

28 June 2022

ASX Market Announcements Office
10 Bridge Street
SYDNEY NSW 2000

Via ASX Online

Dear Sir/ Madam

ANNOUNCEMENT FOR RELEASE VIA MARKET ANNOUNCEMENTS PLATFORM

Please find **attached** Collins Foods Limited's 2022 Sustainability Report for release via the ASX Market Announcements Platform.

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By Order of the Board



Frances Finucan

Company Secretary





COLLINS FOODS LIMITED

ACN 151 420 781



positive



IMPACT

COLLINS FOODS LIMITED SUSTAINABILITY REPORT 2022

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⇒ Our Mission &

RESTAURANTS
done **BETTER.**

⇒ Our Vision &

THE WORLD'S **TOP**
Restaurant
OPERATOR.

WE CREATE UNMATCHED
EXPERIENCES FOR OUR
CUSTOMERS & PEOPLE.



Letter of introduction



Now in its second year, Collins Foods' Sustainability Report demonstrates our ongoing commitment to environmental, social and governance (ESG) and sustainability practices within Australia.

Our sustainability practices are driven by our Positive Impact Strategy, which is structured around three key pillars — People and Communities, Planet, and Governance — with three primary goals to be achieved by 2026:

- establish Collins Foods Giving as best-in-class signature program with 75% plus Participation Rate
- reduce our carbon footprint by achieving a 25% reduction in Scope 1 and 2 greenhouse gas emissions compared to FY21
- increase diversion of waste from landfill by 25% compared to FY22.

During FY22, Collins Foods focused on reviewing the flow of data to improve awareness, educate employees, and empower reporting on all aspects concerning environmental results, energy usage, social progress, and governance updates.

We are pleased to present the progress we have made in these areas and recognise the hard work our teams have put in to achieving the year's outcomes.

People and communities

Collins Foods strives to be a good corporate citizen, supporting our communities, people, and planet. Our Workplace Giving Program, which allows employees to donate a portion of their weekly pre-tax income to a charity of their choice, has contributed over \$6 million to charitable organisations since its inception. Our Participation Rate is at 36% of employees during Period 13 FY22, up from 27% during Period 13 FY21.

At Collins Foods, we consider our people our greatest asset. With over 17,000 employees, we are dedicated to creating a strong culture of empowered reporting, safety and belonging. With domestic violence rates continuing to rise across the country, Collins Foods has worked with external specialists to create an awareness and support program for employees who may be affected. The program includes up to \$5,000 of financial support and five days of paid leave as circumstances may require.

We also strive to provide safe and healthy workplaces across all brands and restaurant support centres and invest in a range of initiatives that support our people, focusing on inclusion, diversity, reward and recognition, and training. To continue growing our culture of acceptance and belonging, our Diversity and Inclusion Council established four working groups — LGBTQI+, Disability, Multicultural, and Equality — each tasked with delivering an overarching roadmap for the enhancement of diversity and inclusion initiatives across Collins Foods, to strengthen our culture of belonging.

Planet

We acknowledge the importance of having a role in tackling climate change and pollution. To play our part, Collins Foods has become the only quick service restaurant (QSR) company in Australia to commit to installing solar panels in every possible free-standing drive-thru restaurant. During the year, we installed 89 additional solar panel-based energy systems to 89 drive-thru restaurants.

Governance

We cannot deliver on our ESG goals without proper governance in place. At Collins Foods, we have high standards of corporate governance, recognising that good governance not only protects and enhances stakeholder interests but is important to our ongoing success.

During the year, the Collins Foods Board updated the Audit and Risk Committee Charter to include sustainability as a Committee responsibility.

As an ASX-listed corporation, we respect and support the integrity of the market where investors trade in Collins Foods' shares (ASX: CKF) and from which we access capital. An overview of Collins Foods' corporate governance practices is set out in our corporate governance statement available at www.collinsfoods.com.

We seek continuous improvement to maintain best-practice governance standards.

The future outlook

Our Sustainability Report is a key representation of our success stories and future plans — we look forward to sharing our improvements year on year. This report demonstrates how Collins Foods operates and puts our Positive Impact Strategy in action to support our people, customers and the planet. .

Robert Kaye SC
Chairman

Drew O'Malley
Managing Director & CEO

Our positive impact

Creating UNMATCHED PEOPLE EXPERIENCES

Making a POSITIVE IMPACT

Being BRILLIANT AT THE BASICS

OUR PILLARS

People and Communities

Planet

Governance

OUR PRIMARY GOALS

Establish **Collins Foods Giving** as a best-in-class signature program by 2026 with

75%+
Participation Rate

Reduce our carbon footprint by achieving a

25% reduction

in **greenhouse gas emissions** by 2026 compared to FY21

Increase **diversion of waste** from landfill by **25%** by 2026 compared to FY22

Commitment to

continuous improvement

in **best-practice governance standards** in all our business activities

2022 INITIATIVES & OPPORTUNITIES

- Safety management system that underpins strong safety culture FY22: LTIFR 11.68 (FY21: 14.20)
- Collins Foods Giving employee Participation Rate in FY22: 36% (FY21[^]: 27%)
- Collins Family Fund: over \$130,000 gifted
- Equitable employee profile: FY22: 49.2% female, 50.5% male, 0.3% non-binary, intersex or preferred not to say
- Employing young Australians: 566 traineeships with 307 completed in FY22 (FY21: 518 with 290 completed)
- Expansion of participation in Food Recovery to include KFC restaurants in Tasmania
- Extended wellbeing strategy to have stronger focus on psychosocial hazards
- Implemented an IT innovation program to improve incident reporting and safety analysis

- Renewable energy: 89 additional solar panel systems installed this year, entered power purchase agreement
- Reducing Scope 1 and 2 GHG despite increasing restaurants: FY22: 65,926 tonnes CO₂-e (FY21[^]: 68,613 tonnes CO₂-e)
- Reducing average energy consumption per restaurant: FY22: 1,192 GJ* (FY21[^]: 1,257 GJ)
- Reducing waste to landfill by diverting, reusing, recycling or upcycling waste. FY22: total waste 12,626 tonnes and a waste diversion rate of 18.3%
- Opportunity: water management and other energy efficiencies

* gigajoules

[^] FY21 restated

- We expect our people and those who conduct business with us to act with integrity, ethically and with openness, honesty and fairness
- Food safety management system underpins strong food safety culture

SECTION 1:

About Collins Foods

At Collins Foods, Restaurants are Done Better.

We aspire to be the World's Top Restaurant Operator by creating unmatched experiences for both our customers and people.

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We are an ASX200-listed entity proudly employing over 17,000 employees. At the end of financial year 2022, we operated 261 KFC restaurants and 20 Taco Bell Restaurants in Australia.

With over half a century of experience, we are proud of our successful history and look forward to the exciting journey we have ahead.

Six core values underpin everything we do. These values are helping us towards our vision to be the 'World's Top Restaurant Operator' and our mission around 'Restaurants Done Better'.



We are deeply committed to the wellbeing, development and safety of our people, and treat them as our family.



We are passionate about our customers. We work together to create unrivalled experiences.



'Being Brilliant at the Basics' is in our DNA — we are fanatical about driving performance and getting it right every time.



This is our company. We treat it like our own and take complete accountability for results.



Life is too short to stick with the status quo. **We think big and take bold moves** to make sure we are better tomorrow than today.



Our people, our communities, and our planet deserve our wholehearted commitment. **We want our growth to be sustainable.**

SECTION 2:

Our Positive Impact Strategy and materiality

This is Collins Foods' second Sustainability Report covering operations in Australia.

