

**SENATE STANDING COMMITTEE ON ENVIRONMENT AND COMMUNICATIONS  
INQUIRY INTO GREENWASHING  
RESPONSES TO QUESTIONS ON NOTICE  
COLES GROUP**

Please find below responses to the Questions on Notice received from Committee Chair, Senator Hanson-Young on 12 July 2024.

**1. Could you confirm how much of your home brand salmon comes from Macquarie Harbour as well as detailing the supply chain of your salmon.**

Depending on the season, between 12-16 per cent of Coles Own Brand salmon is sourced from Macquarie Harbour from three suppliers. The salmon is delivered directly to our stores via our fresh distribution centres across the country.

**a. Has Coles ever stopped selling a seafood product due to conservation concerns in the past?**

There have been some instances where Coles has stopped retailing seafood products due to conservation concerns.

**b. Can Coles please provide the internal policy, metrics and requirements needed for a product to be labelled responsibly sourced?**

Coles has a *Sustainability and Responsible Sourcing Product Certifications and Internal Standards Policy* (the Policy) and accompanying *Certifications Framework Assessment* (the Framework), developed by an independent third party in collaboration with Coles. The Framework includes an extensive number of criteria, which the certifications and internal standards are reassessed in accordance with the Policy.

The Coles Responsibly Sourced Seafood Program (the Program) recognises a range of certification and assessment programs for farmed (aquaculture) and wild-caught seafood.

For farmed seafood, Coles Own Brand products must be certified to either the Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (BAP) or GLOBALG.A.P standards.

For wild-caught seafood, Coles Own Brand products must be certified against the MSC Fisheries Standard and MSC Chain of Custody Standard (if the product carries the MSC label), or from sources independently assessed as meeting the Coles Wild Seafood Assessment Framework (Assessment Framework).

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We recognise there are potential environmental impacts associated with seafood production, including overfishing, by-catch and illegal fishing. We continue to review the Program to assist in mitigating these risks for Coles Own Brand products.

As part of the Program, we are in frequent dialogue with our suppliers, government and non-government organisations.

In FY23, we commenced the rollout of the Authenticate system (a supply chain transparency platform) to Coles Own Brand seafood suppliers to improve our seafood sourcing data gathering, management and analysis and we continue to leverage this platform to inform our sourcing approach and opportunities.

**2. How do you engage with federal and state regulators on farmed salmon; and particularly for Macquarie Harbour and the Maugean skate?**

Coles participated in the development of the Tasmanian Government's 'Tasmanian Salmon Industry Plan 2023', reviewing the discussion paper and providing input on topics such as transparency/ disclosure, ecosystem regeneration, responsible feed ingredients, animal welfare and water quality.

The Tasmanian Environment Protection Agency's reports on salmon farming in Tasmania have been reviewed and discussed at our internal Tasmanian Salmon Working Group (comprised of representatives from our Own Brand, Sustainability, Commercial and Government Affairs teams.)

In addition, Coles has engaged directly with representatives from the National Recovery Team for the Maugean Skate, including Salmon Tasmania and the Institute for Marine and Antarctic Studies (IMAS).

Coles has also met with a range of NGOs, including Living Oceans Society, Eko, Neighbours of Fish Farming and the Bob Brown Foundation, between September 2023 and June 2024.

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**3. To inform your seafood policy, who do you solicit expert advice from outside of your suppliers and certifications?**

We work collaboratively with our suppliers, NGOs, certification bodies and subject matter experts (including Stonehaven Australia, an international insights, strategy and campaign consultancy) to identify opportunities to further improve our Coles Responsibly Sourced Seafood Program.

**Supermarket Due Diligence**

**4. Could you please provide any evidence of due diligence and risk analysis you have undertaken since learning about the situation of the Maugean Skate.**

**a. Have you adjusted your supply chain since learning of the condition of salmon farms in Macquarie Harbour?**

In FY24, we conducted a review of our Own Brand sourcing strategy to better understand short, medium and long-term options to diversify our salmon sourcing approach and explore future opportunities.

