2 June 2023

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir or Madam

UPDATE ON FAIR WORK OMBUDSMAN PROCEEDINGS

Please find attached for release to the market.

Yours faithfully,

Daniella Pereira
Company Secretary

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ASX Release

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UPDATE ON FAIR WORK OMBUDSMAN PROCEEDINGS

In February 2020, Coles announced it was conducting a review into the pay arrangements for all salaried team members covered by the General Retail Industry Award (GRIA) after identifying shortfalls in the remuneration of salaried managers in its retail businesses. Coles actively sought to address the issues based on available information and conducted a remediation exercise. Coles expressed its deep regret and apologised to affected team members. Subsequently, a class action and a separate proceeding by the Fair Work Ombudsman were commenced in the Federal Court in relation to the alleged underpayment of salaried managers in Coles' supermarkets and the interpretation of the GRIA and the Fair Work Act.

Coles has continued to work diligently in relation to these issues. Coles advises that, following further consideration of the issues as they have evolved, it intends to conduct a further remediation relating to the reconciliation of available records of the days and hours of work of salaried supermarket managers. Coles apologises unreservedly to affected team members.

Coles will take an additional provision of $25 million in relation to this matter.

In relation to other matters, including the interpretation of the GRIA and Fair Work Act, Coles awaits the Court's decision on these complex issues.

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This announcement was authorised to be given to the ASX by a Sub-committee of the Board.