Consistent with our vision to be the 'World's Top Restaurant Operator' and our ongoing pursuit of sustainable growth, environmental, social and corporate governance (ESG) and sustainability practices have been at the core of Collins Foods' organisation for many years.

Our diverse group of key stakeholders includes our people, franchisors, customers, investors, suppliers, charity partners, government, and regulators. This diversity is extended to our material factors for our organisation, with the Board and executive noting relevant elements from the Sustainability Accounting Standards Board (SASB) for food retailers, distributors and restaurants. Key risks incorporated in our existing risk management framework were also overlaid, resulting in the identification of the environmental, social and governance issues considered by the executive to be relevant for Collins Foods.

Our sustainability strategy combines these factors into three pillars:

- **People and Communities** — creating unmatched people experiences and supporting our local communities
- **Planet** — making a positive impact
- **Governance** — commitment to continuous improvement in best-practice governance standards in all our business activities and 'Being Brilliant at the Basics'.

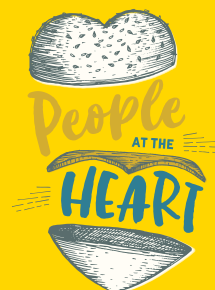
From these factors, Collins Foods has chosen three main aspirations as our focus:

- establish Collins Foods Giving as a best-in-class signature program with 75% plus Participation Rate by 2026
- reduce our carbon footprint by achieving a 25% reduction in greenhouse gas emissions by 2026 compared to FY21
- increase diversion of waste from landfill by 25% by 2026 compared to FY22.

MATERIALITY FACTORS RELEVANT TO COLLINS FOODS

PILLAR

People and Communities



Planet



Governance



FOCUS	MATERIALITY FACTORS	INITIATIVES
<p><i>Creating</i></p> <p>UNMATCHED PEOPLE EXPERIENCES</p>	Workplace health and safety	Leverage safety management system to reduce LTIFR and TRIFR
	Diversity and inclusion	Work with third-party provider to support people with disability Increase diversity in geographies and consideration of individuals who identify as LGBTIQ+
	Labour practices	Regular review and test of employee life cycle
	Collins Foods Giving — workplace giving program	Establish Collins Foods Giving as a best-in-class signature program by 2026 with 75% plus Participation Rate
<p><i>Supporting</i></p> <p>OUR LOCAL COMMUNITIES</p>	Collins Family Fund	A new program launched in 2020 to support our employees in times of need
	Food Recovery	Increased number of restaurants participating in Food Recovery to include restaurants in Tasmania
<p><i>Making a</i></p> <p>POSITIVE IMPACT</p>	Energy management and carbon offsets	Reduce our carbon footprint by achieving a 25% reduction in greenhouse gas emissions by 2026 compared to FY21
	Waste management	Increase diversion of waste from landfill by 25% by 2026 compared to FY22
	Animal welfare	Provide input to our franchisors to be a good steward of the animals raised for food throughout our supply chains via our representation on the franchisor's Supply Chain Management Council
	Supply chain management	Expand modern slavery due diligence by requesting high-risk non-core suppliers to complete due diligence questionnaires on modern slavery practices
<p><i>Maintaining</i></p> <p>ETHICS AND INTEGRITY IN DECISION-MAKING</p>	Ethics and integrity	Inclusion of serious social misconduct termination event in Supplier Code of Conduct Proactive issue of questionnaire to all above restaurant employees supporting operation of Group Code of Conduct and Group Securities Trading Policy
	Legal and regulatory environment management	Due diligence workshops and director site visits
	Critical incident risk management	Third-party facilitated crisis management solutions Implement an Incident Cause Analysis Method (ICAM) approach to critical incident investigations
	Privacy and data security	Adoption of National Institute of Standards and Technology Cyber Security Framework Multi-factor authentication enabled
<p><i>Delivering responsible and uncompromising food</i></p> <p>BY 'BEING BRILLIANT AT THE BASICS'</p>	Product quality and safety	Audited food safety programs in place for both KFC and Taco Bell
	Customer welfare	Continue to measure using Guest Experience Surveys administered and audited by an independent third party
	Selling practices and product labelling	No direct marketing to children under 15 years old

SECTION 3:

People and Communities

Our people are the heart of Collins Foods, and we are deeply committed to their wellbeing, development and safety.

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With over 17,000 employees in Australia, our team are an integral part of our day-to-day operations and overall business success. We are committed to fostering a culture of belonging where our people feel welcomed, accepted, safe, included, supported and encouraged.

Our aim is to ensure our people understand our values and standards and how important their contribution is to Collins Foods' success. As an ASX200-listed entity, we are able to provide our people with career progression including above restaurant or corporate roles and the implementation of contemporary people practices, reward and recognition programs. Traineeships and talent management strategies are all part of our drive to better the lives of our employees, as is the allocation of appropriate resourcing levels.

Supporting employee mental health and physical wellness continues to be top of mind. The Wellness @ Collins program introduced in FY21 continued in FY22, promoting overall wellbeing and providing a support network for employees navigating difficult situations, both inside and outside the workplace.

Our ongoing employee assistance program is offered to both employees and their immediate families who may need support or professional advice, with a dedicated manager support line providing managers with advice in the moment or as needed.

Safety and wellbeing

Supporting employee mental health and overall wellness continues to be a key focus for the business. During the year, we prioritised the design and implementation of a broader wellbeing strategy that includes a stronger focus on psychosocial hazards.

We also establish a strong safety culture by providing a safe and healthy workplace across all brands and restaurant support centres, underpinned by our Workplace Health and Safety (WHS) Strategy. This defines the responsibilities for WHS across the entire organisation, driving a broad range of key organisational and operational activities, improving WHS management, and supporting the achievement of our vision of sustaining safe, healthy and productive workplaces. To ensure continuous improvement, the Strategy is reviewed every two years by Collins Foods' Board and executive management team. This review also checks we are meeting legal obligations, business and customer needs, client requirements, and stakeholder expectations.

The Collins Foods Safety Management System (SMS) is also a critical tool for our business practice and underpins the WHS Strategy. The Board has direct oversight of the SMS through regular reports, briefings, workshops, new director induction, and visiting our restaurants.

Regular consultation on safety with staff across all sites is a high priority, as well as ensuring staff feedback is acknowledged and appropriately actioned if required. By fostering a reporting culture, our employees are empowered to accurately and promptly submit any incidents that occur within their workplace.



The opportunity to take an active role in improving safety within Collins Foods has had a positive impact, with surveys conducted since FY19 confirming employees agree that Collins Foods makes their health and safety a priority and that it also promotes a safety minded culture.

The consultation framework and the implementation of the SMS have meant that this year we reduced our rate of lost-time injuries — decreasing from 14.20 in FY21 to 11.68 in FY22.

We have worked hard to
DECREASE
our injury frequency rates



FINANCIAL YEAR	LTIFR	TRIFR
2022	11.68	18.81
2021	14.20	22.12

Domestic and family violence support

At Collins Foods, our commitment to the wellbeing of our people extends past the walls of the workplace. According to the Australian Institute of Health and Welfare, the most recent Australian Bureau of Statistics Personal Safety Survey in 2016 indicated that since the age of 15, one in six women and one in 16 men have experienced physical or sexual violence by a current or previous partner. Violence within the home and family can happen to anyone, regardless of where they live, their job, their education, or their age.

Collins Foods supports any of our people who may be directly or indirectly affected by domestic or family violence. Throughout FY22, we worked with a specialist organisation to develop a range of support services including up to \$5,000 of financial support and five days of paid leave as circumstances may require. We now have critical new resources available to our workforce and continue to encourage our team to learn more about domestic and family violence, its impacts and warning signs, and how to support one another should anyone be experiencing it at home.

