



23 September 2024

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Manager,

COLES RESPONSE TO ACCC PROCEEDINGS

Please find attached for release to the market.

Yours faithfully,

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

Daniella Pereira
Group Company Secretary



ASX Release

23 September 2024

COLES RESPONSE TO ACCC PROCEEDINGS

Coles Group Limited (ASX:COL) was today advised that the Australian Competition and Consumer Commission (ACCC) has commenced civil proceedings against Coles Supermarkets Australia Pty Ltd in the Federal Court of Australia alleging contraventions of the Australian Consumer Law regarding the Coles Down Down program between February 2022 and May 2023. The ACCC proceedings allege Coles increased the prices of at least 245 products before placing them on Down Down promotions at prices that were higher than, or the same as, the price at which each product had ordinarily been offered for sale before the price increase. It is alleged that Coles made representations that the prices of the products were discounted and that these representations were false and misleading.

The allegations relate to a period of significant cost inflation when Coles was receiving a large number of cost price increases from our suppliers and, in addition, Coles' own costs were rising, which led to an increase in the retail price of many products.

Coles sought to strike an appropriate balance between managing the impact of cost price increases on retail prices and offering value to customers through the recommencement of promotional activity as soon as possible after the establishment of the new non-promotional price.

In line with our values, Coles takes compliance with the Australian Consumer Law extremely seriously, and places great emphasis on building trust with all stakeholders, especially our customers.

Coles is acutely aware of the cost-of-living pressures affecting households and continually seeks to deliver value to our customers. We do this in a variety of ways including promotional campaigns, every day low prices, Coles Own Brand and Flybuys. The Down Down program is one type of promotional campaign involving a longer-term reduction in the retail price of a product, and has been important in delivering lower prices to our customers and driving volume for our suppliers for many years.

Coles intends to defend the proceedings.



For more information:

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This announcement was authorised for release to ASX by a Sub-committee of the Board of Coles Group Limited.