to achieve more sales, and to provide product information. 'Sustainable packaging' is packaging where the design considers environmental outcomes while maintaining its functional purpose.

Recyclable packaging:

A package can be considered recyclable if its main packaging components are recyclable, and if the remaining minor components are compatible with the recycling process and do not hinder the recyclability of the main components. Recyclability is determined utilising the Packaging Recyclability Evaluation Portal (PREP) which assesses the recyclability of packaging in Australia and New Zealand and it provides a way to assess whether an item of packaging is recyclable through household kerbside collection. PREP considers how widespread the collection services are for the item and generates an ARL (Australasian Recycling Label) for use on pack that provides clear and accurate instructions for consumers to dispose of their packaging correctly. Due to the limited ability for customers to recycle soft plastics currently, we consider soft plastics as non-recyclable in our reporting.

Renewable electricity:

Electricity generated from natural sources (e.g. sunlight and wind) that are replenished at a higher rate than they are consumed. Solar, wind, geothermal and hydro are common sources of renewable electricity.

Resilient:

For Coles, resilient in reference to climate or nature means that our ecosystem (our operations and our value chain) is able to withstand climate and nature-related impacts over the short, medium and long term.

Responsible sourcing:

Responsible sourcing refers to the standards, programs and initiatives in place that aim to reduce environmental impacts and enhance animal welfare, with respect to the Coles Own Brand products we sell in our stores.

Science-based:

Targets are considered science-based if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement. Coles uses the SBTi guidance on what constitutes a science-based emissions reduction target, as set out in both the SBTi Corporate Near-Term Criteria v 5.3.1 (April 2026) and Engaging Supply Chains on the Decarbonization Journey version 1.1 (July 2025) guidance. This guidance defines the key criteria which includes, but is not limited to: (a) target boundary (coverage of scopes, emission types and subsidiaries); (b) target coverage (≥95% of Scope 1 and 2 emissions, ≥67% near-term Scope 3 and ≥90% long-term Scope 3); (c) target type (absolute, intensity, or engagement), (d) base year (≥2015); (e) target year (near-term maximum 10 years and long-term maximum 2050); (f) target reduction/ambition (Scope 1 and 2 1.5°, Scope 3 near-term well below 2° and long-term 1.5°).

Appendix continued

Scope 1 emissions:

Emissions released from the activities from operations owned or controlled by Coles Group. For example:

- emissions from the use of refrigerants in air conditioning units
- emissions from fuels used in transport.

Scope 1 emissions are also referred to as direct emissions.

Scope 2 emissions:

Emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by Coles Group but occur at sources owned or controlled by another company. Scope 2 emissions are also referred to as indirect emissions.

Scope 3 emissions:

Other indirect emissions (not included in Scope 2 emissions) that occur in Coles Group's value chain including business travel, procurement, waste and water. Scope 3 emissions may occur:

- upstream, which are related to purchased or acquired goods and services (e.g. waste disposal services).
- downstream, which are related to sold goods and services (e.g. end-of-life treatment of sold products).

Sustainability:

Sustainability, also sustainable and sustainably are used in relation to Coles' policies and governance practices concerning sustainability. These references also reflect Coles' broader objective of maintaining a long-term, resilient business that accounts for multiple factors including economic, environmental, social, and regulatory compliance. However, the use of these terms does not imply that Coles will have no negative impact on the economy, environment, or society, nor does it guarantee the achievement of specific economic, environmental, or social outcomes.

At Coles, our approach to sustainability includes (but is not limited to):

- progressing the decarbonisation of our operations and supply chain and building climate resilience.
- reducing unnecessary packaging and redesigning, recycling, and reusing.
- delivering nature positive outcomes.
- protecting and safeguarding animal welfare.
- reducing waste from our operations and products and identifying opportunities to transition to a circular economy.
- protecting and promoting human rights.
- creating diverse and inclusive workplaces and shopping places.
- fostering a safe and healthy environment for our team, customers, suppliers, contractors, visitors and supply chain partners.
- supporting communities across Australia.