Culture and diversity

As we continue to grow and acquire restaurants and welcome new employees, we also invest time and effort to support a smooth integration into the Collins Foods workplace culture. In a business centred on delivering great customer service, we see this as a critical success factor.

We value our diverse workforce and truly have 'People at the Heart'. The Collins Foods Culture and Diversity Strategy and related initiatives took direction from a 2019 employee survey, and have continued in the years following. The survey helped us understand employees' views on working within our brands and in the RSC, and the key qualities that align to brand-specific cultures and our cultural journey to date.

We take great responsibility for providing equal opportunities within our workforce. Profile and gender equality indicators from our full WGEA Report for the past three WGEA reporting periods demonstrate our commitment. 2022 has seen a change in our GPG of -1% attributed to a combination of growth across our brands and the volatility of the employment market challenging our recruitment capability both internally and externally. We anticipate this re-balancing of our GPG as the employment market settles post-pandemic.

We have a stable
GENDER BALANCE



FINANCIAL YEAR	WORKPLACE PROFILE	PROMOTIONS	MOVEMENT IN OVERALL GENDER PAY GAP FOR WOMEN
2022	49.2% female 50.5% male 0.3% non-binary, intersex or prefer not to disclose	57.8% female 42.2% male	-1% GPG
2021	49.4% female 50.6% male	60.1% female 39.9% male	No GPG

Diversity and inclusion bolster positive work environments by

SECTION 3:

People and Communities

The number of women
EMPLOYED
by Collins Foods has also
remained stable

NUMBER OF WOMEN	FY22 ACTUAL		FY21 ACTUAL	
	Number	%	Number	%
Employees in the whole organisation	8,157	49.2%	7,547	49.4%
In senior executive positions	3	50%	2	40%
On the Board	2	33.3%	2	33.3%

incorporating new and different ways of thinking and interacting so all individuals can contribute. Established in 2018, our Diversity and Inclusion Council is made up of representatives from across the organisation to promote a sense of belonging into every aspect of the business. Everyone should feel welcomed, accepted, safe, included, supported and encouraged to engage in the workplace.

In April 2022, our Diversity and Inclusion Council endorsed a new approach to our engagement activity. Working groups for each of the four diversity and inclusion focus groups — LGBTQI+, Disability, Multicultural, Equality — have been implemented to organise activities and consider new opportunities to foster a sense of belonging at Collins Foods.

With employees and customers coming together from a broad range of backgrounds, we aim to leverage and champion our rich cultural diversity. Harmony Day coincides with the United Nations International Day for the Elimination of Racial Discrimination and is an initiative of the Australian Government designed to celebrate multiculturalism within Australia. On 21 March 2022, we actively participated in Harmony Day by celebrating a 'Taste of Harmony' to celebrate our workplace's cultural diversity.

We also champion employment of people with disability and continued our work with a third-party provider, MAX Solutions, to understand where we can make a difference. This journey began in FY21 as we sought to better understand and improve the safety and support needed by employees with disability when performing their duties. The partnership has remained in FY22, as we continue to look at the development of leaders' and teams' skills to increase awareness and understanding, and we are now becoming a disability-confident workforce. As of the end of FY22, Collins Foods employs 48 people with disability.



"To be a member of the Diversity and Inclusion Council is a great opportunity to help influence and change our working environment. I am part of the LGBTQI+ community and it is important to me that Collins Foods is a safe, inclusive, and supportive workplace for all."

Over the years, the Council has introduced many initiatives to make our workplace better, including celebrating NAIDOC Week, introduction of supported wage employees, and sharing rainbow pins for our teams. We still have a bit to go to remove any direct or indirect barriers that may exist for minority groups, but we are on the right track and it's something I am very proud of."

Trent Briggins Shaw, Operations Excellence Specialist, Diversity and Inclusion Council member since 2017

CASE STUDY

Team member Jarrod Lowerson featured in ABC podcast

At Collins Foods, one of the initiatives our Diversity and Inclusion Council supports is creating a workplace where supported workers can enjoy a fulfilling career and feel they belong. We are incredibly proud of our supported workers, and what they bring to the table.

Jarrod Lowerson, our customer service team member at KFC Robina was featured in ABC Radio National's This Working Life podcast. Jarrod spoke about his role and the support and guidance he has received in the role. The podcast discussed how hyper-personalised workplaces can accommodate neurodiversity and individual skill sets.

In partnership with MAX Solutions, Jarrod participated in a pilot program with KFC to match him with a job that best suited his skills. As a person living with Asperger's Syndrome, Jarrod's high energy levels mean he often completes tasks quickly, making him a valuable team member.

Following Jarrod's appointment at KFC Robina, MAX Solutions worked with Jarrod and Collins Foods to develop his workplace skills — coaching him on safety and creating props to remind him of tasks to build his efficiency and confidence.



SECTION 3:

People and Communities

Reward and recognition

We are customer driven — creating unmatched experiences for our customers and people is a core reason behind why we do what we do. Our employees on the frontline and behind the scenes are integral to creating these experiences and we are dedicated to making sure exceptional work doesn't go unnoticed.

This year, Collins Foods hosted its inaugural Collins Way awards ceremony to show appreciation of our employees. It is our premier program for rewarding and recognising our employees who 'live the Collins Way' and demonstrate our core values to the highest level. The ceremony was held in March 2022 at Victoria Park in Brisbane, welcoming finalists from across our KFC and Taco Bell brands as well as the restaurant support centre. For the first time, the top 'Collins Way' award was given to three recipients, one each recognising the top performer in Taco Bell, KFC, and the Restaurant Support Centre.

In total, 27 employees were recognised for their exceptional work, with the overall winners highlighted here:

- **Taco Bell '2021 Collins Way' Winner of the Year: Charlie Voudouris**
- **KFC '2021 Collins Way' Winner of the Year: Paige Benson**
- **Restaurant Support Centre '2021 Collins Way' Winner of the Year: Shaun Smith (in honour of his memory).**

Shaun Smith was a much loved member of the Collins Foods family having worked in IT at Collins Foods for nearly 20 years. Shaun was a living embodiment of Collins Foods' values. To commemorate Shaun and commend the sporting prowess of his daughter Taylor Smith, Collins Foods was player sponsor for Taylor for her season with the AFL Women's Brisbane Lions in 2022.

Traineeships

Over 90% of Collins Foods' workforce are under the age of 25 and for many, being employed by Collins Foods is the first step in their career. This is why we prioritise traineeships, with 566 young Australians participating in our program nationally. This learning pathway combines paid on-the-job training, and formal study at high school and/or a registered training organisation, with the trainee receiving a nationally recognised qualification upon completion.

It is a testament to the Collins Foods culture that of the employees who have completed a traineeship, more than 62% elected to stay longer than 12 months after their completion and more than 52% of employees who completed a traineeship in the past four years have chosen to remain employees.

Most of our Restaurant Management Teams, Area Coaches and Market Managers started with us as early team members so we are currently investigating the opportunity to include traineeships as a stepping-stone in the staff development journey towards becoming a Shift Supervisor, Assistant Manager or Restaurant General Manager.

Supporting young Australians is something Collins Foods is passionate about. Working with our franchisors, we support the KFC Youth Foundation that partners with three incredible charities, The Black Dog Institute, ReachOut Australia and Whitelion.

566 young people took part in our traineeship program in FY22

FINANCIAL YEAR	TOTAL TRAINEESHIP SIGN-UPS	TOTAL TRAINEESHIPS COMPLETED
2022	566	307
2021	518	290

Collins Foods Giving

In 2008, we established the Collins Foods Giving Committee to deliver on our commitment to improving sustainable growth within our communities and offer our employees an opportunity to give back to everyday Aussies in need. Our Collins Giving Committee is made up of representatives from across the organisation who plan activities and consider new initiatives to continue growing our presence in this area.

