



PUBLIC DISCLOSURE STATEMENT

COLES SUPERMARKETS AUSTRALIA PTY LTD

**PRODUCT CERTIFICATION
FY2021–22 (TRUE UP)**


Australian Government
Climate Active
Public Disclosure Statement

coles



An Australian Government Initiative



NAME OF CERTIFIED ENTITY	Coles Supermarkets Australia Pty Ltd
REPORTING PERIOD	1 July 2021 – 30 June 2022 True-up report
DECLARATION	<p><i>To the best of my knowledge, the information provided in this public disclosure statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.</i></p> <p></p> <p>Martin Smithson General Manager – Meat 20/06/2023</p>



Australian Government
**Department of Industry, Science,
Energy and Resources**

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Version September 2021. To be used for FY20/21 reporting onwards.



1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	1723.38 t CO ₂ -e
OFFSETS BOUGHT	100% ACCUs
RENEWABLE ELECTRICITY	N/A
TECHNICAL ASSESSMENT	08/11/2022 Dr Stephen Wiedemann Integrity Ag and Environment Next technical assessment due: FY2025

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2. CARBON NEUTRAL INFORMATION

Description of certification

The carbon neutral product certification is for sale portions of Coles Finest Certified Carbon Neutral Beef (recorded per kilogram sold) (the Product) including packaging, supplied by selected producer participants in the Coles Beef Carbon Neutral Program.

Producers have been specially selected by Coles to participate in the Program because they deliver beef that satisfies Coles' highest-quality standards, and because they produce lower emission cattle than the Australian industry average¹. Cattle are procured by Coles and processed through a third-party processing plant before secondary processing, storage, distribution and retail. The Product is sold by Coles Supermarkets Australia Pty Ltd (ABN 45 004 189 708). The Product footprint was determined by directly engaging all major stages of the supply chain, collecting primary data for the true up year of 2022 and covered scope 1, scope 2 and scope 3 emissions.

The functional unit for this certification is beef portions, normalised to one kilogram of Coles Finest Certified Carbon Neutral Beef product sold on the retail shelf to customers by Coles Supermarkets Australia Pty Ltd.

Product description

At Coles, we recognise the importance of our sustainability responsibilities and believe that our ambitions can create momentum and activate change. We have a clear ambition to become Australia's most sustainable supermarket and this new range supports that ambition.

We have partnered with specially selected Australian farmers to bring you our Coles Finest Certified Carbon Neutral Beef.

Together, we are reducing the carbon footprint of this product through best practice farming and investment in emission reduction initiatives. With carbon credits, Coles will offset remaining emissions from the production and transport of this product from farm to store.

The carbon neutral brand is a full-coverage product.

"Coles has an ambition to become Australia's most sustainable supermarket and we understand our responsibility to minimise our environmental footprint and to show leadership in protecting our planet. Partnering with Climate Active to deliver a carbon neutral beef product range to our customers supports our Sustainability Strategy and our ambition of Together to zero emissions."

¹ As reported in the Australian Beef Sustainability Report <https://www.sustainableaustralianbeef.com.au>

3. EMISSIONS BOUNDARY

Inside the emissions boundary

All emission sources listed in the emissions boundary are part of this carbon neutral claim.

Quantified emissions have been assessed as 'attributable processes' that become the product, make the product and carry the product through its life cycle. These have been quantified in the carbon inventory. Emissions were determined from quantified datasets of producers and processors supplying product into the brand throughout the supply chain from primary production to retail shelf.

Non-quantified emissions have been assessed as attributable and are captured within the emissions boundary but are not measured (quantified) in the carbon inventory. Non quantified emissions were identified and an uplift was applied to account for the emissions expected.

Outside the emissions boundary

Non-attributable emissions have been assessed as not attributable to a product or service. Impacts associated with transport of product from the supermarket, and storage and cooking in the home have been classified as non-attributable.

This product certification implements the following emissions boundary, per Figure 1 below.

Inside emissions boundary

Quantified

Pre-farm inputs of purchased products including fertiliser, animal health products, services and fuel, supplementary feed, freight.

On-farm emissions associated with:

On-farm fuel use

On-farm electricity use

Fertilisers and lime use and associated field emissions

On-farm emissions from livestock including enteric methane and manure emissions.

