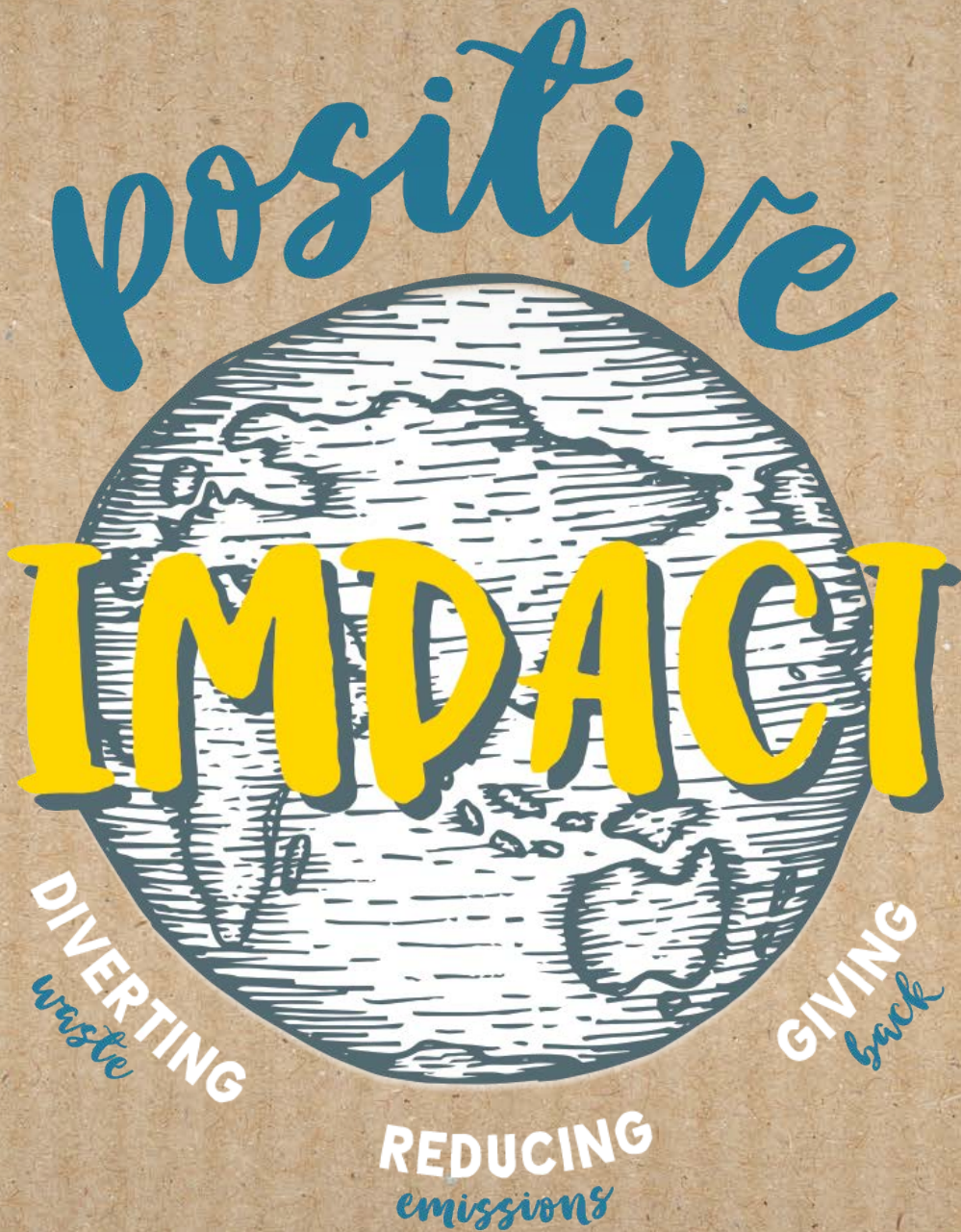


SUSTAINABILITY REPORT 2023



COLLINS FOODS LIMITED

ACN 151 420 781

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RESTAURANTS
done **BETTER.**

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THE WORLD'S TOP
Restaurant
OPERATOR.

**WE CREATE UNMATCHED
EXPERIENCES FOR OUR
CUSTOMERS & PEOPLE.**

Letter of introduction

Welcome to Collins Foods' 2023 Sustainability Report for our operations throughout 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 with FY21
- increase diversion of waste from landfill by 25% compared with FY22.

FY23 was another promising year for Collins Foods, with positive change being made in all aspects of our business to increase the safety and wellbeing of our employees and communities, while empowering our people to take steps to decrease our carbon footprint.

We are pleased to present this year's Positive Impact Report as a true reflection of the hard work our teams have made to promote continuous improvement across our business.

Acknowledgment of Country

Collins Foods Limited acknowledges the Traditional Owners and Custodians of the lands on which we operate. We pay our respects to Elders past, present and emerging.



People and communities

One of our core values is People at the Heart, and we are dedicated to supporting cultural diversity, positive mental health and ensuring our workplaces are safe, happy and welcoming.

In FY23 our Diversity and Inclusion (D&I) Council's working groups — LGBTQIA+, Disability, Multicultural and Gender Equality — have made significant progress by implementing an overarching roadmap to enhance diversity and inclusion initiatives across Collins Foods and strengthening our culture of belonging. We worked with MAX Solutions to offer training and employment opportunities to people with a disability and we are very proud of the employees who have joined our team through that pathway.

Optional employee Recharge Days, early access to Long Service Leave and the expansion of the Collins Family Fund to our European restaurants have been implemented this year to support the safety and positive wellbeing of our team.

As part of our commitment to the safety and wellbeing of our people — to support those who may be directly or indirectly affected by domestic and family violence — all employees have access to 15 days of paid and up to ten days unpaid family and domestic violence leave each year. Over 2023, Collins Foods also granted \$275,000 to a number of employees and their families to aid them through challenging times.

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 FY23, consistent with 36% during Period 13 FY22.

Planet

Collins Foods is very proud of the roll out of our solar panel initiative across all suitable freestanding restaurants in Australia. This has resulted in the installation of 164 solar generation sites at the time of writing this report.

We also launched our inaugural organics waste program, with 23 stores now participating. Our passionate team members sort our waste to divert organic matter from landfill, which is then collected and turned into fertiliser by our waste partner.

Governance

Without strong governance, we would be unable to keep building on our success. We have high standards of corporate governance, recognising that sound governance practices not only protect and enhance stakeholder interests but is important to our ongoing success.

Cyber security is an increasing risk for many organisations and in FY23, we commenced our three-year enterprise Information and Cyber Security Strategy that will uplift security policy and architecture, resilience planning, user access and vulnerability management.

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 are continuing to make progress towards best-practice governance standards.

The future outlook

Our Sustainability Report is a true representation of our ESG journey, and outlines how we are actively working to improve our ESG program.

To support the creation of our future ESG strategy, we have engaged EY to provide Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainability Advisory Services, which will involve performing a qualitative climate risk assessment, a TCFD readiness assessment, and a materiality assessment. The materiality assessment will be conducted to support the identification and understanding of Collins Foods' key sustainability priorities, impacts and opportunities within a dynamically changing landscape. The climate risk assessment and TCFD readiness assessment will support the identification of Collins Foods' material climate-related risks and opportunities, confirm the business' existing management practices and disclosures, and develop a roadmap and action plan to demonstrate alignment with the TCFD Recommendations. The outcomes of these assessments will be drawn upon to support the development of our ESG strategy in the year ahead where we are committed to enhancing our response to sustainability and climate-related risks, impacts, and related requirements.