The program, recognised by Workplace Giving Australia (WGA), provides our employees the opportunity to give back to everyday Australians in need through a weekly automatic donation from pre-tax salary to any one of five partner Australian charities. Collins Foods matches donations each year, up to the value of \$150,000.

Through our Collins Giving Program we have donated over \$6.2 million to date.

In FY22, **\$892,000** was raised for our charity partners by our customers and employees

FINANCIAL YEAR	COLLINS FOODS GIVING (ROUNDED)	CUSTOMER AND EMPLOYEE DONATIONS TO KFC YOUTH FOUNDATION (ROUNDED)
2022	\$480,000	\$412,000
2021	\$587,000	\$325,000

Every donation goes directly to one of the charity partners of the employee's choice, to make a difference in the communities in which we operate. The Collins Foods Giving charity partners are:

- **Companion Animal Network Australia** — providing shelter, care, adoption and rescue services for animals in need
- **Ardoch** — improving education outcomes for children in disadvantaged communities
- **Breast Cancer Network Australia** — providing support, information, treatment and care to Australians affected by breast cancer
- **Children's Hospital Foundation** — providing care for sick children and their families and funds for vital research and new equipment in Queensland and New South Wales
- **Youngcare** — improving the lives of young people with high-care needs.

To sustain our positive impact in our communities, we aim to establish Collins Foods Giving as a best-in-class signature program with 75% plus Participation Rate by 2026. The employee Participation Rate in Collins Foods Giving was 36% during Period 13 FY22 — an increase from 27% during Period 13 FY21 — and we are working hard to further promote the program internally by engaging with our employees on areas for improvement. We distributed a survey to employees to confirm we are supporting the charities they are interested in, and profiled our charity partners in our newsletters to showcase what our donated funds are contributing to. We invite our charity partners to share with our teams the great work they do and our charity partners invite our employees to spend time with them as volunteers. Participation in the Collins Foods Giving program is and has always been on a voluntary basis. A voluntary, opt-in model is especially important to Collins Foods considering the young age demographic and casual employment status of most of its employees. The FY21 restated Participation Rate and FY22 Participation Rates are presented on this basis.

Collins Family Fund

In April 2020, the COVID-19 Relief Fund was established to support our teams and their families with any financial difficulties they may have been facing during the COVID-19 pandemic. Over FY21 and continued into FY22, the Fund transformed to a broader initiative, the Collins Family Fund.

The Collins Family Fund is now a permanent initiative and is designed to provide financial support to employees experiencing hardship or in times of need. All employees are eligible to apply for assistance for any reason, including unexpected vehicle or home repair, medical bills, or household goods affected by extreme weather events. Our intent is to 'support our own', much in the way you can depend on your family during times of need.

Each application is treated on a case-by-case basis with integrity, empathy and understanding and in FY22 over \$130,000 was gifted to 42 employees and their families to support them through a difficult time.

CASE STUDY

Supporting Children's Hospital Foundation

In April 2022, Collins Foods was proud to be part of the Nine Telethon — Queensland's only live televised fundraising event. Money raised from the Telethon goes to the Children's Hospital Foundation, which supports sick children by funding life-saving medical research, purchasing cutting-edge medical equipment, and providing vital patient and family support services at Queensland Children's Hospital and paediatric facilities. Incredibly, the Telethon raised over \$14.3m in 2022.

Our Taco Bell Eatons Hill and KFC Strathpine and Warner restaurants fuelled over 100 phone operators with Taco Bell's fan favourites and finger lickin' good food!

Collins Foods also supports the Foundation via Collins Foods Giving, donating over \$70,000 in FY22.



SECTION 4:

Planet

Collins Foods recognises the important part we can play in reducing carbon emissions and is aiming to achieve a 25% reduction in greenhouse gas emissions by 2026 compared to FY21.

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A significant portion of Collins Foods' greenhouse gas emissions comes directly from energy usage. To combat this, Collins Foods has committed to installing solar panels on every possible free-standing drive-thru restaurant it proudly operates, subject to local council requirements and landlord consent.

With over 280 restaurants in Australia, this is a significant commitment. The size of the solar system varies depending upon roof space availability. FY22 saw solar panel-based energy systems installed across 89 drive-thru restaurants bringing the total to 103 restaurants at a total investment of circa \$1.6m, with more expected in the coming year.

As our restaurant network grows and new restaurants are built, we commit to planting trees to balance the effect of trees removed during construction, restore areas affected by bushfires, create habitat for koalas, and promote native biodiversity. To achieve this, we partnered with One Tree Planted, a not-for-profit which will plant one tree for every new employee welcomed to Collins Foods. We expect to plant on average 7,000 trees a year.

Energy and GHG emissions

Collins Foods has intensively investigated a wide range of potential energy-efficiency initiatives over the past five years in our efforts to reduce energy consumption in our restaurants. While initiatives such as the use of voltage optimisers (equipment which stabilises energy consumption at premises) and low-flow exhaust hoods for back-of-house operations have been trialled, these have proven to be unsuitable for our industry. We continue to aggressively pursue multiple potential avenues for reduction in energy use, both individually and in tandem with our franchisor of KFC Australia. During the year we also entered into renewable power purchase agreements for the purchase of 1,960 MWh of renewable energy (equivalent to over 2% of total energy consumption) which have contributed to reducing our greenhouse gas emissions in FY22.

Average Energy Consumption is down by an average of

65GJ* per restaurant



FINANCIAL YEAR	NUMBER OF RESTAURANTS	TOTAL ENERGY CONSUMPTION (GJ)	AVERAGE ENERGY CONSUMPTION PER RESTAURANT (GJ)*
2022 (sales \$1.18b)	281	334,897	1,192
2021 restated (sales \$1.07b)	267	335,631	1,257
2021 (sales: \$1.07b)	267	316,695	1,177

* Total energy consumed divided by the number of restaurants operated by Collins Foods' during the relevant financial year. Using FY21 restated and FY22 figures.



Average GHG Emissions is down by an average of **22 tonnes CO₂-e*** per restaurant



FINANCIAL YEAR	NUMBER OF RESTAURANTS	SCOPE 1 GHG TONNES CO ₂ -e	SCOPE 1 GHG TONNES CO ₂ -e	TOTAL SCOPE 1 AND 2 GHG TONNES CO ₂ -e	AVERAGE GHG EMISSIONS PER RESTAURANT (CO ₂ -e)*
2022 (sales \$1.18b)	281	2,859	63,067	65,926	235
2021 restated (sales \$1.07b)	267	2,887	65,726	68,613	257
2021 (sales: \$1.07b)	267	471	62,570	63,042	234

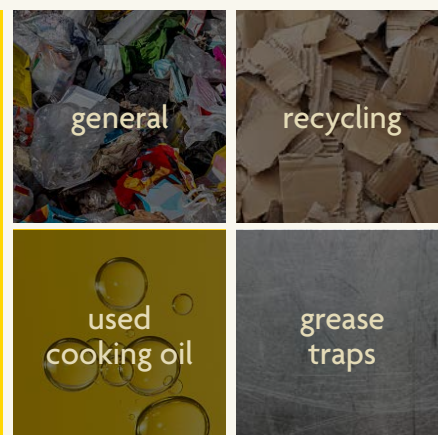
* Total GHG emissions divided by the number of restaurants operated by Collins Foods' during the relevant financial year. Using FY21 restated and FY22 figures.

