



Investor update - September 2025

Skating to Extinction: Coles and Woolworths seafood

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2025 Resolutions



**Response to sustainability reports -
Coles | Woolworths**



Risks from salmon farming



Risks from certifications



**Due diligence and disclosure
reduces risk**



Opportunities from policy change



FAQs

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Supermarket responses

	Acknowledge impact of salmon sourcing on Maugean Skate in reporting*	Identify and report on impacts on Endangered, Threatened and Protected species*	Commit to work with suppliers to transition away from Macquarie Harbour salmon	Remove responsible sourcing labels from Own Brand MH salmon	Aligned with Conservation Alliance seafood due diligence framework**
	✓	✓	✗	✓	✗
	✓	✗	✗	✗	✗

* Woolworths did not provide sufficient details about the methodology and findings of their assessment

**Coles is partially aligned with the framework, as it has demonstrated some progress in integrating heightened due diligence into its seafood procurement where there is a risk of adverse impacts on the environment or people. However there was no mention about the implementation example in the Guidelines that explicitly states a retailer shifts procurement, regardless of certification, in the even an endangered species is impacted.

2025 resolutions for Woolworths and Coles

Shareholders request that the company identifies and reports on the real and potential impacts of farmed seafood it procures for its Own Brand products on endangered species under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) List of Threatened Fauna in its 2026 Sustainability Report

Withdrawn from Coles AGM as they largely met the resolution request

Shareholders request that the company aligns its Seafood Sourcing Policy with a global best practice standard, such as the Conservation Alliance for Seafood Solutions “Guidance for Companies”, and report to shareholders on progress in meeting these best practice guidelines in its 2026 Sustainability Report

[Click here to learn more](#)

We urge shareholders to **pre-declare your vote FOR** the remaining resolutions at the 2025 AGMs via the UNPRI links below

For Asset Owners with external mandates, we urge you to encourage your asset managers to do the same

The resolutions and supporting statements are available online:

Nature-related disclosure - Woolworths

Updated seafood policy resolution - Woolworths / Coles

Coles 2025 Sustainability Report: The Good

Coles report	Our response
Acknowledges salmon farming as a contributing factor and low dissolved oxygen as a major threat to the Skate.	In 2024 Sustainability Report Coles acknowledged the Maugean Skate - good to see it done again, with more detail.
“In 2025, we undertook a desktop assessment to determine if aquaculture is a significant threat to any species in the regions Coles sources farmed seafood from, which includes [...] Atlantic salmon from Tasmania.”	The desktop analysis certainly connects with the resolutions’ request that <i>Coles’ identifies and reports on the real and potential impacts of farmed seafood it procures for its Own Brand products on endangered species under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) List of Threatened Fauna in its 2026 Sustainability Report.</i>
“We reviewed the EPBC [Environment Protection and Biodiversity Conservation] Act threatened fauna list, focusing on critically endangered, endangered and vulnerable species.” Identified the Maugean Skate, with “reduced water quality due to salmonid aquaculture considered a significant threat” and the Southern right whale where threats include “entanglement in commercial fishery or aquaculture equipment.”	We withdrew the relevant resolution as they largely met our request Save the Skate partners will ask Coles to provide more detailed information on the information found as a result of that desktop analysis.
Are now “focusing on our sourcing practices” and “progressed our understanding of Coles’ nature-related impacts and dependencies.”	Initial nature risks scan (as part of “Nature Roadmap”) found farmed and fished upstream supply chains highest nature impact and risks, and will be focus on further granular assessment

Coles: Where we have questions

Coles states “We have reduced the level of salmon sourcing from Macquarie Harbour”.

While this is somewhat positive, there is no detail on:

- How much have Coles reduced sourcing by?
- To what level have they reduce sourcing to?

Continuing to buy this salmon despite threats to skate is against OECD Guidelines which say they should work with suppliers to find other locations/species to reduce harm - and if they can't, cease that relationship

Save the Skate campaign partners would like to know the details about the reduction in sourcing salmon from Macquarie Harbour > will take these questions to Coles and encourage investors to also do so.

 **Forbes**

Join: \$1.50/wk

F¹

The Next ESG Flashpoint: Supermarkets And Species Loss

By [Felicia Jackson](#), Contributor. ⓘ I write... 

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Published Sep 09, 2025, 06:00pm EDT, Updated Sep 09, 2025, 07:37pm EDT

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Woolworths AGM 2024
SIX

Climate risk once dominated the ESG agenda. Now biodiversity risk is fast becoming the next corporate flashpoint.