We promote a culture of safety through regular reporting, new safety software and acting on employee feedback. Our Board and executives actively review strategies and standards to ensure our business practices deliver what we promise to our stakeholders and customers, and align with our commitment to the planet.

Robert Kaye SC
Chair

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 with FY22.	Commitment to continuous improvement towards best-practice governance standards in all our business activities.
HOW WE ARE TRACKING	Maintained a 36% participation rate in Collins Foods Giving , despite economic challenges and a rising strain on living costs.	The reduction in greenhouse gas emissions from FY21 to FY23 has been 11.4% . This reduction includes a significant growth of our business in 2023 with 8 new Taco Bell and 11 new KFCs as well as an energy offset from the implementation of our solar program. The greening of the national grid resulted in changes to the National Greenhouse Accounts (NGA) factors which has contributed 9.5% towards our reduction. As at year-end, waste diversion is 19.5% (FY22: 18.3%).	Continuing to make progress towards best-practice governance standards.
2023 INITIATIVES & OPPORTUNITIES	<ul style="list-style-type: none"> • Safety management system that underpins strong safety culture FY23: LTIFR 10.37 (FY22: 11.43) • Collins Foods Giving employee Participation Rate in FY23: 36% (FY22: 36%) • Collins Family Fund: over \$275,000 granted • Equitable employee profile: FY23: 47.4% female, 51.9% male, 0.7% non-binary, intersex or preferred not to say • Employing young Australians: 577 traineeships with 371 completed in FY23 (FY22: 566 with 307 completed) • Expansion of participation in Food Recovery • Extended wellbeing strategy to include EAP Ambassadors • Introduced the first Collins Psychosocial Questionnaire • Introduced Career Corridors to support career pathways. 	<ul style="list-style-type: none"> • Renewable energy: 162 solar panel systems were installed by the end of the reporting period. A total of 164 have been installed at the time of writing this report • Reducing Scope 1 and 2 GHG despite increasing restaurants: FY23: 60,776 tonnes CO₂-e (FY22: 65,926 tonnes CO₂-e) • Reducing average energy consumption per restaurant: FY23: 1,177 GJ* (FY22: 1,226 GJ*) • Reducing waste to landfill by diverting, reusing, recycling or upcycling waste. FY23: total 13,297 tonnes and a waste diversion rate of 19.5% for FY23 (FY22: 18.3%) • Organics waste diversion launched at 23 stores • Opportunity: water management and other energy efficiencies • In FY23, we planted over 7,000 trees. In FY24, we aim to plant another 11,000 trees. <p>* gigajoules</p>	<ul style="list-style-type: none"> • 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 throughout 300 KFC and Taco Bell restaurants in Australia. Six core values underpin everything we do and help us achieve 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.**

As a franchisee of Yum! Brands Inc, we operate KFC and Taco Bell restaurants across Australia.

Our relationship with Yum! Brands Inc as our franchisor is based around a "Franchise Partnership Pact" — this pact sets out principles for all interactions within our business. We are provided with marketing, food innovation, supply chain and information technology services in exchange for service fees and are part of forums, committees and councils. As the franchisee, Collins Foods is consulted within decision-making but Yum! Brands Inc has ultimate control.

Under our franchise agreements, we are required to use goods and services that have been approved by our franchisor to prepare, market and sell products in our restaurants. This ensures quality and consistency of products sold throughout the franchise system for both KFC and Taco Bell. Yum! Brands Inc conduct the sourcing and purchasing negotiations for food, packaging, equipment and other items on our behalf, which means supply and distribution arrangements are limited to approved supply and distribution partners of Yum! Brands Inc.

SECTION 2:

Our Positive Impact Strategy and materiality

This is Collins Foods' third Sustainability Report covering our Australian operations.

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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 stakeholders include:

- our people
- franchisors
- customers
- investors
- suppliers
- charity partners
- government
- regulators.

The diversity of our stakeholders is a true reflection of the breadth of ESG factors that impact our organisation. Our sustainability strategy combines the materiality factors into three key 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'.

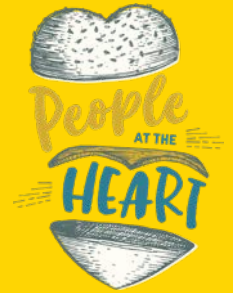
From these factors, Collins Foods has chosen three main aspirations as our primary focus:

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

MATERIALITY FACTORS RELEVANT TO COLLINS FOODS

PILLAR

People and Communities



Planet



Governance



FOCUS	MATERIALITY FACTORS	OUR SUSTAINABILITY INITIATIVES
<p><i>Creating</i></p> <p>UNMATCHED PEOPLE EXPERIENCES</p> <hr/> <p><i>Supporting</i></p> <p>OUR LOCAL COMMUNITIES</p>	<p>Workplace health and safety</p> <p>Diversity and inclusion</p> <p>Labour practices</p> <hr/> <p>Collins Foods Giving — workplace giving program</p> <p>Collins Family Fund</p> <p>Food Recovery</p>	<p>Utilise safety management system to reduce LTIFR and TRIFR.</p> <p>Introduction of employee working groups across disability, gender equality, LGBTQIA+ community and multicultural.</p> <p>Regular review and test of employee life cycle.</p> <hr/> <p>Establish Collins Foods Giving as a best-in-class signature program by 2026 with 75% plus Participation Rate.</p> <p>Continue to provide support to our employees in times of need.</p> <p>Increased number of restaurants participating in Food Recovery.</p>
<p><i>Making a</i></p> <p>POSITIVE IMPACT</p>	<p>Energy management and carbon offsets</p> <p>Waste management</p> <p>Animal welfare</p> <p>Supply chain management</p>	<p>Reduce our carbon footprint by achieving a 25% reduction in greenhouse gas emissions by 2026 compared with FY21.</p> <p>Increase diversion of waste from landfill by 25% by 2026 compared to FY22.</p> <p>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.</p> <p>Continue to evolve and mature modern slavery due diligence processes by requesting high-risk non-core suppliers to join the Sedex platform, complete questionnaires on modern slavery practices, and if required, complete a third-party SMETA audit.</p>
<p><i>Maintaining</i></p> <p>ETHICS AND INTEGRITY IN DECISION-MAKING</p>	<p>Ethics and integrity</p> <p>Legal and regulatory environment management</p> <p>Critical incident risk management</p> <p>Privacy and data security</p>	<p>Inclusion of serious social misconduct termination event in Supplier Code of Conduct</p> <p>Proactive issue of questionnaire to all above restaurant employees supporting operation of Group Code of Conduct and Group Securities Trading Policy.</p> <p>Due diligence workshops and director site visits.</p> <p>Third-party facilitated crisis management solutions</p> <p>Implement an Incident Cause Analysis Method (ICAM) approach to critical incident investigations.</p> <p>National Institute of Standards and Technology Cyber Security Framework control uplift based on Cyber Strategy initiatives</p> <p>Tactical data management activities across key Human Resource applications</p> <p>Restaurant multi-factor authentication enabled.</p>
<p><i>Delivering responsible and uncompromising food</i></p> <p>BY 'BEING BRILLIANT AT THE BASICS'</p>	<p>Product quality and safety</p> <p>Customer welfare</p> <p>Selling practices and product labelling</p>	<p>Audited food safety programs in place for both KFC and Taco Bell.</p> <p>Continue to measure customer experience using Guest Experience Surveys administered and audited by an independent third party.</p> <p>No direct marketing to children under 15 years old.</p>

SECTION 3:

People and Communities

At Collins, our greatest strength is our people, and the unique perspectives and experiences they bring to work, every day. It is one of the many reasons we have People at the Heart as one of our core values.