KFC Australia is the only known QSR system that reports carbon emissions for both company-owned and franchise restaurants to the National Greenhouse and Energy Reporting (NGER) scheme (established by the National Greenhouse and Energy Reporting Act 2007 or NGER Act) and has been reporting on Collins Foods' behalf since the introduction of the Australian Government's reporting framework. Our KFC Australia franchisor reports and lodges the NGER Report with the Clean Energy Regulator on behalf of all Australian KFC franchisees as they have operational control over the supply chain.

The Scope 1 and Scope 2 GHG emissions for KFC Australia and Taco Bell restaurants operated by Collins Foods are set out in the table above. Scope 2 emissions from the consumption of electricity are our most significant source of GHG emissions. Data is primarily reported on the basis of invoiced electricity consumption, with 8% derived from estimates in FY22 (FY21: 23%). In FY22 we identified restaurants and additional sources of Scope 1 emissions which had not been disclosed in the prior year, and so expanded our reporting to include the Taco Bell restaurants, Fleet and Refrigerant Emissions. To support comparison on a like-for-like basis, FY21 has been restated on the same basis that FY22 is reported, as set out in the table above.

We continue to work with our franchisors and construction teams to design and build restaurants with sustainable credentials and learn lessons from our existing restaurants to continuously improve.

COLLINS FOODS WASTE CATEGORIES



Waste: Divert, reuse, recycle or upcycle

As the operator of KFC and Taco Bell, Collins Foods is aiming to increase its diversion of waste from landfill by 25% by 2026 compared to FY22.

For our Australian KFC operations, all paper-based packaging is fibre-based and sourced from responsibly managed forests and recycled sources. In KFC Australia and Taco Bell, all plastic straws have been removed and replaced with paper straws and both brands are transitioning from single-use plastics. Where wooden cutlery is used, Forest Stewardship Council-certified utensils and packaging will be sourced.

The waste from our restaurants can be classified into four categories — general (including organic waste), recycling, used cooking oil, and grease traps. Each has a different management approach, and we work with our franchisors and third parties to find innovative ways to divert, reuse, recycle or upcycle waste.

SECTION 4:

Planet

The amount of waste generated by our restaurants continues to be an opportunity to make a difference, and notwithstanding our new restaurant openings in FY22, we achieved a Waste Diversion rate of 18.3%.

FINANCIAL YEAR	NUMBER OF RESTAURANTS*	TOTAL SOLID WASTE (TONNES)	AVERAGE WASTE DIVERSION FROM LANDFILL (%)
2022	239	12,626	18.3
2021 (estimated)**	225	9,609	18.9

* KFC Australia and Taco Bell restaurants. Excludes food courts and restaurants serviced by the Sunshine Coast Council as Collins Foods does not have operational control over waste collection services for these restaurants.

** FY21 waste diversion rates are not comparable on a like-for-like basis to FY22 rates and were not audited.

GENERAL WASTE

In the last three months of FY21, Collins Foods changed waste collection providers. In data presented for the first nine months of FY21, General Waste and recycling collection weights were estimates based on a standard QSR industry weighted average for general waste services.

For the remaining three months of FY21 and during FY22, Collins Foods' new waste service collector has reported waste collection figures based upon actual weights for approximately 60% of Collins Foods' services (with the remainder estimated based on the number of bins collected and assumed densities of various waste streams). In line with our waste collection providers upgrading their fleets to retrofit more trucks with measuring arms, diversion rates are anticipated to become more accurate over time with a greater proportion of waste collections measured rather than estimated. This will impact upon diversion rates and the ability to compare periods — no two periods will be on a true like-for-like basis until 100% of services are on an 'actual weights' basis.

FY22 saw reviews of bin room configuration and our waste collection service provider conducted a deep dive into the contents of General Waste bins from a sample of restaurants. From these reviews it was ascertained that over 70% of General Waste for KFC Australia is organic with cooked chicken being one of the largest contributors in that category. We are working with our franchisor to expand the national Food Recovery program for cooked chicken from two existing providers to three.

A trial will commence in FY23 in partnership with our waste collection provider for the collection of other organic waste to be processed into high-grade fertiliser.

RECYCLING

Our Recycled Waste consists of cardboard and commingled recycling. Cardboard packaging generated from our back-of-house operations is recycled. In FY22, Collins Foods recycled 2,229 metric tonnes of cardboard and 77 tonnes of commingled recycling.

FINANCIAL YEAR	NUMBER OF RESTAURANTS*	TOTAL RECYCLED (TONNES)	AVERAGE RECYCLED PER RESTAURANT (TONNES)
2022	239	2,305	9.64
2021 (estimated)	225	1,727	7.68

* KFC Australia and Taco Bell restaurants. Excludes food courts and restaurants serviced by the Sunshine Coast Council as Collins Foods does not have operational control over waste collection services for these restaurants.

USED COOKING OIL

Used cooking oil can be repurposed for external industries, including stockfeed and bio-lubricants. Up to 95% of our restaurants' used cooking oil is upcycled with the majority going into biodiesel. Over the past three financial years, 2,207 kilolitres of cooking oil have been collected from Collins Foods' restaurants for upcycling.

Cooking efficiency has increased as equipment technology used in restaurants has improved to minimise the requirement for oil to be changed manually. Self-filtering and the oil top up process has become automated, resulting in the number of oil changes being reduced and less oil being discarded. Updated oil filtering and processing equipment is now standardised across all new restaurant openings.

Over three years thanks to these efficiencies, cooking oil use has decreased by around

157,970L

despite 27 more restaurants operating

FINANCIAL YEAR	NUMBER OF RESTAURANTS*	TOTAL COLLECTED FOR UPCYCLING (L)*	AVERAGE COLLECTED FOR UPCYCLING PER RESTAURANT (L)*
2022	281	665,390	2,368
2021	267	718,060	2,689

GREASE TRAPS

All restaurants have grease traps that prevent grease waste entering civic sewerage systems. The fats, oils, grease and food solids that settle in the grease traps are collected and upcycled into stockfeed. Over the past two financial years 17.4 million litres of waste from grease traps has been collected and upcycled.

FINANCIAL YEAR	NUMBER OF RESTAURANTS*	TOTAL COLLECTED FOR UPCYCLING (L)*	AVERAGE COLLECTED FOR UPCYCLING PER RESTAURANT (L)*
2022	281	8,937,160	31,805
2021	267	8,516,180	31,896

* KFC Australia and Taco Bell restaurants. Excludes food courts and restaurants serviced by the Sunshine Coast Council as Collins Foods does not have operational control over waste collection services for these restaurants.

Water

In FY21 Collins Foods committed to installing water tanks in all new builds and retrofitting them in existing restaurants. While we are at the beginning of our journey in this area, we are committed to better understand how water is used in our restaurants and supply chains.

Our franchisor of KFC Australia also continues to undertake trials to better understand water consumption in our restaurants and by our Australian suppliers.

E-waste

In FY22 we began looking at ways to reduce IT infrastructure and footprint, to lessen the amount of e-waste produced by the business. To achieve this, we adopted more online platforms and cloud-based servers, avoiding the need for physical hardware. Collins Foods has also partnered with an Australian data centre, which provides more energy efficient options for backing up data.

Food Recovery

Food insecurity is a serious issue across Australia. In 2021 Foodbank reported that 1.2 million children went hungry, and more than half of people impacted by severe food insecurity will go a whole day once a week without eating. Working with our KFC franchisor, Collins Foods donates cooked chicken to Food Recovery programs run by OzHarvest and Foodbank (depending on location of the restaurant). Across the Northern Territory and Tasmania, we have 13 restaurants participating in the Foodbank program — collecting over 9,200kg of chicken in FY22 for Foodbank. We are currently evaluating this program for potential expansion.

