ASX Release

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ADDRESS BY CHAIRMAN PETER ALLEN

COLES GROUP LIMITED 2026 ANNUAL GENERAL MEETING – 6 NOVEMBER 2026

Please see attached the address to be delivered by the Chairman to shareholders at this morning's Annual General Meeting.

For more information:

Investors
Anita Healy
Mobile: +61 411 109 108

Lisa Zimmet
Mobile: +61 428 857 242
E-mail: investor.relations@colesgroup.com.au

Media
Jace Armstrong
Mobile: +61 431 987 599

Mike Bennett
Mobile: +61 412 901 229
E-mail: media.relations@coles.com.au

This announcement was authorised for release by Daniella Pereira, Group Company Secretary.

Coles Group Limited Annual General Meeting 2026

Chairman's address to shareholders

Coles has been part of Australian life for more than a century.

Today, we serve millions of Australians each week through more than 1,800 supermarkets and liquor stores, and our online business. We employ more than 115,000 people, work with more than 8,000 suppliers and we are owned by around 400,000 shareholders. This scale, and our connection to communities across the country, is one of Coles' great strengths and stands us in good stead in a complex external environment.

Households remain cautious after years of cost-of-living pressure, while geopolitical tensions are increasing costs and supply chain uncertainty.

In this environment, delivering value for customers remains more important than ever. Value is about more than the shelf price of groceries. It is also availability, the quality and functionality of products and the convenience of our offer – all of which depend on efficient operations, a resilient supply chain, effective use of technology, and disciplined investment.

This is where Coles' scale can deliver enormous value to all Australians. It enables us to invest for the long term in our stores, supply chain, technology and people, build enduring relationships with farmers, producers and suppliers.

And when we find better ways to operate, we can apply them across our network – helping lower costs, improve availability and deliver better value.

Together, these strengths support a more productive and resilient Coles, with the capacity to keep investing for customers while generating sustainable returns for you, our shareholders.

Against this backdrop, we delivered another solid year of financial performance.

Group sales revenue grew to $45.6 billion and Group NPAT, excluding significant items, grew 13.7% to $1.26 billion.

The Board declared fully franked dividends of 78 cents per share for the year, an increase on FY25, with $979 million paid back to shareholders this financial year.

These results reflect disciplined execution of our strategy and the commitment of our people. They also reflect investments made over many years to strengthen Coles.

We have modernised our supply chain through our automated distribution centres and customer fulfilment centres.

We have continued to invest in our store network and digital capabilities.

And we are making greater use of technology, data and artificial intelligence across the business.

These investments are improving the way Coles operates today while building capabilities for the future.

Retail is changing quickly.

Customers expect better value, greater convenience and more choice, while technology, global events and an evolving competitive and regulatory environment continue to reshape our industry.

Your Board believes Coles is well-positioned. We have a strong balance sheet, significant investments in world-leading infrastructure and technology, an extensive store network, trusted supplier relationships and a strong team serving our customers every day.

Our focus is on making the most of those strengths by continuing to improve productivity and efficiency, investing where we see opportunities to create sustainable long-term value, and remaining disciplined in how we allocate your capital.

The strength of our balance sheet gives us considerable flexibility. We have a clear investment framework and rigorous return hurdles, and we regularly assess our capital management options to ensure capital is deployed in the best interests of shareholders.

Ultimately, it is about striking the right balance between investing in the business to support sustainable growth and returning capital to shareholders where that is the best use of funds.

Building a strong long-term business extends to the environmental impact of our operations.

We maintained 100 per cent renewable electricity for our operations. Our combined Scope 1 and 2 greenhouse gas emissions were 82.6 per cent below our FY20 baseline – ahead of our FY30 target. We also released our first Climate Transition Plan and mandatory climate-related financial disclosures. And across our operations, 88.2 per cent of solid waste was diverted from landfill.

Packaging is another important area of our sustainability agenda.

It performs an important role. It protects products, supports food safety and quality, can extend shelf life and helps reduce food waste. Our approach, set out in our Sustainability Strategy and R3 Packaging Framework, is aligned with the Australian national packaging targets.