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Our team of over 17,000 are situated throughout Australia and work hard to foster success at our 300 KFC and Taco Bell restaurants. Collins Foods is committed to creating a culture of belonging where our people feel welcomed, accepted, safe, included, supported and encouraged.

We want 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 dedicated career progression and have introduced our Careers Corridors initiative, reviewing career pathways and communication of flexible working. We have also revitalised our Employee Value Proposition to increase retention and attract a new generation of employees.

Supporting employee mental health and physical wellness continues to be top of mind. Implementation of the Wellbeing Strategy continued throughout FY23 with updates to the Psychosocial Risk Assessment and the launch of the first Collins Psychosocial Questionnaire.

An EAP (Employee Assistance Program) Ambassador program was also launched across the business to create a greater awareness of the employee assistance program.

Safety and wellbeing

Championing positive mental health and wellbeing for all team members is a critical priority for Collins Foods. We continued to implement our Wellbeing Strategy throughout FY23, updating our Psychosocial Risk Assessment to include new strategies such as EAP ambassadors and mental health first aid.

The introduction of an EAP Ambassador program to the business further strengthens our EAP program. The EAP Ambassador program identifies key personnel throughout Collins Foods to share content and create greater awareness of the program across all geographical locations.

We also launched the first Collins Psychosocial Questionnaire, using the People@Work survey tool to better understand where our teams need support the most. The Questionnaire targets a range of psychosocial risk factors such as burnout, lack of support, bullying and conflict. It supports employees by helping us decide where to focus resources.

Our safety culture has strengthened over FY23, as our workplaces regularly promote safe and healthy practices within our day-to-day operations. This culture is underpinned by our Workplace Health and Safety (WHS) Strategy. The Strategy defines responsibilities for WHS across the entire Australian 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. The Strategy is reviewed every two years by the Collins Foods' Board and executive management team to ensure it is up to date and meets legal obligations, business and customer needs, client requirements, and stakeholder expectations.

We have worked hard to **DECREASE** our injury frequency rates



FINANCIAL YEAR	LTIFR	TRIFR
2023	10.37	15.84
2022 Restated*	11.43	18.81
2021	14.20	22.12

LTIFR: Lost Time Injury Frequency Rate

TRIFR: Total Recordable Injury Frequency Rate

*The 2022 LTIFR was restated from 11.68 due to a calculation error.

WHS has been further enhanced by the launch of Donesafe, a new safety management IT system. Donesafe is an easy-to-use system for use in incident management, checklists, audits, open action tracking and many more functions related to safety.

We are also currently refreshing our 'Stop and Step Back' materials to highlight the importance of high workplace health and safety standards and help our teams to better identify and understand the risks that can arise in their work environment.

The Collins Foods Safety Management System (SMS) supports our business practice and the WHS Strategy. The Board has direct oversight of the SMS through regular reports, briefings, workshops, new director induction, and visits to our restaurants.

Teams across all sites are regularly consulted on safety standards and staff feedback is acknowledged and actioned appropriately where required. We promote a culture of reporting and empowering staff to register any workplace incidents promptly and accurately.

The implementation of Donesafe, refresh of 'Stop and Step Back' materials, and other key safety initiatives, coupled with our ongoing commitment to the safety and wellbeing of our people has meant that this year we set a target to improve on last year's Lost Time Injury Frequency Rate (LTIFR) of 11.43 which we have achieved, resulting in LTIFR of 10.37 at year end.

Refreshing our 'Stop and Step Back' materials has included recording 13 new videos for the 13 four-week periods across both Taco Bell and KFC. The videos are designed to improve safety culture by sharing important messages and engaging all team members on safety topics which they can connect with.

Recharge Days

To allow for opportunities for a healthier work-life balance, and a greater focus on physical and mental wellbeing, Collins Foods has introduced Recharge Days.

Recharge Days allow our employees to take an extra day off per period (4 weeks) to recharge, connect and relax. By working an additional 7.6 hours per period, employees are entitled to a day off each period to 'Recharge'. This can include spending extra time with their family, engaging in their personal interests such as playing sport, catching up on personal administration, or simply relaxing.

Long Service Leave

We are proud to lead the way in the Quick Service Restaurant (QSR) and other industries with early access to Long Service Leave. Permanent team members in New South Wales, Tasmania, Northern Territory, Western Australia, and Queensland can access their pro-rated Long Service Leave entitlement after 7 years of continuous service instead of 10 years.

This aligns with the legislation currently in place for South Australia and Victoria, and allows our employees to help achieve personal goals, commitments or improve their wellbeing.

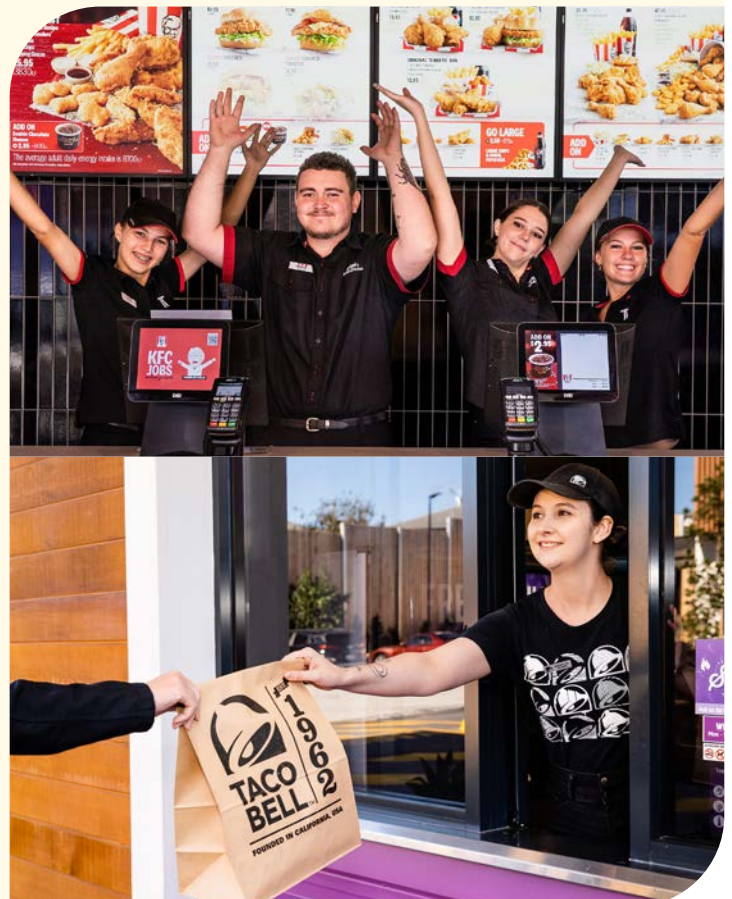
Domestic and family violence support

In February 2023, the Australian Federal Government implemented changes to family and domestic violence leave to include 10 days of paid family and domestic violence (FDV) leave for all staff, including part-time and casual staff members.

From 1st February 2023, employees of non-small business employers are able to access 10 days of paid family domestic violence leave. This includes part-time and casual employees. At Collins we felt, why wait, why not help now! We started providing 5 days of paid family and domestic violence leave in 2022 and following the legislative change to 10 days, we have extended our offering to 15 days. Our employees can also access emergency funds (through the Collins Family Fund) to assist them and their families in these times. Everyone deserves a safe home.

Our impacted employees have access to up to \$5,000 financial support that can be used for additional assistance such as emergency accommodation, a bond payment on a new rental property or to set up a new mobile phone.

To help our employees access this support easily, Collins Foods launched an online portal accessible to all employees, providing information about FDV leave and additional assistance.



SECTION 3:

People and Communities

Collins Family Fund

Our employees are the most important part of Collins Foods. That's why we invest in a range of wellbeing benefits that help our team through all the ups and downs of life.