Coles: Where we have concerns

Coles states:

- “We will consider a range of appropriate guidelines and frameworks to build on our due diligence approach such as the Conservation Alliance for Seafood Solutions Guidance for Companies.”
- “[...] elements of Coles’ existing Own Brand Responsibly Sourced Seafood Program already align with a number of the principles and recommendations in the Guidance.”

Our response:

While it’s good to see mention of the Conservation Alliance for Seafood Solutions Guidance for Companies (a framework mentioned in the resolution) consideration does not equal application.

The Guidelines outlines a practical due diligence example: “if it is discovered that the company is procuring species that have an adverse impact on Endangered, Threatened, or Protected (ETP) species, the company will attempt to work with the supplier to find alternative species. If that is not possible, the company will cease sourcing that species from the supplier.” **Coles has not demonstrated intention to align with this principle of acting to mitigate harm**

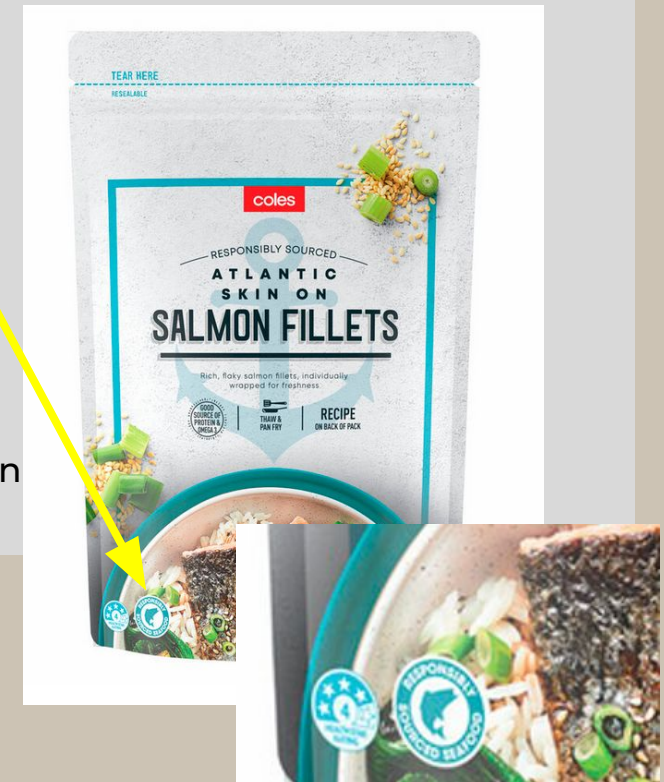


Coles: Where we have concerns

Certifications that *currently* endorse Macquarie Harbour salmon

	X
	✓
GLOBALG.A.P.	✓

- Woolworths + Coles Seafood Sourcing Policies accept ASC, BAP, and GLOBALGAP for farmed seafood
- Impossible for consumers to know which certification is behind the WW + Coles 'responsibly sourced' labels
- MH Farms withdrew from ASC in 2018 due to major environmental breaches of ASC standard
- MH farms are able to meet 'lower bar' BAP and GLOBALGAP
- BAP and GLOBALGAP have no oxygen limits
- *new ASC Standard problematic: has no oxygen limits in mid to bottom waters (see WW slide)



Coles states:

"For farmed Own Brand, seafood must be ASC, BAP or GlobalG.A.P".

Coles: Where we have concerns

Coles states:

- “Further, in February 2025, IMAS [Institute for Marine and Antarctic Studies] released a report showing Skate numbers have increased for a second consecutive year and in 2024 was similar to the baseline measurement in 2014.”

UNIVERSITY of
TASMANIA



#1 in climate
action globally

Study with
us

Uni
life

Our
research

Maugean skate return to
levels not seen for a decade
– but not out of the woods
yet

Research | Newsroom • 15 Feb 2025 • 3 minute read



Our response:

- The IMAS report, while mildly encouraging, does not demonstrate a stable or recovered population.
- Save the Skate partners have discussed the IMAS report in engagement with Coles. We understood that they recognised the caution with which this report needed to be interpreted, and are surprised to see this statement in the sustainability report.
- The IMAS authors give the context that “Maugean skate population is still at low levels and is potentially subject to major environmental events leading to mortality, as inferred in 2019.”
- Experts at the Australian Marine Conservation Society note: “A slight improvement in the Skate’s population estimates will not save the skate from extinction, especially if there’s another extreme weather event in its only home.”