Post-farm emissions:

Road freight to processing plant

All impacts from meat processing including energy use, chemical use and waste treatment.

Supermarket, distribution and head office centre energy use and refrigeration.

Product packaging manufacturing and disposal.

Non-quantified

Refrigerants from secondary processing.

Water use in the distribution centre and supermarket.

See Appendix C.

Optionally included

N/A

Outside emission boundary

Non-attributable

Consumer meat preparation, in-home storage, consumption and end-of-life disposal of the sold product, associated waste and associated packaging.

See Appendix D

Figure 2 The certification boundary for the supply chain of sale portions of Coles Finest Certified Carbon Neutral Beef sold by Coles Supermarkets Australia Pty Ltd.

Product process diagram

The following diagram outlines the cradle to retail shelf system boundary. This shows upstream emissions associated with purchased inputs prior to the participant farms and processing plant, primary production (beef farms), primary processing, secondary processing of retail ready products, distribution and supermarkets. Transport between these different stages and products was included throughout the system, and product transformations were determined from primary data. Product traceability from the supplier farms to retail shelf is maintained throughout the system. The diagram shows some examples of major emission sources for each stage. All attributable emission sources were determined and included in the inventory.

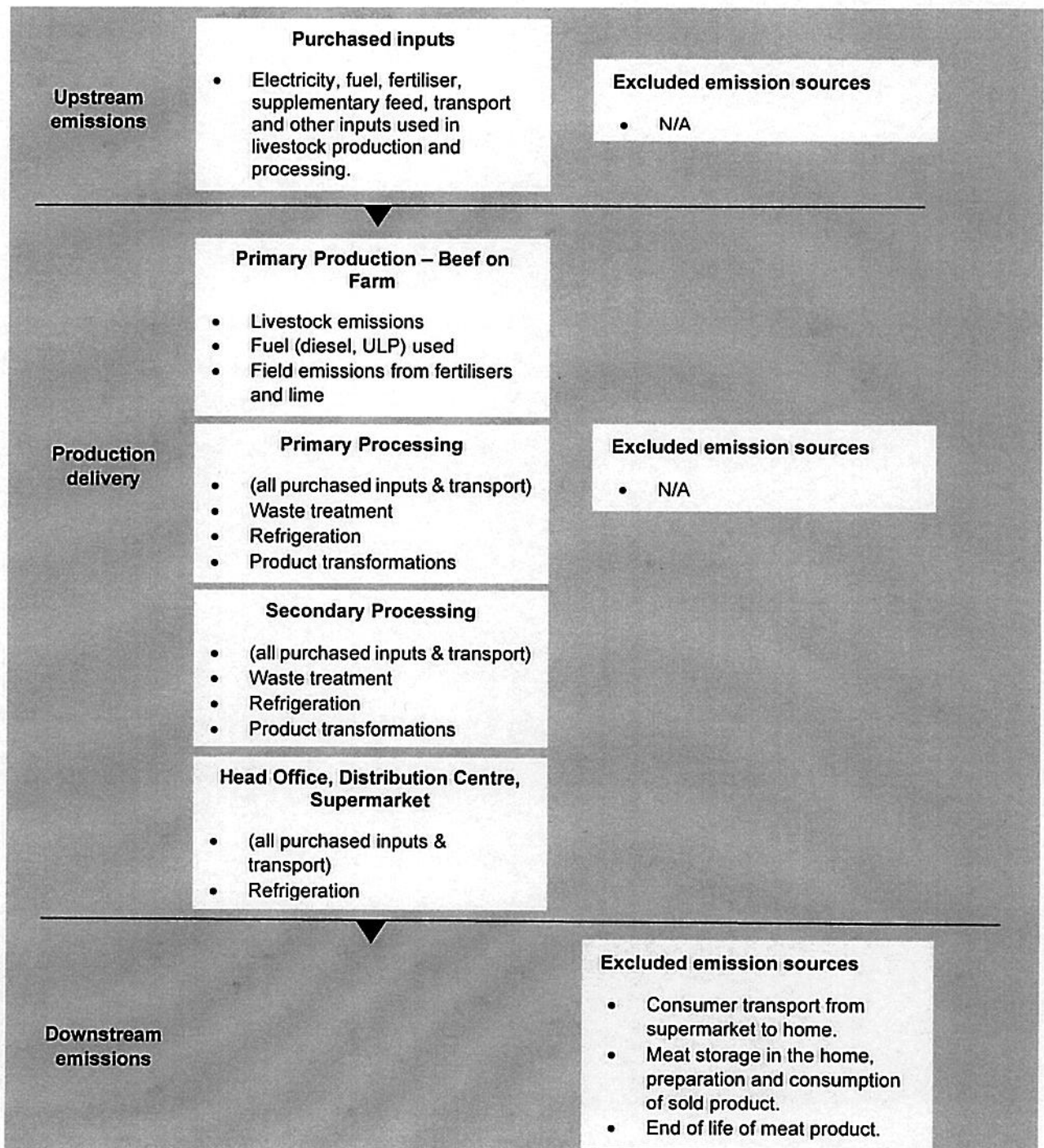


Figure 3 Climate Active Process Diagram for the supply chain of retail Coles Finest Certified Carbon Neutral Beef sold by Coles Supermarkets Australia Pty Ltd.

Data management plan for non-quantified sources

Non-quantified sources were expected to contribute a very small proportion of total product emissions. In future, refrigerant data will be obtained from the secondary processing facility, and a plan will be developed to examine the feasibility of collecting water use in distribution centers and supermarkets.

4. EMISSIONS REDUCTIONS

Emissions reduction strategy

In beef product supply chains, on-farm emissions are largely driven by emissions generated by the livestock themselves, particularly enteric methane. More productive herds generate less methane per kilogram of beef. Farms may also reduce net emissions by storing more carbon in trees planted on farm and potentially in soil. In the processing stages, efficiency can be improved to increase product yields. There are a range of options that will be explored throughout the supply chain to reduce emissions.

Emission reduction strategies being explored include:

Primary Production