We continue to engage with our suppliers as we determine our future sourcing strategy.

**b. Could you please provide all communications you have had with certifications regarding concerns of the Maugean Skate?**

Coles is involved in ongoing discussions with a range of bodies including BAP and GLOBAL GAP. These discussions are focused on sustainable sourcing from the Harbour, application of the standards and opportunities for continuous improvement. Both GLOBAL GAP and BAP are in the process of reviewing their standards.

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**5. Could you confirm if it is your responsibility as a national retailer to do your own due diligence beyond certification if you have been made aware of serious threats to an ecosystem or species due to a product you are buying.**

Coles is committed to acting responsibly and working with suppliers that meet the requirements of our Responsible Sourcing and Ethical Sourcing Programs.

We work closely with our suppliers to ensure we focus on the areas in the supply chain with higher likelihood of environmental and labour risks. Suppliers must implement all the requirements within our Responsible Sourcing and Ethical Sourcing Programs to retain business with Coles.

As noted above, Coles has a Certifications Framework Assessment program, developed by an independent third party in collaboration with Coles. The framework includes an extensive number of criteria which are reassessed in accordance with our *Sustainability and Responsible Sourcing Product Certifications and Internal Standards Policy*.

It is important to Coles and our customers, as well as a range of other stakeholders including local communities and producers, that the Tasmanian salmon industry operates in an environmentally, socially and economically responsible manner.

In accordance with the requirements of our *Sustainability and Responsible Sourcing Product Certifications and Internal Standards Policy*, a register is kept of all assessed Product Certifications and Internal Standards, which includes the date of the most recent assessment and current status. Our Policy outlines a governance pathway for oversight of certifications, including reporting to our Sustainability Steering Committee (a key management committee with oversight of Coles' sustainability strategy and performance, chaired by our Chief Operations and Sustainability Officer). All new Product Certifications and Internal Standards are also reported to the Sustainability Steering Committee.

**6. Is Coles aware of recent investigations by the Outlaw Ocean Project that found human rights abuses, including forced labour, associated with seafood traded within the global seafood supply chain -- some of which has been associated with BAP, ASC, and MSC certifications?'**

We are aware of the investigations.

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Coles is committed to acting responsibly and working with suppliers that meet the requirements of our Ethical Sourcing Policy.

**ACCC Complaint**

**7. Has Coles been contacted by the ACCC about the formal complaint? If so, what information was provided to the ACCC?**

Coles has not been contacted by the ACCC in relation to the complaint referred to during our appearance before the Greenwashing Inquiry.

**Deforestation**

**8. A recent Greenpeace report on deforestation identified Coles commitments to deforestation free products. Could you provide details of your current plan to achieve this commitment, as well as indicating all products that are currently deforestation free.**

Recognising the pivotal role that forests play in mitigating climate change, we have published our Protecting Forests Statement (available on our website) to outline the initiatives Coles is undertaking to support the safeguarding of forests across high-impact Coles Own Brand supply chains. By outlining our progress to date, we seek to demonstrate our proactive stance and support for sustainable production and the exclusion of deforestation.

A copy of our *Protecting Forests Statement* has been included as **Appendix One**.

The production of all Coles Own Brand timber, pulp and paper products sources material from forest plantations independently certified to the Forest Stewardship Council® (FSC®) or the Programme for the Endorsement of Forest Certification (PEFC) certification schemes, or from post-consumer recycled fibre.

This excludes timber, pulp or paper used as a component of food and drink products, cellulose, viscose and in product packaging. In addition, Coles offers a 100% recycled content and FSC® Certified paper shopping bag. We will continue to support sustainably managed forests and provide information to

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customers through the application of the relevant logos on our product packaging.

- 9. We understand Coles has recently partnered with Planet Ark. Could you provide all details of this partnership including its purpose, scope and effectiveness so far.**

In 2023, Coles announced a three-year partnership with Planet Ark. Our partnership with Planet Ark seeks to accelerate actions to reduce waste and help support our customers make more sustainable choices.