Target:

Coles uses this term to describe an intended outcome, where Coles considers that it has developed a suitably defined plan or pathway to achieve that outcome.

Team member:

Employees of Coles Group.

TRIFR:

Total Recordable Injury Frequency Rate (TRIFR), measures the number of fatalities, lost-time injuries, medically treated injuries and restricted duties injuries per million hours worked, calculated on a rolling 12-month basis. TRIFR includes all injury types including musculoskeletal injuries.

Value chain:

Value chain (in the context of climate or nature): Coles uses this term to describe the range of interactions, resources and relationships related to Coles' business model and the external environment in which the Group operates.

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Independent auditor's report to the management and directors of Coles Group Limited (Coles)

Review conclusion

We have conducted a review of the following information in the Sustainability Supplement (the 'Report') and Sustainability Data Pack (the 'SDP') of Coles Group Limited (the "Company" or "Coles") and its subsidiaries (collectively the Group) for the year ended 28 June 2026 (the 'review subject matter'):

Review subject matter	Location in the Report and SDP
Coles reported performance of the following disclosures/metrics in the Report and the SDP:	
People: ▪ Team members who identify as Aboriginal or Torres Strait Islander (%) ▪ Total workforce (headcount) – by gender, region, age and employment type ▪ Total workforce (new hires) – by gender, region, age and employment type ▪ Total workforce (turnover) – by gender, region, age and employment type ▪ Women in leadership positions (headcount) ▪ Women in leadership positions (%) ▪ Women in leadership positions (%) (as reported in the 2026 Corporate Governance Statement) ▪ Pay parity gap (%) ▪ Gender pay gap (Mean and Median)	Report pages 4, 33 & 34 SDP tab 'Team members'
Health and safety: ▪ Safety Index (% change against FY26 target) ▪ Total recordable injury frequency rate (TRIFR)	Report page 35 SDP tab 'Health and Safety'
Scope 3 emissions: ▪ Scope 3 greenhouse gas emissions (tCO_2-e) ▪ Scope 3 Forest, Land & Agriculture (FLAG) sector emissions (tCO_2-e) ▪ Suppliers by spend with science-based targets (%)	Report page 12 & 13 SDP tab 'Scope 3 emissions'
Waste: ▪ Combined data for solid waste recycled and disposed (tonnes) ▪ Cardboard recycled (tonnes) ▪ Organics recycled (tonnes)	Report page 4, 8, 22 & 23 SDP tab 'Waste and Water'
Own Brand packaging recyclability: ▪ Sum of % recyclability of Coles Own Brand packaging (%) ▪ Sum of % recycled content in Coles Own Brand packaging (%)	Report pages 6 & 24
Community investment: ▪ Total community support ($) by direct contributions (cash and products) ▪ Total community support ($) by time ▪ Total community support ($) by fundraising via customer, team member and supplier contributions ▪ Total community support ($) by management costs ▪ Equivalent meals donated to SecondBite and Foodbank	Report pages 4 & 37
Water: ▪ Water usage (kL)	SDP tab 'Waste and Water'
Nature: ▪ No deforestation across material Coles Own Brand primary deforestation linked commodities (in accordance with the Accountability Framework Initiative guidance) ▪ Cage-free shell egg supply (%)	Report pages 4, 8, 18 & 19
Global Reporting Index: ▪ GRI Index presented disclosures in the Sustainability Data Pack	SDP tab 'GRI Content Index in accordance'

For the review subject matter described above, the limited assurance criteria are as follows:

- Management methods publicly disclosed
- GRI Standards performance indicators
- GRI definition of materiality
- World Business Council for Sustainable Development's Greenhouse Gas Protocol
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard

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Based on the procedures we have performed and the evidence we have obtained, we have not become aware of any matter in the course of our review that makes us believe that the review subject matter outlined above for the Group is not prepared, in all material respects, in accordance with the criteria for the year ended 28 June 2026.