Supply chain

KFC and Taco Bell are subsidiaries of Yum! Brands Inc. As a franchised business for KFC and Taco Bell, Collins Foods' franchisors provide us with marketing, development, food innovation, supply chain and information technology services in exchange for service fees.

Core items for KFC Australia's restaurant supply chain are co-ordinated by our franchisor. Collins Foods holds the administration relationship with each supplier and has oversight in the selection of core suppliers used.

Core suppliers for Taco Bell are managed in partnership with our Taco Bell franchisor. Information on our supply chains' structure and operations can be found in our modern slavery statement and KFC Australia's modern slavery statement. Given the way that supply chain is managed, the Collins Foods and KFC Australia modern slavery statements should be read together and are available on the respective webpages.

Animal welfare

Taco Bell sources all proteins from reputable local suppliers in Australia approved under the Yum! Approved Supplier Audit Standards. The Wholesome Animal Food Program makes up part of these standards. The chicken raw material used in Taco Bell is sourced from one of the suppliers that also supplies to KFC Australia.

Our KFC Australia franchisor is committed to animal welfare. All the chickens are raised in large barns which allow flocks to be raised comfortably. All chicken meat suppliers are required to be members of the Australian Chicken Meat Federation and strictly follow the Model Code of Practice for the Welfare of Animals, Domestic Poultry. In addition, our KFC Australia franchisor has a code of conduct for suppliers, which features animal welfare standards and is also part of its relevant supplier contracts.

Antibiotics are used to some degree in chicken flocks in Australia, but they are used judiciously and in response to specific diagnosed conditions and under veterinary guidance, which supports animal welfare. The use of any antibiotics in animals must be approved by the federal authority, Australian Pesticides and Veterinary Medicines Authority (APVMA). The chicken industry undertakes a National Residue Survey annually, which is carried out by the Department of Agriculture, Fisheries and Forestry. The survey conducts regular independent checks for residues of antibiotics in chicken meat in Australia. This testing has consistently shown that Australian chicken meat does not contain residues of antibiotics. Food and animal welfare safety is paramount and stringent food safety and animal welfare processes are in place between suppliers and our KFC Australia franchisor. As part of these processes, our KFC Australia franchisor requires suppliers — who are the best in the industry — to pass audits that include monitoring the use of antibiotics in flocks and their welfare.

SECTION 5:

Governance

Ethics and integrity

Collins Foods' Board and management adopts high standards of corporate governance, recognising this not only protects and enhances stakeholder interests but is also critical to our ongoing success.

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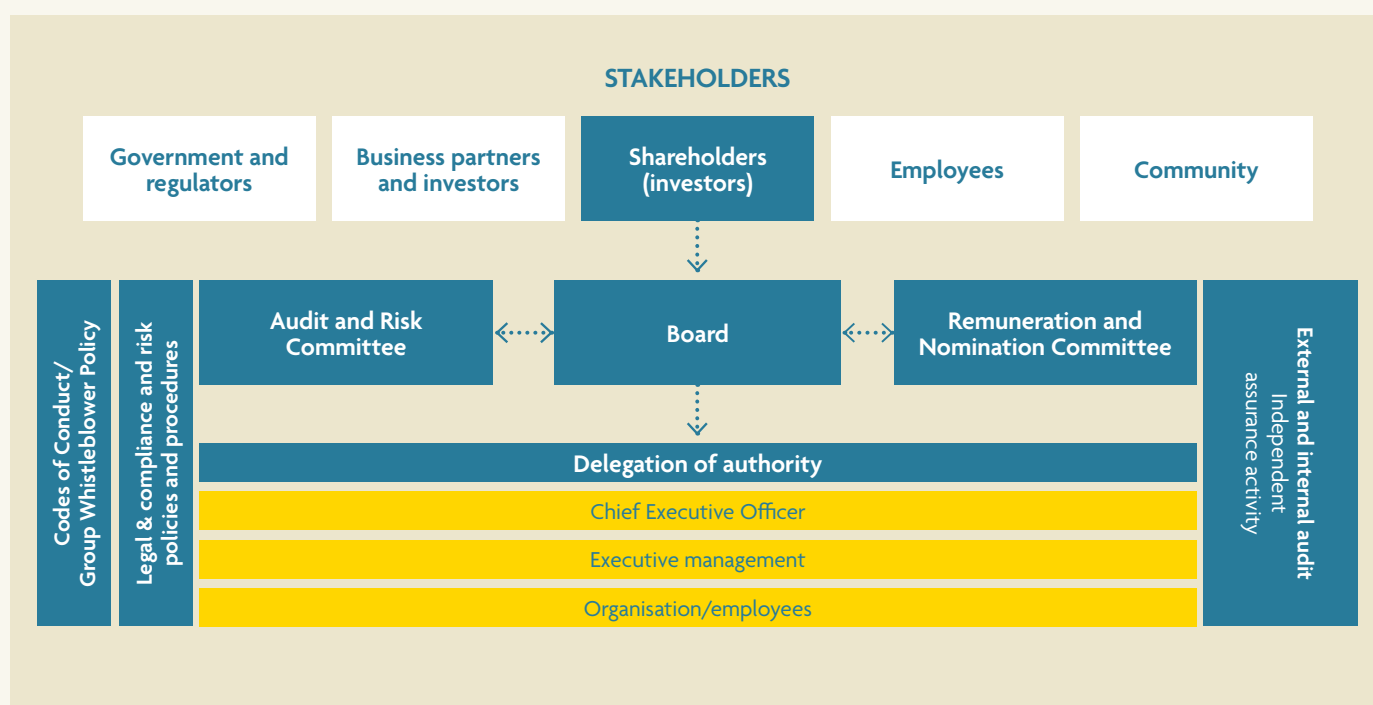
We are committed to maintaining ethical standards in our business activities.

Our Group Code of Conduct and our Supply Chain Code of Conduct describe the standards of behaviour that give effect to Collins Foods' values considered to be essential to our continued success in the short, medium and long term.

We expect our employees to conduct themselves with openness, honesty, fairness and integrity, and in the best interests of the group in all business transactions and dealings with others — including their colleagues, shareholders, joint venture partners, suppliers, creditors, financiers, the financial markets, governments, and the general public.

As an ASX-listed corporation, we respect and support the integrity of the market where investors trade in Collins Foods' shares and from which we access capital.

An overview of Collins Foods' corporate governance practices is set out in our corporate governance statement, published at www.collinsfoods.com. Other corporate governance framework policies relate to whistleblowers, securities trading, how and when we communicate externally with our stakeholders (continuous disclosure), remuneration, risk management, modern slavery, diversity and inclusion (including our annual workplace gender equality report), the protection of personal information, and the amount of tax paid by Collins Foods. These are also published at www.collinsfoods.com.



Maintaining ETHICS AND INTEGRITY IN DECISION-MAKING



Privacy and data security

Cyber security continues to present unique challenges for business and is taken very seriously at Collins Foods. In FY22, we completed an independent information and cyber security control testing and maturity baseline exercise. Using this information, we then developed a three-year enterprise Information and Cyber Security Strategy designed to uplift security control maturity, reduce business risk and ensure improved alignment with compliance requirements. Finally, we will undertake the ongoing implementation of a technology assessment framework to enhance understanding of supply chain information and cyber risk within the business, and ensure alignment with the Collins Foods Information Security Policy.

Food quality and safety

Being the 'World's Top Restaurant Operator' means achieving operational excellence. And at Collins Foods, 'Being Brilliant at the Basics' is in our DNA — we are fanatical about driving performance and getting it right every time. This means serving our customers safe food and working closely with franchisors to ensure food safety is a critical part of our business.

We see food safety as everyone's responsibility, which is a culture we support through robust internal food safety and sanitation practices, internal and third-party audit programs, customer complaint processes, supplier partner selection protocols, and communication policy and protocols.