Since its inception in 2020, our Collins Family Fund has provided financial support to employees experiencing financial difficulties or hardship or are otherwise in a time of need.

All employees are eligible to apply for financial assistance for any reason, including unexpected vehicle or home repairs, medical bills, or household goods affected by extreme weather events. Our intent is to 'support our team' in the same way they could depend on their family or loved ones during times of need.

In FY23 over \$275,000 was granted to a number of employees and their families to support them through a difficult time.

The Collins Family Fund has now extended to our European business across Germany and The Netherlands, and we are proud to continue supporting our team across the extended business.

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

NUMBER OF WOMEN	FY23 ACTUAL		FY22 ACTUAL		FY21 ACTUAL	
	Number	%	Number	%	Number	%
Employees in the whole organisation	8,290	47.4%	8,157	49.2%	7,547	49.4%
In senior executive positions	3	43%	3	50%	2	40%
On the Board	2	29%	2	33.3%	2	33.3%

We have a stable
GENDER BALANCE

FINANCIAL YEAR	WORKPLACE PROFILE	PROMOTIONS	ACTUAL GENDER PAY GAP FOR WOMEN
2023	47.4% female 51.9% male 0.7% non-binary, intersex or prefer not to disclose	58.9% female 40.4% male 0.6% non-binary, intersex or prefer not to disclose	-3.7%
2022	49.2% female 50.5% male 0.3% non-binary, intersex or prefer not to disclose	57.8% female 42.2% male	-1.0%
2021	49.4% female 50.6% male	60.1% female 39.9% male	-0.9%

CULTURE AND DIVERSITY

As a business centred on delivering high quality customer service, it is important that the diversity of our employees reflects the diversity of the communities we serve. Collins Foods values providing equal opportunities within the workforce and ensuring the views of our team members are taken into consideration at every step of our diversity journey.

In FY23 we completed our Voice Engagement survey. The survey provided us with an opportunity to hear from employees and understand their views on working within our brands and in the Restaurant Support Centre (RSC).

Our commitment to equality is evident in the profile and gender equality indicators from our full Workplace Gender Equality Agency (WGEA) report for the past four WGEA reporting periods. In 2022, our gender pay gap was -1.0% and this has increased to -3.7% in 2023.

With employees and customers coming together from a broad range of backgrounds, we aim to leverage and champion our rich cultural diversity, create inclusive frameworks to promote career development, inclusion and a sense of belonging.

In FY22, our Diversity and Inclusion (D&I) Council established four working groups — LGBTQIA+, Disability, Multicultural and Gender Equality. In FY23 the working groups have focused on development of the overarching roadmap for the enhancement of diversity and inclusion initiatives across Collins Foods and to strengthen our culture of belonging.

In FY23 our working groups have:

- implemented 'hiring a person with a disability' toolkit for restaurants
- collected demographic data (on a voluntary basis) at time of recruitment
- introduced pronouns on name badges and email signatures
- reviewed the gender balance across training and development
- promoted and communicated flexible work arrangements, both internally and to prospective employees
- promoted career pathways across all genders via the Careers Corridor
- launched a new calendar of events relating to diversity and inclusion, and cultural celebrations.

Celebrations

With employees joining us from a broad range of backgrounds, we aim to leverage and champion our rich diversity. As such, we recognise and celebrate a range of events to celebrate our Diversity and Inclusion at Collins Foods, including:

- Pride Month
- Harmony Week
- NAIDOC Week
- International Women's Day
- International Men's Day
- R U OK? Day.



SECTION 3:

People and Communities

CASE STUDY

Mandy Boxsem — Communications and Culture Manager

Mandy Boxsem, Collins Foods' Communications and Culture Manager and lead of Diversity & Inclusion is a founding member of Pride@Collins.

Creating a culture of inclusion and belonging is part of Collins Foods' core value 'People at the Heart'. To continue growing this culture, our Diversity and Inclusion Council established four working groups — Pride@Collins (LGBTQIA+), Respect@Collins (Disability), Unity@Collins (Multicultural), and Equality@Collins (Gender Equality). Each group is tasked with delivering an overarching roadmap for the enhancement of diversity and inclusion initiatives across Collins Foods.

Mandy is a true believer that employees are the greatest assets of any company.

"With this mindset I'm passionate about promoting diversity in the workplace to create strong teams," Mandy said.

"All of our working groups consist of amazing, passionate and talented employees who volunteer their time, skills and talent to make Collins Foods a more inclusive and welcoming place.

"We are excited to expand our working groups with more employees in the coming years."

Pride@Collins is a cause that is close to Mandy's heart.

"Pride@Collins is currently in the process of working towards an application for the Australian Workplace Equality Index (AWEI) and we will be one of the first businesses in the Quick Service Industry to participate," Mandy said.

"AWEI provides an independent benchmark to show if we are on track to becoming the kind of workplace we want to be. It also gives us valuable insights into best practice inclusion initiatives.

"I am proud of the work Collins Foods has shown to make sure people from the LGBTQIA+ community feel included and welcomed — from policies, to celebrating Pride Month in restaurants, and wearing a simple rainbow pin. I love seeing restaurants celebrate our LGBTQIA+ colleagues and customers.

"I think it's important to give a voice to the diverse employee base that all organisations have. It's critically important to listen to minority and marginalised communities, and to understand their lived experience — inside and outside of the workplace. Once an organisation has this perspective, it can tailor its business operations and remove any direct or indirect barriers that may exist."



Reward and recognition

Our team does great work for us, each and every day, both on the frontline and behind the scenes. As a customer-driven organisation, our people are our backbone and we want to make sure their superb work doesn't go unnoticed.

LONG-TERM COMMITMENT

In 2022 Collins Foods proudly recognised 713 employees for their long-term tenure of 5, 10, 15, 20, 25, 30 and 35 years.

2022 COLLINS WAY AWARDS

The Collins Way Awards program is our premier recognition program for rewarding and recognising our Restaurant Support Centre, Assistant Restaurant Managers and Restaurant General Managers who live the 'Collins Way' by demonstrating our core values to the highest level and setting the benchmark for 'Restaurants done Better'.

Employees are recognised across our values — People at the Heart, Customer Driven, Operational Excellence, Ownership, Innovation Mindset, and Positive Impact.

Our 2022 Collins Way Awards were held in February 2023. 34 employees from across Restaurant Support Centre, KFC and Taco Bell were recognised for their exceptional work. The overall winners of each category were:

- Restaurant Support Centre 2022 Collins Way Winner: Zachary Wilson — Operations Excellence
- Taco Bell 2022 Collins Way Winner: Monica West — Restaurant Manager Taco Bell Coorparoo
- KFC 2022 Collins Way Winner: Amy Bingham — Restaurant Manager KFC Cairns.

An unmatched people experience

CAREERS CORRIDOR

At Collins, we aim to deliver Unmatched People Experiences for our customers and our people. Our Learning and Development programs focus on upskilling our employees — growing their career from team member to Restaurant General Manager and beyond.

To showcase the career journey and benefits we have to offer, we invited over 30 talented team members to our first KFC Careers Corridor in April 2022.

At our Careers Corridor, team members learn more about career opportunities across Collins Foods, with detail available on career paths, training and development opportunities and benefits and perks.

Since its inauguration, we have hosted 13 'Careers Corridors' across Australia with 289 team members attending across KFC and Taco Bell. We are proud to announce Careers Corridor achieved, on average, a 75% conversion rate of attendees taking the next step in their career at Collins Foods.

A REVITALISED EMPLOYEE VALUE PROPOSITION (EVP)

As we continue to grow our business and open new restaurants, we are also increasing our workforce.