Coles: Where we have concerns

Coles states:

- “Additionally, we note a changing policy and regulatory context, including an amendment to the EPBC Act earlier this year effectively ending a ministerial reassessment of a 2012 decision that allowed the expansion of salmon farming in the Harbour.”
- “We also acknowledge the delayed decision of the Threatened Species Scientific Committee as to whether the skate’s conservation status should be ‘uplisted’ from ‘endangered’ to ‘critically endangered’ (delayed until at least October 2025.”

Our response: Coles has a responsibility to act despite delayed political decisions (per OECD Guidelines)

Context:

- In February 2025, the Labor government rushed changes to the EPBC Act through Parliament that restrict the ability of the Environment Minister to reconsider past decisions for ongoing or recurring projects.
- Back in November 2023, three conservation groups had requested the federal government reassess whether the salmon industry has the necessary approvals under the EPBC Act.
- Then Environment Minister Tanya Plibersek was considering the request, but the 2025 changes ended that process. This was widely condemned by environmental groups, and seen as prioritising the salmon industry over the environment - while having concerning implications for other important projects.
- **The delay to the [TSSC decision](#) on uplifting does not change the fact that the skate is still endangered.**
- As well said by Eloise Carr, Director at the Australia Institute, “whether the skate is listed as endangered or critically endangered, we have more than enough evidence that action is urgently required to prevent the skate’s extinction.”

Coles: 2025 Outlook

Critical period to urge company to keep progressing

- In 2024, investors sent a strong message for Coles to improve nature disclosure and address extinction risk in supply chains. The Save the Skate group has briefed the new Chairman on this issue and has been on the Board throughout our engagement.
- Has reduced volume of salmon from Mac Harbour (from 12-14% of total salmon supply in 2024) but won't commit to phase out by specific date compatible with restoring conditions in the Harbor and reducing threat of skate extinction
- Company can address urgent threat it poses to Maugean skate AND assess broader nature risk



Investor engagement priorities

Urge Coles to:

1. Address questions and concerns with their sustainability report shared here
2. Not use Government inaction as an excuse and instead work with salmon suppliers in Macquarie Harbour to move operations out of the Harbor, which are harming the World Heritage Area of the Harbour and the 66m y.o. endangered Maugean skate.
3. Update [Farmed Seafood sourcing policy](#) to prioritise conducting their own due diligence on the potential or actual harmful impacts of procured farmed seafood, rather than relying on flawed certifications

*At the 2024 AGM the company acknowledged it conducted preliminary assessment of this and identified potential impacts on other ETP species, but refused to publish results

Woolworths 2025 Sustainability Report: The Good

Woolworths report	Our response
Acknowledges the Skate (didn't in 2024 report)	It's positive to see acknowledgement of the Skate in the 2025 report.
“In 2025 we conducted a risk and impact assessment of our own brand farmed seafood, recognising increased stakeholder interest in our sourcing of species such as salmon, barramundi and various prawn species” in line with Task Force for Nature-Related Financial Disclosure.	No disclosure. Unlike Coles, Woolworths has not disclosed the results from their assessment. This is certainly a step in the right direction but still lacking any detail about the findings of the risk assessment We will seek further information from Woolworths about the details. Didn't say what they will do with this information. Inference is they will not change their approach to Macquarie Harbour salmon, or seafood sourcing policies more broadly.

Woolworths: Where we have concerns

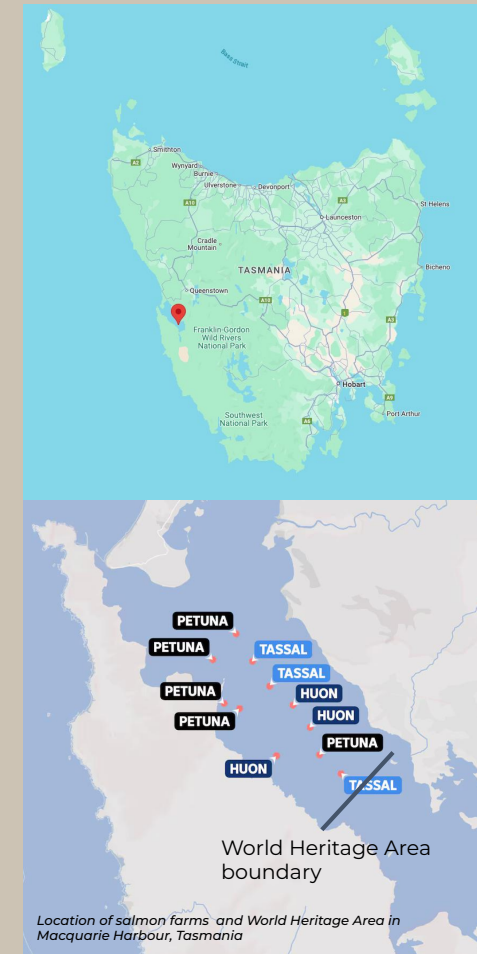
Woolworths says they:

“Completed our transition to ecologically responsible sourcing for all our own brand seafood in 2022 and for seafood ingredients in 2025.”