We use an A-D scale grading system for our restaurants. In FY22 96% of Collins Foods' restaurants inspected achieved an above 'B' grade categorisation by external environmental health officers from the 90+ local council jurisdictions within which Collins Foods operates. In addition to assessments and inspections carried out by our internal quality assurance team, our franchisors engage independent third-party auditors and receive HACCP certification.

As the COVID-19 pandemic continued to bring restrictions and challenges for our restaurants, we saw once again how flexible, adaptable and resilient our teams are. They continued to reinforce our standards during challenging times, putting safety, health and hygiene, illness exclusion, and cleaning and sanitation first.

In 2022, we achieved

96%

audit compliance



We work diligently to implement corrective actions to address any non-conformances raised during audits in a timely manner, as well as improving restaurants rated below 'B' grade categorisation. Establishing strong and trustworthy relationships with local regulators is a vital part of upholding high-quality restaurant standards.

Selling practices and product

KFC allergen and nutritional statements and validation are managed by our franchisor and in partnership with our franchisor for Taco Bell. KFC product nutritional information is displayed on our menu panels and the KFC Australia website. We are working towards including nutritional information on our Taco Bell menu panels.

In 2008, KFC decided it would no longer advertise children's meals or target advertising campaigns directly at children. This commitment included removing all toys from children's meal offers. KFC Australia was among the first to join the Quick Service Restaurant Initiative for Responsible Children's Advertising and Marketing to Children — an initiative developed by the Australian Food and Grocery Council (AFGC) and the Australian Association of National Advertisers (AANA). Strict guidelines are in place about when and where KFC is advertised. Responsible marketing to children is a global and local initiative of our franchisor.

Basis of Preparation and Glossary

This report covers Collins Foods Limited operations in Australia. Collins Foods applies the concept of operational control to guide the scope of our sustainability data and disclosures. Environmental data is reported where Collins Foods has operational control over the activity, such as the restaurants where Collins Foods has operational control over the building. Data is not reported in instances where Collins Foods does not have operational control, such as waste diversion for a tenancy within a mixed food court or restaurants operating within the Sunshine Coast Council. Social data is reported where Collins Foods has control and management of the activity or asset.

Indicator or term	Definition
ASX	Australian Securities Exchange
ASX200	A market-capitalisation weighted and float-adjusted stock market index comprised of the largest 200 entities listed on the Australian Securities Exchange. The index is maintained by Standard & Poor's
Average Energy Consumed	Total energy consumed divided by the number of restaurants operated by Collins Foods as at the end of the relevant reported period. Uses FY21 restated and FY22 figures
Average GHG Emissions	Total Scope 1 and Scope 2 greenhouse gas emissions divided by the number of restaurants operated by Collins Foods as at the end of the relevant reported period. Uses FY21 restated and FY22 figures
Collins Foods	Collins Foods Limited, Level 3, 485 Kingsford Smith Drive, Hamilton, Brisbane, Queensland 151 420 781 (ASX: CKF)
Collins Foods Giving Participation Rate	The total number of employees enrolled and contributing to the Collins Foods Giving Program during Period 13, divided by the total number of employees employed during the same relevant period
Fleet	Liquid fuel vehicles owned by Collins Foods and operated by Collins Foods employees
Food Recovery	Cooked chicken donated to food recovery programs
General Waste	Solid waste that is sent to landfill and not included in Waste Diversion. Includes organic waste. Excludes used cooking oil, grease traps and Recycled Waste
GHG	Greenhouse gas emissions are reported in tonnes of CO ₂ -equivalent, with the National Greenhouse Accounts Factors (NGAs) or DEFRA 2021 (for refrigerants) used to derive the Scope 1 and 2 greenhouse gas emissions
GPG	Gender Pay Gap. A measurement derived from WGEA reporting that measures the difference between the average earnings of women and men in the workforce
Group Code of Conduct	The Collins Foods Group Code of Conduct outlining the standards of responsibility and ethical conduct expected of directors and employees of the Group, and where relevant and to the extent possible, consultants, secondees and contractors of the Group
Group Securities Trading Policy	The Collins Foods Group Securities Trading Policy outlining procedures which apply to trading in Collins Foods' securities by directors and restricted employees
HACCP	Hazard Analysis Critical Control Point. HACCP is a food science organisation specialising in food safety management systems
Lost Time Injury	An injury that requires one full shift away from work and is lodged as a lost time workers compensation claim, but does not include journey claims
LTIFR	Lost Time Injury Frequency Rate calculated using the formula: (number of Lost-Time Injuries/total hours worked) x 1,000,000
MWh	Megawatt Hours
Period 13	The thirteenth four-week accounting period in the reporting year

Indicator or term	Definition
QSR	Quick Service Restaurant offering food items delivered through quick service
Recordable Injuries	Any injury requiring professional medical treatment
Recycled Waste	Represents recycled cardboard and commingled recycling diverted from landfill
Refrigerant Emissions	Refrigerant emissions from our restaurants include HFC-134a and R404A. For free standing drive-thru KFC and Taco Bell restaurants, calculated on the basis of refrigerators, freezers and air conditioning of a representative free standing drive-thru for a KFC or Taco Bell restaurant multiplied by the total number of free standing drive-thru KFC or Taco Bell restaurants operating at the end of the reported period For a food court KFC restaurant, calculated on the basis of refrigerators and freezers of a representative food court restaurant multiplied by the total number of KFC food court restaurants operating at the end of the reported period
RSC	Restaurant Support Centre located at Level 3, 485 Kingsford Smith Drive, Hamilton, Brisbane, Queensland
Scope 1 Emissions	Scope 1 Emissions are the release of GHG into the atmosphere as a result of operations owned or controlled by Collins Foods (direct GHG emissions) and includes Fleet, natural gas, Liquified Petroleum Gas (LPG) and Refrigerant Emissions. Emissions are calculated using the most recent National Greenhouse Account Factors published by the Commonwealth Government and DEFRA 2021 (for Refrigerants)
Scope 2 Emissions	Scope 2 Emissions are indirect GHG from the consumption of purchased electricity by each KFC or Taco Bell restaurant in Australia. Emissions are calculated using the most recent National Greenhouse Account Factors published by the Commonwealth Government. Excludes RSC Where invoice data is unavailable, Scope 2 emissions from the consumption of electricity have been estimated using either a seasonal adjustment based on the same period in prior year, a simple average based on a known date range, or extrapolated on the basis of the previous three or six months
Senior Executive	Senior executives includes managers who hold roles designated as senior executive roles, as well as Key Management Personnel
Supplier Code of Conduct	The Supply Chain Management Code of Conduct that outlines the rules and standards of conduct that apply to third parties in Collins Foods' food production and supply chain
Supply Chain Management Council	A council formed and managed by the KFC franchisor whose members are comprised of representatives from the franchisor and franchisee community
Total Solid Waste	Total solid waste represents solid waste streams including general waste and Recycled Waste. Approximately 60% of total solid waste weight data is derived through measured collection services; the remainder is estimated based on the number of bin collections and industry accepted densities of general waste and Recycled Waste streams. Excludes used cooking oil and grease traps
TRIFR	Total Recordable Injury Frequency Rate calculated using the formula: (number of Recordable Injuries/total hours worked) x 1,000,000
Waste Diversion	The redirection of waste from landfill by means of Food Recovery and recycling for KFC and Taco Bell restaurants in Australia. Calculated as Recycled Waste and Food Recovery as a percentage of total solid waste. Excludes food court restaurants and restaurants within the Sunshine Coast Council region as Collins Foods does not have operational control over waste collection services for these restaurants
WGEA	Workplace Gender and Equality Agency, an Australian Government statutory agency created by the <i>Workplace Gender Equality Act 2012</i> charged with improving gender equality in Australian workplaces
WHS	Workplace Health and Safety

Appendix

Further information on the materiality factors addressed in this Collins Foods' Sustainability Report is available from the following sources.

