



8 September 2025

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir or Madam

UPDATE ON FEDERAL COURT OF AUSTRALIA DECISION ON AWARD COVERED SALARIED TEAM MEMBERS

In accordance with the Listing Rules, please find attached announcement relating to the above, for release to the market.

Yours faithfully,

A handwritten signature in dark ink, appearing to read "Daniella Pereira".

Daniella Pereira
Group Company Secretary

For more information:

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ASX Release

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UPDATE ON FEDERAL COURT OF AUSTRALIA DECISION ON AWARD COVERED SALARIED TEAM MEMBERS

In February 2020, Coles Group Limited (Coles, ASX:COL) announced it was conducting a review into the pay arrangements for all team members who received a salary and were covered by the General Retail Industry Award 2010 (GRIA). Coles sincerely apologised to affected team members and conducted a remediation program. To date, Coles has paid \$31 million of remediation costs. As at 29 June 2025, Coles has a provision of \$19 million reflected in its financial statements.

A class action was instituted in May 2020 and the Fair Work Ombudsman (FWO) commenced proceedings in December 2021 relating to the alleged underpayment of salaried managers in Coles' supermarkets and the interpretation of the GRIA and the Fair Work Act.

We note speculation in the media regarding the financial impact of the decision of the Federal Court of Australia on 5 September 2025 in these proceedings.

As disclosed in Coles' release on 5 September 2025, we are progressing work to understand and quantify the potential implications of the decision for our business. As previously stated, the judgment in the proceedings is complex. A number of issues regarding the interpretation of the GRIA remain outstanding and will require further court hearings to determine.

Coles cautions the market from relying on speculative estimates which may not have adequate regard to the application of the decision to Coles' specific circumstances.

Coles' preliminary estimate is that further remediation of between \$150m and \$250m may be required to reflect the findings of the Court, including interest and on-costs. The range has been calculated based on the underpayments alleged by the FWO relating to historical work patterns, adjusted and extrapolated for the period for which Coles has committed to remediation and the broader population of affected salaried team members covered by the GRIA across Coles' supermarkets business. It also reflects a potential adjustment for the period since Coles' initial remediation process was conducted.



This estimate does not reflect any potential penalties, or costs associated with the class action to the extent it differs from the FWO proceeding noting there is significant overlap between the two proceedings. The potential also exists for parties to exercise appeal rights.

Coles will provide further updates as appropriate.

This release was authorised to be given to the ASX by a sub-committee of the Board.

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