- Improving herd productivity by reducing the number of unproductive animals and increasing growth rates and finished weights for young animals, through genetic improvement, management and strategic use of supplementation and grain finishing.
- Developing low emission diets for young cattle. This includes increasing the proportion of animals on low emission diets and exploring feed supplements that can be fed to cattle to reduce enteric methane. Coles have partnered with DSM on two separate trials to evaluate the feed supplement, Bovaer®, which has been shown to greatly reduce methane emissions from cattle. The first trial is evaluating the supplement for commercial feedlot performance. A second trial is assessing meat quality and completing consumer sensory testing. Both trials are in the final stages of completion.
- Storing carbon in vegetation via tree planting to reduce net emissions. Coles have piloted Climate Active's new draft guidelines for insetting carbon sequestered from trees planted on farms, helping to reduce net beef production emissions from farm to retail shelf. Pending release of the guidelines, supplier farms will be introduced into the program and tree planting activities are proposed.

Coles Initiatives

As detailed in [Coles Sustainability Strategy](#) and annual [Sustainability Report](#), Coles Group has committed:

- For the entire Coles Group to be powered by 100% renewable electricity by the end of FY25 (noting that Coles already has the agreements in place to meet this commitment).
- To reduce combined Scope 1 and 2 greenhouse gas emissions by more than 75% by the end of FY30 (from a FY20 baseline).
- To deliver net zero greenhouse gas emissions by 2050.

5. EMISSIONS SUMMARY

Emissions over time

Table 1 Emissions and emission intensity for the baseline year and true up of emissions

Emissions since base year		Total emissions (t CO ₂ -e)	Carbon sequestration (t CO ₂ -e)	Net emissions (t CO ₂ -e)
Base year:	2020-21	15122.89	-61.8	15061.09
Year 1 (True-up):	2021-22	1780.68	-57.3	1723.38

True up information

The product was released towards the end of the Financial Year, resulting in much lower emissions than the base year (which reflected 12 months supply). These emissions will cover 12 months in next year's reporting and are therefore expected to increase substantially.

Significant changes in emissions

There was no significant change in emission intensity in the reporting period. There was a lower reported sale volume resulting in lower overall reported emissions.

Use of Climate Active carbon neutral products and services

None.

Product emissions summary

As part of a pilot initiative, carbon sequestration from on-farm tree plantings were included in the carbon account, from tree plantings at one of the farms supplying beef to the Coles brand. The details of this initiative are intended to be made available through a Climate Active public consultation process.