Coles and Planet Ark are working on a range of waste reduction and recycling initiatives, including simple and practical solutions that Coles customers can put into action, as well as sponsoring National Recycling Week and the Schools Recycle Right Challenge.

A copy of the media release announcing this partnership is included as **Appendix Two** for your information.



At Coles we are committed to addressing the concerns that resonate with our stakeholders, with particular focus on the issue of climate change. Recognising the pivotal role that forests play in mitigating climate change, this document aims to outline the initiatives Coles is undertaking to safeguard forests across our Coles Own Brand supply chains. Through highlighting the milestones achieved, we aim to demonstrate our proactive stance and commitment to sustainable practices in preserving our planet's ecosystem.

We work closely with Non-Governmental Organisations (NGOs), our suppliers, and internal teams to identify the key products and sourcing regions in our supply chain that have the greatest impact on forests and the pathways available to protect them. Where possible, we utilise globally recognised and industry leading, independent, third-party certifications and verifications to secure sustainable products in our Coles Own Brand supply chains and drive traceability. Whilst this document is limited to Coles Own Brand, we also aim to set an example and provide inspiration to our proprietary suppliers who are sourcing high priority commodities and assist them on this journey towards more environmentally sustainable supply chains.

### Why it Matters

Forests cover around one-third of all land on Earth and are essential to the health of our planet. They support biodiversity, are critical to the sustenance, culture and livelihoods of 1.6 billion people, and play a vital role in safeguarding the status of our climate by sequestering carbon<sup>1</sup>. Coles recognises that deforestation is a driver of embedded emissions within our supply chain and is a risk to our planet's health and a contributor of climate change.

Much work has been done to monitor and measure forests in Australia. In line with this, Coles is evaluating forest definitions currently used in Australia for their relevance and measurability. We are engaging with NGOs, our suppliers and industry groups, to develop a monitoring and reporting system to support this.

### Our Approach

Coles aims to work with our farmers, suppliers, and industry partners to reduce our impact on the environment and help our customers make more responsible choices. In 2022 and 2023 we conducted a review of our Coles Own Brand products, mapping potential environmental impacts associated with deforestation, water security and soil health by commodity and then progressed this work to complete deeper assessments on key commodities to enhance our existing Sustainable Sourcing Programs. We are completing this work in partnership with our suppliers and NGOs to help reduce future environmental impacts and mitigate deforestation.

As such, we have identified the below supermarket Coles Own Brand<sup>2</sup> commodity supply chains for deforestation risks:

- Beef
- Cocoa
- Palm Oil
- Soy in livestock feed
- Timber, pulp and paper

For each identified high priority Coles Own Brand supply chain, we have detailed below our achievements and planned efforts to supporting sustainable production and the exclusion of deforestation.

<sup>1</sup> <https://www.unep.org/explore-topics/forests/why-do-forests-matter>

<sup>2</sup> Does not include Coles Own Brand products sold at Express and Coles Liquor; Coles Own Brand pet food; Goods Not For Resale (GNFR); and Exclusive Proprietary and Proprietary branded products