Audit opinion

We have conducted an audit of the following information in the Sustainability Supplement (the 'Report') and Sustainability Data Pack (the 'SDP') of Coles Group Limited (the "Company" or "Coles") and its subsidiaries (collectively the Group) for the year ended 28 June 2026 (the 'audit subject matter'):

Audit subject matter	Location in the Report and SDP
Greenhouse gas emissions and energy: ▪ Energy consumption (GJ) ▪ Scope 1 Greenhouse gas emissions (tCO_2-e) ▪ Scope 2 Greenhouse gas emissions using the location-based method (tCO_2-e) ▪ Scope 2 Greenhouse gas emissions using the market-based method (tCO_2-e) ▪ Energy produced (GJ) - specifically total solar electricity generated ▪ Large-scale generation certificate (LGC) surrenders ▪ Renewable electricity (%)	Report pages 4, 8, 10 & 11 SDP tab 'Energy and S1&2 emissions'

For the audit subject matter described above, the reasonable assurance criteria are as follows:

- National Greenhouse and Energy Reporting Act 2007
- National Greenhouse and Energy Reporting Regulations 2008
- National Greenhouse Accounts (NGA) Factors: 2025
- National Greenhouse and Energy Reporting (Measurement) Determination 2008

In our opinion, the audit subject matter outlined above for the Group is prepared, in all material respects, in accordance with the criteria for the year ended 28 June 2026.

The review subject matter and audit subject matter are collectively referred to as the 'subject matter'.

Basis for conclusion and opinion

Basis for conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the Auditing and Assurance Standards Board. Our review includes obtaining limited assurance about whether the review subject matter is free from material misstatement.

The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the work performed for our review engagement* section of our report.

Basis for opinion

Our audit has been conducted in accordance with ASSA 5000. Our audit includes obtaining reasonable assurance that the audit subject matter is free from material misstatement.

Basis for conclusion and opinion

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), that is relevant to reviews and audits of the subject matter of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion and opinion.

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Other information

The directors of the Company are responsible for the other information. The other information comprises the Sustainability Supplement and Sustainability Data Pack, but does not include the subject matter, and our review and audit report thereon.

Our conclusion and opinion on the subject matter does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review and audit of the subject matter, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the subject matter, or our knowledge obtained when conducting the review and audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the subject matter

The management of the Company are responsible for:

- The identification, selection and development of suitable criteria;
- The preparation of the subject matter in accordance with the criteria; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the subject matter, in accordance with the criteria that is free from material misstatement, whether due to fraud or error.

Inherent limitations

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Our report does not extend to any disclosures or assertions made by Coles relating to future performance plans and/or strategies disclosed in the Sustainability Supplement and Sustainability Data Pack.

Auditor's responsibilities

Our objectives are to:

- Plan and perform the review to obtain limited assurance about whether the review subject matter, defined in the *Review conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion.
- Plan and perform the audit to obtain reasonable assurance about whether the audit subject matter, defined in the *Audit opinion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our opinion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the subject matter.

As part of our audit and review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- For a review engagement:
  - Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
  - Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- For an audit engagement:
  - Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the assertion level for the disclosures but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
  - Design and perform procedures responsive to assessed risks of material misstatement at the assertion level for the disclosures. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the review subject matter. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the review subject matter during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to the review subject matter
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the review subject matter
- Agreed the review subject matter disclosures made in the report with the underlying records
- Assessed whether the high-risk qualitative sustainability information, as determined by Coles' materiality assessment, in the Sustainability Supplement, from page 4 to 41 agreed to the underlying source information
- Evaluated the presentation and disclosure of the review subject matter against the requirements of the criteria

Additional reasonable assurance procedures we performed were based on professional judgement and included, but were not limited to:

- For our reasonable assurance of Scope 1 and Scope 2 greenhouse gas emissions, on a sample basis, agreed underlying data to source information to assess completeness of performance data, which included invoices, system extracts and other records.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the directors of Coles, or for any purpose other than that for which it was prepared.

Ernst & Young

Ernst & Young

Mathew Nelson
Partner
Melbourne, Australia
25 August 2026

Coles Group Limited

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