Location	Reference
Collins Foods Limited website	<p>Corporate Governance Statement https://www.collinsfoods.com/wp-content/uploads/2021/07/20210723-Corporate-Governance-Statement-FINAL.pdf</p> <p>Workplace Gender Equality Report https://www.collinsfoods.com/wp-content/uploads/2021/08/Collins-Foods-WGEA-Public-Report-2020-2021.pdf</p> <p>Diversity and Inclusion Policy https://www.collinsfoods.com/wp-content/uploads/2019/10/Diversity-and-Inclusion-Policy-CFL-POL-CG-005-v3.pdf</p> <p>Group Code of Conduct https://www.collinsfoods.com/wp-content/uploads/2019/04/Group-Code-of-Conduct-March-2019-CFL-COD-CG-001-v2.pdf</p> <p>Group Communications Policy https://www.collinsfoods.com/wp-content/uploads/2022/02/Group-Communications-Policy-February-2022-CFL-POL-CG-004-v3.pdf</p> <p>Group Continuous Disclosure Policy https://www.collinsfoods.com/wp-content/uploads/2022/02/Group-Continuous-Disclosure-Policy-February-2022-CFL-POL-CG-006-v3.pdf</p> <p>Group Disclosure Guidelines https://www.collinsfoods.com/wp-content/uploads/2022/04/Group-Disclosure-Guidelines-February-2022-CFL-GUI-CG-001-v5.pdf</p> <p>Group Risk Management Policy https://www.collinsfoods.com/wp-content/uploads/2021/05/Group-Risk-Management-Policy-Feb-2021-CFL-POL-CG-001-v4.pdf</p> <p>Group Securities Trading Policy https://www.collinsfoods.com/wp-content/uploads/2020/05/Group-Securities-Trading-Policy-March-2020-CFL-POL-CG-003-v4.pdf</p> <p>Group Whistleblowers Policy https://www.collinsfoods.com/wp-content/uploads/2021/03/Group-Whistleblowers-Policy-February-2021-CFL-POL-CG-007-v5.pdf</p> <p>Remuneration Policy https://www.collinsfoods.com/wp-content/uploads/2019/10/Remuneration-Policy-CFL-POL-CG-008-v2.pdf</p> <p>Tax Transparency Code report https://www.collinsfoods.com/wp-content/uploads/2022/02/Tax-Transparency-Code-Letter-FY2021.pdf</p> <p>Modern Slavery Statement https://www.collinsfoods.com/wp-content/uploads/2021/10/Modern-Slavery-Statement-2021.pdf</p>
KFC Australia website	<p>Modern Slavery Statement</p> <p>Social Impact Report</p>

Independent Assurance Report to the Board of Directors



Independent Assurance Report to the Board of Directors of Collins Foods Limited

What we found

Based on the work described below, nothing has come to our attention that causes us to believe that the selected subject matter within the Collins Foods Limited Sustainability Report 2022 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

What we did

Collins Foods Limited (CFL) engaged PricewaterhouseCoopers (PwC) to perform limited assurance on selected subject matter within its 2022 Sustainability Report.

Selected subject matter

The scope of our work was limited to assurance over the selected subject matter within the CFL Sustainability Report 2022. The selected subject matter and the reporting criteria against which it was assessed is summarised below.

- Average scope 1 and scope 2 Greenhouse Gas Emissions for the year ended 2 May 2021 (257 tCO₂-e per restaurant)
- Collins Foods Giving Participation Rate during Period 13 of the year ended 2 May 2021 (27%)
- Average scope 1 and scope 2 Greenhouse Gas Emissions for the year ended 1 May 2022 (235 tCO₂-e per restaurant)
- Collins Foods Giving Participation Rate during Period 13 of the year ended 1 May 2022 (36%)
- Average Waste Diversion from Landfill for the year ended 1 May 2022 (18.3%)

Reporting criteria

The selected subject matter needs to be read and understood together with the Reporting Criteria, being the boundaries, definitions and methodologies disclosed in the Basis of Preparation and Glossary within CFL's 2022 Sustainability Report, which CFL is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Our Independence and Quality Control

We have complied with relevant ethical requirements related to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

What our work involved

We conducted our work in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (Revised) and Australian Standard on Assurance Engagements and Australian Standard on Assurance Engagements 3410 *Assurance Engagements on Greenhouse Gas Statements*.

These standards require that we comply with independence and ethical requirements and plan the engagement so that it will be performed effectively.

Main procedures performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected subject matter. The main procedures we performed were:

- undertaking enquiries regarding the processes and controls for capturing, collating, calculating and reporting the selected subject matter;
- undertaking analytical review procedures over the selected subject matter and obtaining explanations from management regarding unusual or unexpected variations;
- agreeing data for waste diverted from landfill to the underlying data reports and calculations;
- assessing the reasonableness of waste density assumptions applied in calculating the Average Waste Diversion from Landfill;
- assessing the appropriateness of the Scope 1 and 2 GHG emission factors and methodologies applied in calculating the Total Scope 1 and 2 GHG emissions and testing the arithmetical accuracy of the GHG emission calculations;
- reconciling a sample of scope 1 and 2 GHG emissions to relevant underlying records and calculations;
- assessing the reasonableness of any material estimates made in preparing the selected subject matter;
- testing the arithmetic accuracy of a sample of calculations of the selected subject matter;
- testing participation rate of employees within the Collins Foods Giving Program, on a sample basis, to underlying records;
- reconciling the restaurant numbers used in the calculation of Average scope 1 and scope 2 GHG emissions to the underlying records from each financial period;
- reviewing the selected subject matter to assess whether it has been prepared as described in the reporting criteria; and

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480 Queen Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au
Liability limited by a scheme approved under Professional Standards Legislation.

Independent Assurance Report to the Board of Directors



- considered the appropriateness of the selected subject matter and suitability of the reporting criteria presented in the CFL 2022 Sustainability Report.

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

Alicia Clarke
Partner

PricewaterhouseCoopers
Brisbane

28 June 2022

Responsibilities

PwC

Our responsibility is to express a conclusion based on the work we performed.

CFL

Collins Foods Limited management (management) is responsible for the preparation and presentation of the subject matter in accordance with the reporting criteria and is also responsible for the selection of methods used in the reporting criteria.

Further, management is responsible for establishing and maintaining internal controls relevant to:

- the preparation and presentation of the selected subject matter, such that it is free from material misstatement, whether due to fraud or error;
- maintaining adequate records; and
- making estimates that are reasonable in the circumstances.

Limited assurance

This engagement is aimed at obtaining limited assurance for our conclusions. As a limited assurance engagement is restricted primarily to enquiries and analytical procedures and the work is substantially less detailed than that undertaken for a reasonable assurance engagement, the level of assurance is lower than would be obtained in a reasonable assurance engagement.

Professional standards require us to use negative wording in the conclusion of a limited assurance report.

Restriction on use

This report has been prepared in accordance with our engagement terms to assist CFL in reporting its sustainability performance and may not be suitable for any other purpose.

Our report is intended solely for the Directors of CFL. We do not accept or assume responsibility for the consequences of any reliance on this report for any other purpose or to any other person or organisation.

To assist CFL's members in assessing whether the directors have discharged their responsibilities by commissioning an independent assurance report in connection with the selected subject matter, we consent to the inclusion of this report in its 2022 Sustainability Report.