<b>Palm Oil</b>	
	<p>Since 2015, all Coles Own Brand <b>food and drink</b> products that contain palm oil, kernel and derivatives, sold at Coles Supermarkets, have supported the production of sustainable palm oil.</p> <p>Suppliers using palm oil in our Coles Own Brand products are required to:</p> <ul style="list-style-type: none"> <li>• Obtain Roundtable on Sustainable Palm Oil (<a href="#">RSPO</a>) Supply Chain Certification for its own supply chain; or</li> <li>• Be able to demonstrate RSPO Certification for each palm oil ingredient that is incorporated into the Coles Own Brand product.</li> </ul>
<b>Achievements</b>	<p>We are exploring traceability options to facilitate improved verification of deforestation.</p> <p>We are progressively converting non-food ingredients to RSPO physical supply chains. In calendar year 2023 more than 90% of palm oil utilised in our Coles Own Brand non-food products contain or support the production of sustainable palm oil.</p> <p>For the remaining ~10% of non-food products which contain conventional palm oil, we are currently purchasing RSPO 'book and claim' credits to offset palm oil use while we continue to transition these products. Our target is to have all our Coles Own Brand non-food products containing palm oil, kernel and derivatives hold RSPO supply chain certification.</p>
<b>Key Partnerships</b>	<p>Coles is a member of RSPO, as well as, the Retailers Palm Oil Group (RPOG), a coalition of companies who have the common aim of using sustainable palm oil in their products.</p>
<b>Timber Pulp &amp; Paper</b>	
<b>Achievements</b>	<p>Since 2020, all Coles Own Brand timber, pulp and paper products have sourced material from forest plantations independently certified to the Programme for the Endorsement of Forest Certification (<a href="#">PEFC</a>) or Forest Stewardship Council® (<a href="#">FSC®</a>) certification schemes; or from post-consumer recycled fibre.</p>
<b>Key Partnerships</b>	<p>Coles has a Programme for the Endorsement of Forest Certification (PEFC) usage license and is a Forest Stewardship Council® (FSC®) Promotional License Holder (PLH).</p>
<b>Cocoa</b>	
<b>Achievements</b>	<p>Since 2020, all Coles Own Brand single ingredient cocoa and cacao has been independently certified or verified to either <a href="#">Fairtrade</a>, <a href="#">Rainforest Alliance</a> or <a href="#">Cocoa Horizons</a>.</p> <p>Since December 2023 all Coles Own Brand products that contain cocoa and cacao have been produced using independently certified or verified ingredients from either the Fairtrade, Rainforest Alliance or Cocoa Horizons programs.</p>
<b>Key Partnerships</b>	<p>Coles is a licensee of Fairtrade, Rainforest Alliance and Cocoa Horizons.</p>



For **Beef** and **Soy** we have been developing roadmaps to address the deforestation risks in these supply chains. The below articulates the steps towards confirming achievements.

<b>Beef</b>	
<b>Achievements</b>	<p>Coles sources beef from across multiple cattle producing regions of Australia. We recognize that our producers are responsible stewards of the land and aim to showcase this through the assessment of our directly sourced<sup>3</sup> beef supply chain presented below.</p> <p>Preliminary analysis utilizing satellite imagery verified by <a href="#">CiboLabs</a> and utilizing national Australian Beef Sustainability Framework (<a href="#">ABSF</a>) definitions, has confirmed that our directly sourced cattle<sup>3</sup> can be verified as consigned from a property free from Primary Forest loss (from a 2020 baseline for the financial year 2022).</p>
<b>In Progress</b>	<p>Coles is continuing to develop a beef roadmap to prevent deforestation in our direct supply chain and govern our beef sourcing processes.</p> <p>Coles will also continue to collaborate with Australian industry frameworks such as the ABSF and with beef suppliers to preserve the environment and maintain productive landscapes.</p>

<b>Soy sourced for livestock feed</b>	
<b>In Progress</b>	<p>Soy used as animal feed in our supply chain largely originates in South America, where there has been links to deforestation.</p> <p>We have engaged with our suppliers and industry to understand the impacts of our soy supply chains and we are building a roadmap and policy to address the deforestation risks.</p> <p>Our initial efforts will focus on soy sourced for key volume supply chains such as poultry and salmon where our assessment indicates this represents up to two thirds of soy demand for livestock feed based on industry data.</p> <p>The proportion of soy sourced for human food and drink is minimal in comparison to animal feed volumes and is predominantly sourced from Australia and Asia which is deemed as low-risk<sup>4</sup> for deforestation.</p> <p>Coles will continue to develop the roadmap and engage with suppliers to address deforestation risks in those supply chains.</p>

We will continue to update this document as we progress our initiatives in this space.