Our response:

Given own brand seafood includes Macquarie Harbour salmon, it is misleading to claim that all Woolworths’ salmon is “ecologically responsibly sourced”.

WOW received complaint to OECD due to failure to conduct heightened due diligence for Own Brand Macquarie Harbour salmon labelled “responsible sourced”



Woolworths: where we have concerns

- “Notes the steps the federal government has taken to enable the continuation of salmon farming operations in Macquarie Harbour”.
 - Like Coles, Woolworths leans on a government decision that was not made with consideration of the Skate’s survival.
- “Notes research published by the University of Tasmania’s Institute for Marine and Antarctic Studies in February 2025 reported significant increase in estimated population of Maugean Skate since 2022 (comparable to 2014).”
 - Like Coles, misinterpretation of the IMAS report, including mentioning a “significant increase”.

Open letter to PM by conservation groups calls for ditching of salmon protection legislation in Tasmania

An open letter from a dozen conservation groups urging the prime minister to abandon a pledge to support salmon farming in Tasmania comes as the industry battles to control the fallout from dead fish washing up on local beaches.

The letter was jointly signed by representatives from Environment Tasmania, the Bob Brown Foundation, the Surfrider Foundation, NW Tas for Clean Oceans, Neighbours of Fish Farming and others.



The Age, 5 March 2025, “Open letter to PM by conversation groups calls for ditching of salmon protection legislation in Tasmania”

Woolworths: Where we have concerns

Woolworths states	Our response
“We have undertaken early assessment of the new ASC standard, in consultation with our external expert. A key next step involves undertaking detailed gap and feasibility assessments of the new standards with our suppliers, to understand how the standards may address specific considerations in Macquarie Harbour. This work will then inform our supplier’s approach to the potential adoption of this latest standard.	Kelly from Environment Tasmania has previously provided Woolworths with a detailed briefing as to why the new ASC standard will fail to detect the impact - as the new ASC standards has no dissolved oxygen limits in the mid to bottom waters! See slide 24 for more information
“We conduct ongoing due diligence and program improvements, guided by the Group’s Risk Management Framework and broad stakeholder engagements.”	• Woolworths’ due diligence program relies heavily on industry regulation and certification - this is inadequate • No mention of the principles of CASS due diligence (aka Seafood Sourcing Policy resolution)

Woolworths OECD Complaint

- Woolworths received the [world's first OECD complaint](#) against a major retailer for environmental violations.
- The complaint was filed under the [OECD Guidelines](#) for Multinational Enterprises on Responsible Business Conduct, with the [Australian National Contact Point](#) at the Australian Treasury.
- The OECD Guidelines are internationally agreed responsible business conduct standards on a range of issues such as the environment, human rights and consumer interests.
- Governments expect multinational businesses to comply with the standards.

COMPLAINT

Environment Tasmania vs. Woolworths Group

Australian supermarket's contribution to the endangerment of Maugean skate in Macquarie Harbour, Tasmania through its "responsibly sourced" salmon