We have made good progress.

In FY26, more than 87 per cent of eligible packaging was recyclable – exceeding our FY30 target. Recycled content in eligible packaging reached 28.1 per cent. Since 2021, our initiatives have also removed more than 700 million pieces of plastic packaging from our Coles Own Brand range alone.

There is more to do.

Importantly, we look at the overall environmental outcome of the choices we make rather than any one measure in isolation. Reducing plastic in packaging is important, but changes must also take account of food safety, product quality, food waste, affordability and the availability and environmental impact of alternative materials.

We also support stronger and nationally consistent packaging regulation, alongside the investment in collection and processing infrastructure needed to improve circularity across Australia.

And we will continue to review our disclosures, so shareholders have meaningful information with which to assess our progress.

During the year, the Federal Court delivered judgments in two significant historical matters involving Coles.

The first was the matter brought by the Fair Work Ombudsman concerning historical pay arrangements for award-covered salaried team members. This matter remains before the court, and we will keep shareholders informed. Coles has previously apologised to affected team members and undertaken remediation, as per our previous disclosures.

The second related to ACCC proceedings concerning historical promotional pricing between 2022 and 2023 for the Down Down specials program. The Court found that the underlying price increases reflected supplier cost increases and were commercially justified.

However, it found that, for most of the products considered, the higher price had not been in place for long enough before the product was promoted under Down Down. While there were no prior price establishment guidelines and no deliberate intention to mislead customers, the judge determined that 12 weeks price establishment was appropriate for this type of campaign and therefore found against Coles.

The matter remains before the courts.

Your Board and management take these matters seriously.

We considered both proceedings when determining FY26 executive remuneration. Adjustments were made to reflect executives' accountability for the areas they oversee, not any finding of individual misconduct.

More broadly, there have been significant changes to the regulatory framework applying to the grocery sector. These include Australia's mandatory merger control regime and the excessive pricing prohibition for large supermarket retailers, which was introduced as an election promise, not because there was any evidence of excessive pricing.

Coles supports regulation that protects consumers, promotes effective competition, and supports investment and productivity. We also recognise the responsibilities that come with our scale and position in the Australian grocery market.

At the same time, regulation needs to be clear, proportionate and practical.

Poorly designed or unnecessarily complex regulation can add costs, discourage investment and reduce productivity – outcomes that can ultimately put upward pressure on grocery prices for customers.

Now, turning to the Board.

At the conclusion of today's AGM, Wendy Stops will retire as a Non-executive Director. On behalf of the Board, I would like to acknowledge and thank Wendy for her significant contribution to Coles.

Wendy joined the Board in November 2018 and has served as a member of both the Audit and Risk Committee and the Nomination Committee.

Wendy, your thoughtful judgement, valuable insights and strong commitment to governance have been greatly valued by your fellow Directors and by Coles more broadly.

We thank you for your dedicated service and contribution over the past eight years. We wish you every success and all the very best for the future.

The Board remains focused on maintaining a balanced mix of skills, experience and perspectives, and we continue to explore opportunities to bring additional skills and experience to the Board.

I thank my fellow Directors for their contribution and commitment throughout the year.

As we look ahead, our priorities remain clear.

We remain focused on delivering value, quality and convenience for our customers; investing in our people, stores, supply chain and technology; and maintaining disciplined capital allocation to support long-term growth.

Coles has served Australians for more than a century. Our responsibility is to build on that legacy and ensure the business remains strong for generations to come.

Before I finish, I want to acknowledge the more than 115,000 members of the Coles team.

Across our stores, distribution centres, online operations and support functions, their contribution enables us to serve millions of Australians each week.

On behalf of the Board, thank you.

I also thank our farmers, suppliers and other partners for their contribution and continued support.

And to you, our shareholders, thank you for your investment in Coles and for the trust you place in the Board.

I would now like to invite our CEO, Leah Weckert, to address the meeting.

Thank you.