The competition for talent within the Quick Service Restaurant (QSR) industry is strong. To increase retention and attract talented employees, we revitalised our employment brand and geared it towards promoting an EVP that emphasises our career development opportunities, benefits and culture.

Our EVP reflects our core brand DNA as a 'place where you belong', where we offer Unmatched People Experiences.

It is a place where our team can take ownership of their wealth, thrive personally and professionally as we invest in a range of wellbeing benefits, create a better future and grow their career at Collins Foods while making a positive impact to their communities.

Traineeships

For many of our team members, being employed by Collins Foods signifies the beginning of their career with over 90% of Collins Foods' workforce under the age of 25.

To support our young Australians, Collins Foods has introduced 577 young people to our national traineeship program throughout FY23. The traineeships combine 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.

More than 71% of trainees have stayed on with Collins Foods for longer than 12 months after the completion of their training, and 45.6% of employees who completed a traineeship in the past four years have chosen to remain employees. These figures represent the positive culture fostered within our workplaces and we are very proud of our team members for their loyalty and commitment.

577 young people took part in our traineeship program in FY23

FINANCIAL YEAR	TOTAL TRAINEESHIP SIGN-UPS	TOTAL TRAINEESHIPS COMPLETED
2023	577	371
2022	566	307
2021	518	290

SECTION 3:

People and Communities

CASE STUDY

Amy Bingham — KFC Restaurant General Manager

Amy started her career at KFC as a Customer Service Team Member in 2016 and is now the Restaurant General Manager at Cairns Central.

As the 2022 Collins Way Winner for KFC, Amy constantly improves the efficiencies and processes of her restaurant to ensure the team delivers unmatched experiences to our customers every single day.

“Winning the 2022 Collins Way Award for KFC has definitely been a highlight for me, that was a really fantastic experience, and something that I am definitely proud of.”

Amy excelled in achieving her targets and boosted employee engagement to an all-time high at 92% on the 2022 Voice Survey.

“I am all about our people, they’re the reason I love my job so much and I’m proud of the team. I have some fantastic team members at the restaurant, across all levels, and a management team that makes me proud every single day, particularly my Assistant Managers, Ryan and Kiara, who have come so far in the last 12 months.

“Together we have achieved some awesome results and I am excited to see what we can achieve in the coming year.”

Amy’s passion is developing her team through training and career opportunities.

“There have been so many incredible development opportunities offered to me while working at Collins which I am appreciative of,” Amy said.

“I have also been fortunate to have worked in an area with people who have become role models for me. Having such a great team that supports each other so well is something that has really contributed to who I am as a manager and my overall style of leadership.

“I am very thankful to our team for always being incredible mentors to me and such positive examples of strong female leadership.”

Amy is currently studying a Bachelor of Business, majoring in Accounting and Finance, which has gone hand-in-hand with her current role at KFC. She aspires to continue to grow her career at KFC following graduation.

“The idea of working in an above store role, or within the Restaurant Support Centre at Collins Foods in a finance or accounting role really appeals to me,” Amy said.



Strategic Leadership Development Program (SLDP)

Our CFL Academy continues to deliver on designing and delivering consistent and formalised training programs, with a focus on up-skilling team members and leaders across our business.

In 2021, we officially launched our six-day Strategic Leadership Development Program (SLDP). Through the SLDP, our high-potential leaders receive the unique opportunity to learn directly from our Executive Team on topics such as:

- leadership
- strategy
- change management
- project management
- finance
- ethics and risk management.

Our leaders learnt practical tools and learnings to continue to fuel their growth.

22 employees were selected for the first SLDP group in 2021 and in 2022, 37 employees also joined the program. The program will continue to develop after positive feedback from attendees.

Diploma of Leadership & Management

To support employee development in current or future roles, particularly from Team Member to Restaurant General Manager and above, we offer the opportunity to undertake a nationally recognised qualification, the Diploma of Leadership & Management (BSB50420).

In March 2023, over 20 employees officially graduated from the 12-month Diploma of Leadership & Management program.

In FY23, **\$820,500** 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)
2023	\$533,500	\$287,000
2022	\$480,000	\$412,000
2021	\$587,000	\$325,000

OUR COMMUNITIES

As part of our commitment to make a Positive Impact to our people, communities and our planet, Collins Foods partners with a number of community organisations, charities and not-for-profits across Australia to support the communities we call home.

COLLINS FOODS GIVING

Established in 2008, Collins Foods Giving continues to deliver on our commitment to improving sustainable growth within our communities. The committee of representatives from across the organisation plan activities and new initiatives to offer our employees an opportunity to give back to those in need.

The program is recognised by Workplace Giving Australia (WGA), enables our team the opportunity to contribute an automatic weekly donation from their pre-tax salary to any one of six 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 AUD \$6 million since 2008.

Every donation goes directly to one or more of the charity partners of the employee's choice, to make a real difference for those in need. The Collins Foods Giving charity partners are:



Fights for a world that values the extraordinary bond between people and their pets.



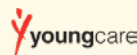
Helps to improve education outcomes for children in disadvantaged communities.



Providing support, information, treatment and care to Australians affected by breast cancer.



Providing care for sick children and their families and funds for vital research and new equipment in Queensland and New South Wales.



Revolutionising the way young people with high care disabilities live.



Supporting mental wellbeing for young Australians.

In February 2023, we introduced KFC Youth Foundation as our new charity partner to Collins Foods Giving. With over 90% of our team members being under the age of 25, supporting youth is something we care deeply about. KFC Youth Foundation supports three charity partners:



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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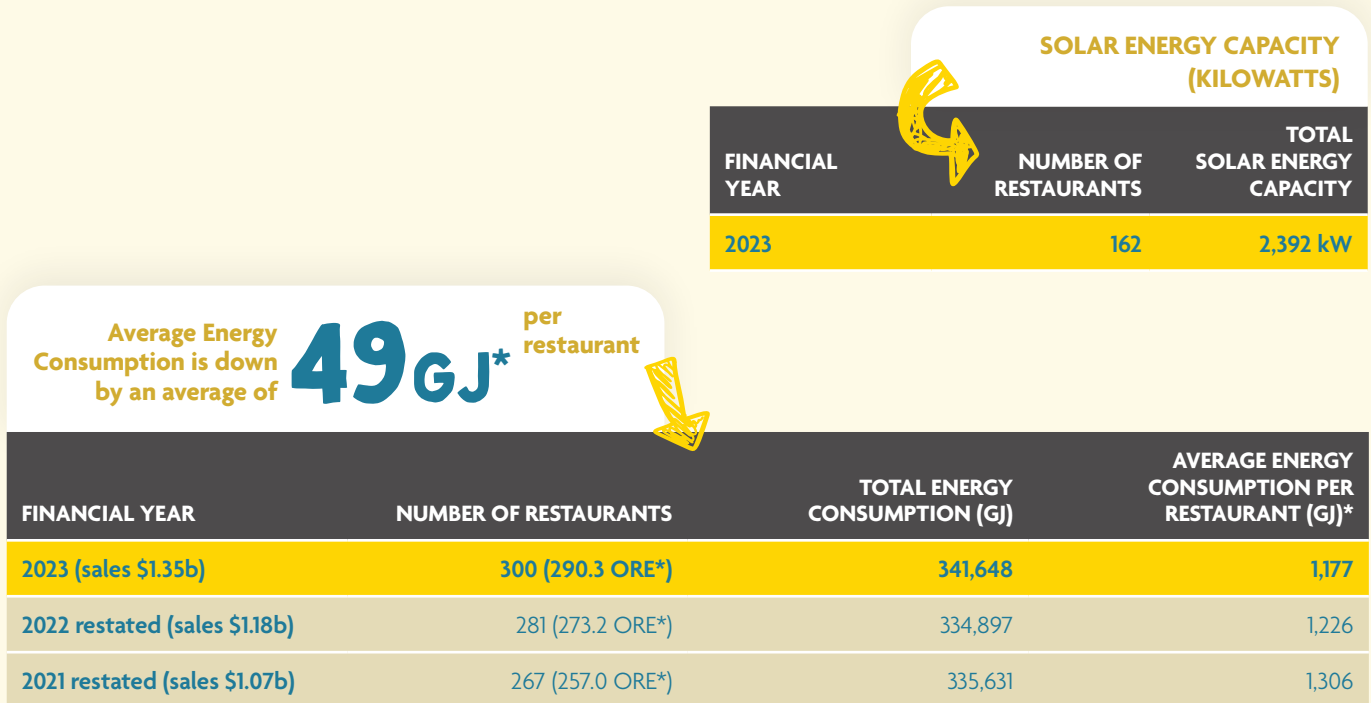
A significant portion of Collins Foods' greenhouse gas emissions comes directly from energy usage. Collins Foods is proud to have completed the rollout of solar panels on every free-standing drive-thru restaurant we operate, subject to local council requirements and landlord consent.