Date: June 2024

<sup>3</sup> Sourced directly from farm by the Coles Livestock team.

<sup>4</sup> <https://soe.dcceew.gov.au/biodiversity/pressures/threats-and-key-threatening-processes>



# Media Release

colesgroup

PLANET ARK

Monday 5 June 2023

## COLES PARTNERS WITH PLANET ARK TO HELP TACKLE WASTE AND RECYCLING

*Retailer supports World Environment Day's focus on beating plastic pollution and waste*

To mark World Environment Day, Coles has announced a new three-year partnership with leading environmental not-for-profit, Planet Ark, to help further its efforts to reduce food waste and packaging, and to tackle the challenge of plastic waste and recycling.

Planet Ark is one of Australia's most trusted environmental organisations and is focused on real solutions that make positive environmental actions accessible to everyone.

The partnership will see the two organisations work together on a range of waste reduction and recycling initiatives, including during National Recycling Week and School Recycle Right Challenge, of which Coles is the major sponsor.

Commenting on the announcement, Coles General Manager, Sustainability, Brooke Donnelly, said the retailer is proud to partner with the not-for-profit and help further Australia's transition to a more circular economy.

"We are pleased to partner with Planet Ark to help accelerate action on reducing waste, and to support our customers to make sustainable choices in their everyday lives," said Brooke.

"Through this partnership, we can significantly assist Planet Ark to boost its program of work, including delivering additional campaigns, events and resources, with the overall aim of driving positive environmental change.

"We understand for many consumers recycling can be confusing, but we're confident that through this partnership and the work we are doing at Coles to make packaging more reusable, recyclable, and compostable, we can help build trust and understanding for this important process," she said.

Planet Ark CEO Rebecca Gilling said the partnership with Coles would not only help to spread Planet Ark's positive environmental actions among Coles customers around Australia, but also to drive positive change across the retailer's operations.

"Planet Ark is thrilled to be joining forces with Coles as an official community partner, a collaboration that will help to amplify our positive environmental impact throughout Australia as well as bring about lasting positive change for Coles customers and our shared environment," said Rebecca.

"By committing to 100% renewable energy by 2025, pioneering initiatives to combat unnecessary packaging, and championing the Australasian Recycling Label, Coles has firmly established itself as a leader in driving positive environmental transformation.

"We look forward to working together to accelerate this ongoing transition to a circular economy and elevate Coles' leadership in sustainability to new heights," she said.

The partnership announcement comes as Coles has added the Australasian Recycle Label (ARL) to the packaging artwork across all Own Brand products\*. The ARL provides Australians with easy-to-understand recycling information that helps to remove confusion at the recycling bin, save time for users and reduce the amount of waste going to landfill.

## Appendix 2

Recently Coles also announced it will phase out soft plastic bags both in-store and online by the end of June, a move that will remove 230 million plastic bags from circulation in one year<sup>1</sup>. In addition, the retailer is supporting the delivery of Australia's national packaging targets of 100% reusable, recyclable or compostable packaging by 2025.

Coles is a signatory to the Australian Packaging Covenant and a Member of the Australian Packaging Covenant Organisation (APCO), tasked with delivering Australia's 2025 National Packaging Targets, the aim of which is to drive the transition to a circular economy.

Other Coles partners with a focus on improving environmental outcomes include the Great Barrier Reef Foundation and Clean Up Australia.

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**For Coles media enquiries, please contact:**

Coles Media Line (03) 9829 5250 or [media.relations@coles.com.au](mailto:media.relations@coles.com.au)

### **About Planet Ark**

Planet Ark Environmental Foundation is an Australian not-for-profit organisation with a vision of a world where people live in balance with nature. Established in 1992, it is one of Australia's leading environmental behaviour change organisations with a focus on working collaboratively and positively. Planet Ark promotes and creates simple, positive environmental actions – for everyone.

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<sup>1</sup> Based on unit sales over 52 week period until 30/04/2023

\* To avoid waste, some items without the ARL may still appear in stores until sold