An uplift factor of 0.2% was applied to account for refrigerants from secondary processing that were not included. All other impacts from secondary processing contributed 1.7% of impacts to the product and based on other facilities refrigerants were deemed as having the potential to increase this by 0.14%. Water is used for occasional cleaning in distribution centers and supermarkets. Impacts from water are associated with supply (pumping) and this was a minor contribution in manufacturing stages. It was considered that a total uplift of 0.2% is suitable.

Table 2 Emissions and emissions intensity for the true up year of reporting

Emissions intensity per functional unit	Confidential
Number of functional units to be offset	Confidential
Total emissions (t CO₂-e)	1780.68
Total sequestration (t CO₂-e)	-57.3
Total emissions to be offset	1723.38

6. CARBON OFFSETS

Offsets strategy

Offset purchasing strategy: Forward purchasing

1. Total offsets previously forward purchased and banked for this report	3750
2. Total emissions liability to offset for this report (tCO ₂ -e)	1724
3. Net offset balance for this reporting period	2026
4. Total offsets to be forward purchased to offset the next reporting period	0
5. Total offsets required for this report	1724

Co-benefits

ACCUs were purchased from an Australian landholder located in south-west Queensland. This Human Induced Regeneration project establishes permanent native forests through assisted regeneration from in-situ seed sources (including rootstock and lignotubers) on land that was cleared of vegetation and where regrowth was suppressed for at least 10 years prior to the project having commenced.

Offsets summary

Proof of cancellation of offset units

Offsets cancelled for Climate Active Carbon Neutral Certification										
Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Eligible Quantity (tCO ₂ e)	Quantity used for previous reporting periods	Quantity banked for future reporting periods	Quantity used for this reporting period claim	Percentage of total (%)
Armoobilla Regeneration Project, QLD	ACCUs	ANREU	25/03/2022	8,337,473,874 – 8,337,477,623	2021-22	3750	0	2026	1724	100%
Total offsets retired this report and used in this report										
Total offsets retired this report and banked for future reports										
								2026	1724	

Type of offset units	Quantity (used for this reporting period claim)	Percentage of total
Australian Carbon Credit Units (ACCUs)	1724	100%

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) Summary

Not applicable.

APPENDIX A: ADDITIONAL INFORMATION

Not applicable.

APPENDIX B: ELECTRICITY SUMMARY

Not applicable.

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following sources emissions have been assessed as attributable, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. These emissions are accounted for through an uplift factor. They have been non-quantified due to one of the following reasons:

1. **Immaterial** <1% for individual items and no more than 5% collectively
2. **Cost effective** Quantification is not cost effective relative to the size of the emission but uplift applied.
3. **Data unavailable** Data is unavailable, but uplift applied. A data management plan must be put in place to provide data within 5 years.
4. **Maintenance** Initial emissions non-quantified but repairs and replacements quantified.

Relevant-non-quantified emission sources	(1) Immaterial	(2) Cost effective (but uplift applied)	(3) Data unavailable (but uplift applied & data plan in place)	(4) Maintenance
Refrigerants from secondary processing.	No	No	Yes (uplift applied & data plan in place)	No
Water use in the distribution centre and supermarket.	No	No	Yes (uplift applied & data plan in place)	No

Excluded emission sources

Not applicable

APPENDIX D: OUTSIDE EMISSION BOUNDARY

Non-attributable emissions have been assessed as not attributable to a product or service (do not carry, make or become the product/service) and are therefore not part of the carbon neutral claim. To be deemed attributable, an emission must meet two of the five relevance criteria. Emissions which only meet one condition of the relevance test can be assessed as non-attributable and therefore are outside the carbon neutral claim. Non-attributable emissions are detailed below.

Relevance test						
Non-attributable emission	Reason	<i>The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions</i>	<i>The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.</i>	<i>Key stakeholders deem the emissions from a particular source are relevant.</i>	<i>The responsible entity has the potential to influence the reduction of emissions from a particular source.</i>	<i>The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisation</i>
Consumer meat preparation, in-home storage, consumption and end-of-life disposal of the sold product.	The assessment of GHG emissions was completed from cradle to gate. These sources are downstream emissions which are outside of the emission boundary.	No	No	No	No	No



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