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. Our Development team took an initiative to plant 10 trees for each tree removed by our development partners. This has resulted in over 300 trees being planted.

In FY23, we planted over 7,000 trees. In FY24, we aim to plant another 11,000 trees.

Solar Energy

Collins Foods is very proud to have completed our highly anticipated solar rollout in FY23. The rollout began in FY22 and to date we have installed 164 solar generation systems. The completion of this project will see every freestanding KFC and Taco Bell rooftop (excluding those where the infrastructure is unsuitable) host solar panels, saving more than 3% of total energy usage.



* Total energy consumed divided by the total number of operating restaurants equivalent (ORE) during the reporting period. "Average energy consumption per ORE" has been reported for the first time this year as a more representative measure of consumption than "Average energy consumption per restaurant operating at year end" which was reported in the prior year. 2022 and 2021 comparative data has been restated to reflect this change.

Average GHG Emissions is down by an average of **32 tonnes CO₂-e*** per restaurant



FINANCIAL YEAR	NUMBER OF RESTAURANTS	SCOPE 1 GHG TONNES CO ₂ -e	SCOPE 2 GHG TONNES CO ₂ -e	TOTAL SCOPE 1 AND 2 GHG TONNES CO ₂ -e	AVERAGE GHG EMISSIONS PER RESTAURANT TONNES CO ₂ -e*
2023 (sales \$1.35bn)	300 (290.3 ORE*)	2,981	57,795	60,776	209
2022 restated (sales \$1.18b)	281 (273.2 ORE*)	2,859	63,067	65,926	241
2021 restated (sales \$1.07b)	267 (257.0 ORE*)	2,887	65,726	68,613	267

* Total GHG emissions consumed divided by the total number of operating restaurants equivalent (ORE) during the reporting period. "Average GHG emissions per ORE" has been reported for the first time this year as a more representative measure of emissions intensity than "Average GHG emissions per restaurants operating at year end" which was reported in the prior year. 2022 and 2021 comparative data has been restated to reflect this change.

GHG emissions

Collins Foods is acutely conscious of the impact our greenhouse gas emissions (GHG) have on the environment around us.

To support our aim to drive down our GHG emissions we have engaged Australia's leading decarbonisation consultancy Energywise, which has undertaken a very detailed review and monitoring of our usage at six of our sites. Energywise has identified some potential energy reduction initiatives, which we intend to trial and verify during next financial year.

In FY23 we also purchased over 6% of the energy we consume in Queensland as green power. This equates to 4.1% of the total network. We have continued to procure a portion of our power as green power and are currently investigating several options to help reduce our impact. These include:

- set point management of air conditioning
- load shedding or distributing our demand for electrical power across multiple sources (however this will be minimal due to our low load)
- partnering with vehicle charging companies to assist our customers with EV charging facilities at our restaurants. We are committed to having a 2-4 site trial for delivery in FY24.

We continue to investigate initiatives to lower our energy usage with support from Energywise, both individually and in conjunction with our franchisor of KFC Australia, Yum! Brands Inc.

KFC Australia is currently the only known Quick Service Restaurant system that reports carbon emissions for both company-owned and franchised restaurants to the National Greenhouse and Energy Reporting (NGER) scheme (established by the National Greenhouse and Energy Reporting Act 2007 or NGER Act).

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 remain our most significant source of GHG emissions but with energy initiatives in place, we aim to see this reduced in the future.

Data is primarily reported on the basis of invoiced electricity consumption, with 6% derived from estimates in FY23 (FY22: 8%).



SECTION 4:

Planet



Waste: Managing waste well

Collins Foods is aiming to increase its diversion of waste from landfill by 25% by 2026 compared with FY22.

The waste from our KFC and Taco Bell restaurants can be classified into four categories — general, recycling (including packaged organic waste), used cooking oil, and grease traps. Each category is managed differently, and we work with our franchisor and third parties to find innovative ways to ensure minimal waste is reaching landfill, with the majority being reused, reduced or recycled.

Throughout FY23, Collins Foods trialed the introduction of an additional waste stream for restaurants to collect packaged organic waste. As identified in deep dive audits completed in FY22, over 70% of in-store waste for KFC Australia is organic. Following the implementation of packaged organic waste recycling into 23 restaurants, diversion rates have increased.

Sustainable waste management solutions company, Cleanaway is also working on fleet and service expansions to allow for more organic services to restaurants and further increases in diversions per store. The impact of this additional service to Collins Foods' diversion from landfill has proved to be significant. In partnership with Cleanaway, we also conducted packaged organics trials within Queensland restaurants through the year, processing organic waste into fertiliser.

We plan to roll out Organics waste diversion services to further stores in FY24 in partnership with our waste providers, to achieve our target overall waste diversion by 2026.

All paper-based packaging used within our Australian KFC operations is fibre-based. We ensure we source only from recycled materials and responsibly managed forests and if wooden cutlery is used, we ensure only Forest Stewardship Council-certified products are sourced. We have eliminated plastic straws and are minimising single-use plastic across all restaurants.

The amount of waste generated by our restaurants continues to be an opportunity to make a difference, and notwithstanding our new restaurant openings in FY23, we achieved a Waste Diversion rate of 19.5%.

FINANCIAL YEAR	NUMBER OF RESTAURANTS*	TOTAL SOLID WASTE (TONNES)	TOTAL WASTE DIVERSION FROM LANDFILL (%)
2023	252	13,297	19.5
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.

RECYCLING

Our Recycled Waste includes cardboard, commingled recycling and packaged organics. Any cardboard packaging generated from our back-of-house operations is recycled. In FY23, Collins Foods recycled 2,378 metric tonnes of cardboard, 77 tonnes of commingled recycling and 133 tonnes of packaged organics.

FINANCIAL YEAR	NUMBER OF RESTAURANTS*	TOTAL RECYCLED (TONNES)	AVERAGE RECYCLED PER RESTAURANT (TONNES)
2023	252	2,588	10.27
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

Up to 95% of the used cooking oil of our restaurants is upcycled into initiatives that re-purposes the product for stockfeed and bio-lubricant, including biodiesel. In this financial year, 610 kilolitres of cooking oil have been collected from Collins Foods' restaurants for upcycling.

We regularly investigate initiatives to increase cooking efficiency in order to reduce the amount of oil used in the production of our food and will continue to test and trial equipment technology such as self-filtering and oil processing.

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

107,835L

despite 33 more restaurants operating



FINANCIAL YEAR	NUMBER OF RESTAURANTS	TOTAL COLLECTED FOR UPCYCLING (L)	AVERAGE COLLECTED FOR UPCYCLING PER RESTAURANT (L)
2023	300	610,225	2,034
2022	281	665,390	2,368
2021	267	718,060	2,689

GREASE TRAPS

All of our restaurants manage grease traps to ensure grease waste does not enter community sewerage systems. Over the past three financial years, 26.8 million litres of waste from grease traps have been collected and upcycled into products such as stockfeed.

FINANCIAL YEAR	NUMBER OF RESTAURANTS	TOTAL COLLECTED FOR UPCYCLING (L)	AVERAGE COLLECTED FOR UPCYCLING PER RESTAURANT (L)
2023	300	9,350,228	31,167
2022	281	8,937,160	31,805
2021	267	8,516,180	31,896

Water

Collins Foods is at the beginning of our journey for water management, and we are committed to understanding how water is used in our restaurants and supply chains and where we can make changes to our current systems and water management processes.

Food Recovery

Collins Foods continues to work with our KFC franchisor to donate cooked chicken to Food Recovery programs, OzHarvest and Foodbank (depending on the location of the restaurant) in a bid to lessen the weight and stress of food insecurity. We explored these partnerships further in FY23 and made additional donations where possible. Currently 16 restaurants across Northern Territory and Tasmania donate, with expansion of this service set to continue in FY24. In FY23 we also added OzHarvest to two restaurants in Wagga Wagga, NSW.

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, food innovation, supply chain and information technology services in exchange for service fees. While Collins Foods manages the relationship with each supplier for administration purposes, and has oversight of the suppliers selected, the main items of KFC Australia's restaurant supply chain are managed by our franchisor. Similarly, the main suppliers for Taco Bell are managed in partnership with our Taco Bell franchisor.

Our Modern Slavery statement can be found on our website. 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 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 as we recognise this protects and enhances stakeholder interests and is critical to our ongoing success.

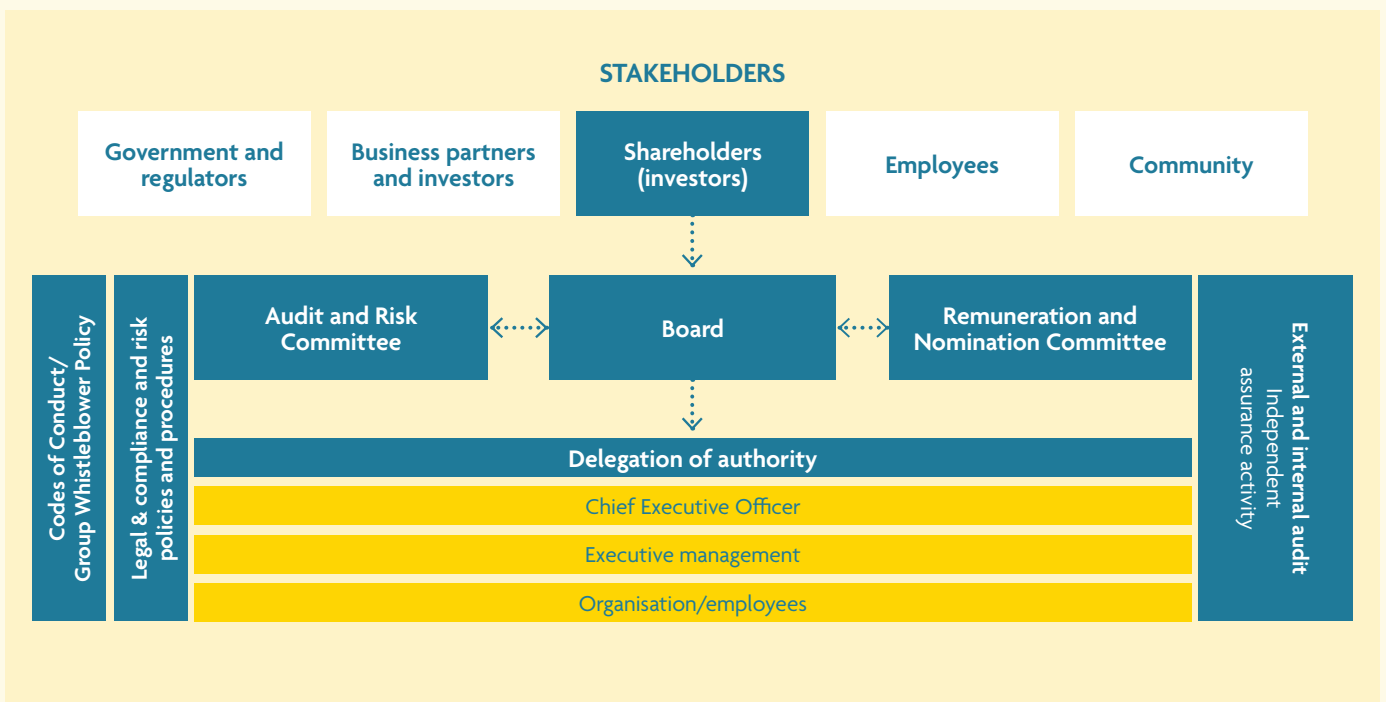
We are committed to maintaining ethical standards in our business activities.

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.

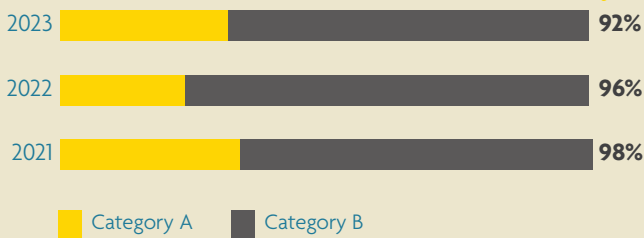
In FY23, our three-year enterprise Information and Cyber Security Strategy commenced, and will uplift security policy and architecture, resilience planning, user access and vulnerability management. Collins Foods continues to focus on employee security awareness, third-party risk management and data management initiatives to uplift controls and enhance compliance.

The implementation of a technology assessment framework to enhance understanding of supply chain information and cyber risk within the business is also ongoing in accordance with the Collins Foods' Information Security Policy.

In 2023, we achieved

92%

audit compliance



Food quality and safety

Being the 'World's Top Restaurant Operator' means achieving operational excellence and, 'Being Brilliant at the Basics' is in our DNA. High performance and getting it right every time is a non-negotiable, which means ensuring food safety is a critical part of our business.

Just like our personal safety, Collins Foods promotes a culture of upholding high standards of food safety. We have 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 to ensure we are getting it right, every time.

We use an A-D scale grading system for our restaurants. In FY23 92% of Collins Foods' restaurants inspected achieved an A or B grade categorisation by local government environmental health officers from the 90+ local council jurisdictions within which Collins Foods operates (FY22: 96%). In addition to assessments and inspections carried out by our internal quality assurance team, our franchisors engage independent third-party auditors and receive Hazard Analysis Critical Control Point (HACCP) certification.

Our team continues to reinforce our standards every day, putting safety, health and hygiene, illness exclusion, and cleaning and sanitation first. We implement corrective actions as efficiently and diligently as possible and address any non-conformances raised during audits in a timely manner, as well as taking appropriate steps to improve restaurants rated below 'B' grade categorisation.

Selling practices and product

KFC allergen and nutritional information is available on the KFC website and managed by our franchisor KFC Australia. Australian menu labelling legislation and healthy food choices initiatives requires food outlets with more than 50 locations to display the average kilojoule content of menu items — this information is displayed on the KFC menu panels. Taco Bell allergen information is available on the Taco Bell website and managed in partnership with our franchisor Taco Bell International. We are working towards including nutritional information on the Taco Bell website and 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 serviced by 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 Per Restaurant	Total energy consumed divided by the operating restaurant equivalent. This was previously calculated using total number of restaurants at the end of the reporting period. Under the previous method the average energy consumption for FY23 was 1,139GJ per restaurant. Using an ORE, this is 1,177GJ per restaurant. Uses FY21 restated, FY22 and FY23 figures
Average GHG Emissions Per Restaurant	Total Scope 1 and Scope 2 greenhouse gas emissions divided by the operating restaurant equivalent. This was previously calculated using total number of restaurants at the end of the reporting period. Under the previous method the average GHG emissions for FY23 was 203 and is now 209 using the ORE. Uses FY21 restated, FY22 and FY23 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
EAP	Employee Assistance Program
Fleet	Liquid fuel vehicles owned by Collins Foods and operated by Collins Foods employees
Food Court Restaurant	A restaurant operating within a mixed food court or with two or more competing businesses and sharing waste collection services
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 2022 (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
ORE (Operating Restaurant Equivalent)	Number of operating days of all restaurants divided by the number of days in the reporting period.

Indicator or term	Definition
Period 13	The thirteenth four-week accounting period in the reporting year
QSR	Quick Service Restaurant offering food items delivered through quick service
Recordable Injuries	Any injury requiring professional medical treatment
Recycled Waste	Represents recycled cardboard, commingled recycling and packaged organics diverted from landfill
Refrigerant Emissions	Refrigerant emissions from our restaurants include HFC-134a, R404A and R410A. 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, Liquefied Petroleum Gas (LPG) and Refrigerant Emissions. Emissions are calculated using the most recent National Greenhouse Account Factors published by the Commonwealth Government and DEFRA 2022 (for Refrigerants) Where invoice data is unavailable, Scope 1 emissions from the consumption of natural gas have been estimated using either a seasonal adjustment based on the same period in prior year, a daily average based on actual consumption from a known date range, extrapolated for the period where data is unavailable or, where no data is available, created an estimate based on a store in the same state with similar sales
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 and are reported net of renewable energy purchases. 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 daily average based on actual consumption from a known date range, extrapolated for the period where data is unavailable or, where no data is available, created an estimate based on a store in the same state with similar sales
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 From Landfill	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 serviced by the Sunshine Coast Council 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>Collins Foods Limited website https://www.collinsfoods.com/</p> <p>Corporate Governance Statement https://www.collinsfoods.com/wp-content/uploads/2022/07/Corporate-Governance-Statement-June-2022.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/2023/06/Diversity-and-Inclusion-Policy-CFL-POL-CG-005-v4-with-HR.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/2022/12/Group-Risk-Management-Policy-Nov-2022-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/2022/09/Group-Whistleblowers-Policy-July-2022-CFL-POL-CG-007-v6.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/2022/12/Modern-Slavery-Statement-2022-October-2022-Corporate-Governance-signed.pdf</p>
KFC Australia website	<p>Modern Slavery Statement https://www.kfc.com.au/social-impact</p> <p>Social Impact Report https://www.kfc.com.au/social-impact</p>

Independent Assurance Report to the Board of Directors



To the Board of Directors of Collins Foods Limited

Independent Limited Assurance Report on identified Subject Matter Information in Collins Foods Limited's Sustainability Report 2023

The Board of Directors of Collins Foods Limited engaged us to perform an independent limited assurance engagement in respect of the identified Subject Matter Information listed below in Collins Foods Limited's Sustainability Report 2023 for the year ended 30 April 2023 (the 'Subject Matter Information').

Subject Matter Information and Criteria

We assessed the Subject Matter Information against the Criteria. The Subject Matter Information needs to be read and understood together with the Criteria. The Subject Matter Information and the Criteria are as set out below:

- Collins Foods Giving Participation Rate during Period 13 of the year ended 30 April 2023 (36%)
[Our positive impact – page 2]
- Average (scope 1 and scope 2) Greenhouse Gas Emissions Per Restaurant for the year ended 30 April 2023 (209 tCO₂-e per restaurant)
[Section 4: Planet – page 15]
- Waste Diversion From Landfill for the year ended 30 April 2023 (19.5%)
[Section 4: Planet – page 16]

The criteria used by Collins Foods Limited to prepare the Subject Matter Information is set out in section 'Basis of Preparation and Glossary' within Collins Foods Limited's Sustainability Report 2023 on pages 20 and 21 (the 'Criteria').

The maintenance and integrity of Collins Foods Limited's website is the responsibility of the Collins Foods Limited management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information or Criteria when presented on Collins Foods Limited's website.

Our assurance conclusion was with respect to the year ended 30 April 2023 and does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Sustainability Report 2023.

Responsibilities of Collins Foods Limited management

Collins Foods Limited management (Management) is responsible for the preparation of the Subject Matter Information in accordance with the Criteria. This responsibility includes:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the underlying Subject Matter Information;
- ensuring that those criteria are relevant and appropriate to Collins Foods Limited and the intended users; and

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Independent Assurance Report to the Board of Directors



- designing, implementing and maintaining systems, processes and internal controls over information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Criteria.

Our independence and quality control

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*. Those standards require that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria, for the year ended 30 April 2023.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

In carrying out our limited assurance engagement we:

- made inquiries regarding the processes and controls for collecting and reporting the Subject Matter Information;
- performed analytical review procedures over the Subject Matter Information and obtained explanations from management regarding unusual or unexpected variations;
- agreed data for waste diverted from landfill to the underlying data reports and calculations;
- assessed the reasonableness of waste density assumptions applied in calculating the Waste Diversion from Landfill;
- assessed 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 tested the arithmetical accuracy of the GHG emission calculation;



- reconciled a sample of scope 1 and 2 GHG emissions to relevant underlying records and calculations;
- assessed the appropriateness of any material estimates made in preparing the Subject Matter Information;
- tested the participation rate of employees within the Collins Foods Giving Program, on a sample basis, to underlying records;
- reconciled the total number of employees included within the denominator of participation rate to the audited employee headcount listing;
- reconciled the restaurant numbers used in the calculation of Average scope 1 and scope 2 GHG emissions to the underlying records for the reporting period;
- reviewed the Subject Matter Information to assess whether it has been prepared as described in the criteria; and
- considered the disclosure and presentation of the Subject Matter Information.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter Information with the Criteria, as it is limited primarily to making enquiries of Management and applying analytical procedures.

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. The precision of different measurement techniques may also vary. 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, evaluation and measurement techniques that can affect comparability between entities and over time. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

The limited assurance conclusion expressed in this report has been formed on the above basis.

Our limited assurance conclusion

Based on the procedures we have performed, as described under 'Our responsibilities', and the evidence we have obtained, nothing has come to our attention that causes us to believe that the 'Subject Matter Information' has not been prepared, in all material respects, in accordance with the Criteria for the year ended 30 April 2023.

Use and distribution of our report

We were engaged by the board of directors of Collins Foods Limited on behalf of Collins Foods Limited to prepare this independent assurance report having regard to the criteria specified by Collins Foods and set out in this report. This report was prepared solely for Collins Foods Limited for the purpose of assisting Collins Foods Limited in reporting its sustainability performance.

Independent Assurance Report to the Board of Directors



We accept no duty, responsibility or liability to anyone other than Collins Foods Limited in connection with this report or to Collins Foods Limited for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than Collins Foods Limited and if anyone other than Collins Foods Limited chooses to use or rely on it they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than Collins Foods Limited receiving or using this report.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Michael Crowe'.

Michael Crowe
Partner

Brisbane
27 June 2023



COLLINS FOODS LIMITED



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