Date filed

10 September 2025

Current status

Filed

Keywords

Consumer interests, Disclosure, Due diligence, Environment

Sector

Agriculture & Food

Countries of harm

Australia

NCP

NCP Australia

Woolworths OECD Complaint - summary

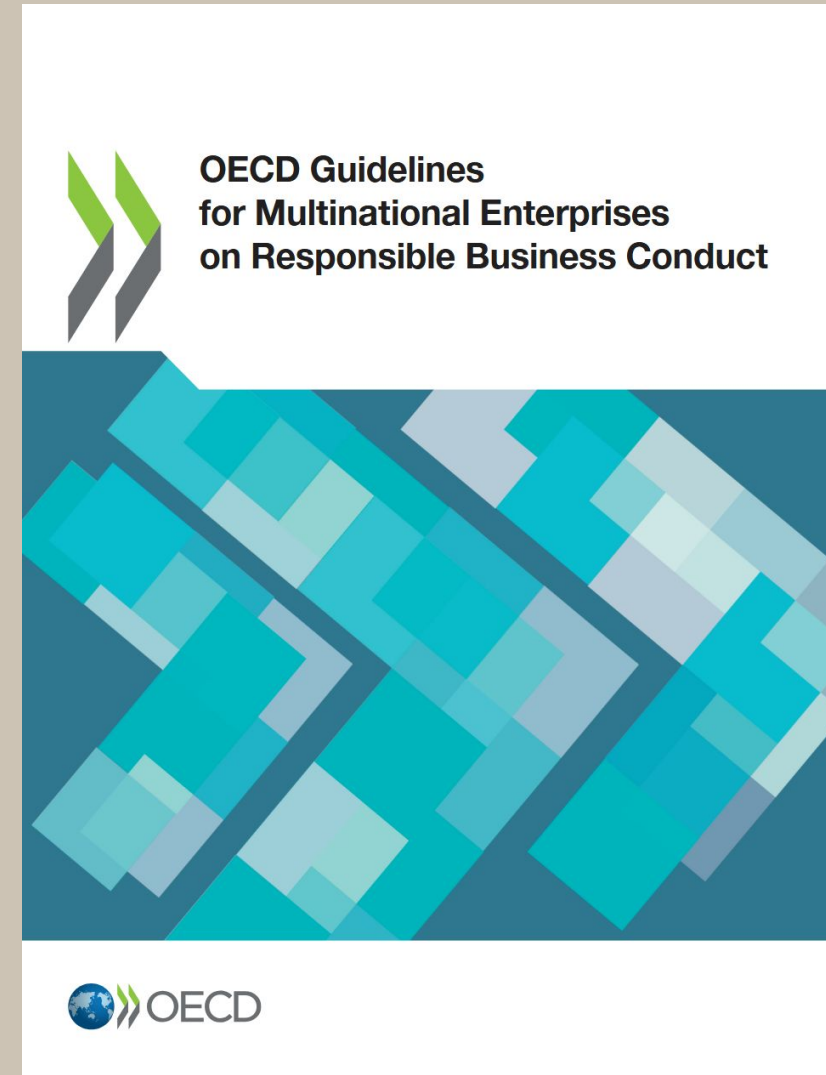
- According to the OECD Guidelines, Woolworths has a responsibility to prevent severe environmental harms associated with its products.
- **Heightened due diligence is necessary** for harms associated with protected species (i.e., the endangered Maugean skate) and UNESCO World Heritage site (i.e., Tasmanian Wilderness World Heritage Area).
- As early as 2013, Woolworths was made aware of and ought to have known severe environmental harms were occurring in Macquarie Harbour, including the World Heritage Area and the endangered Maugean skate; and that these impacts were directly linked to the company's Own-Brand salmon supply chain through business partnerships.
- Woolworths' relationship to the harm has escalated from 'directly linked' to 'contributing to the harm' given the severity and failures to take appropriate action expected by the OECD Guidelines.
- Despite evidence that certifications were not 'fit and proper' tests for Macquarie Harbour, Woolworths has continued to rely on these flawed certifications instead of taking the actions to prevent harm expected under the OECD Guidelines.

Sources: OECD Watch 2025 Environment Tasmania vs. Woolworths Group; Environment Tasmania 2025 Woolworths receive 'world first' OECD complaint over harms to Maugean skate

Woolworths OECD Complaint - summary cont.

- Woolworths' citing of government processes and claims of scientific uncertainty as reasons for not taking action violate the OECD Guidelines.
- Woolworths has not disclosed foreseeable risks to investors (e.g., nature and reputational risk associated with endangered species harms) as expected under the OECD Guidelines.
- Woolworths sells Macquarie Harbour salmon as 'responsibly sourced' in violation of the consumer interests standards of the OECD Guidelines.
- Complaint calls for Woolworths to align and comply with the OECD Guidelines by disclosing the risks to investors; immediately taking actions to stop selling Macquarie Harbour salmon; and removing its 'responsibly sourced' labelling.

[Read the full complaint](#)



Woolworths: 2025 Outlook

Critical engagement window to influence policy

- In 2024, investors sent a strong message for WOW to improve nature disclosure and address extinction risk in supply chains at a time the company is piloting TNFD on its salmon and beef supply chains
- New CEO and Chief Sustainability Officer offers chance to revamp inadequate seafood sourcing policy and reporting
- Company can address urgent threat it poses to Maugean skate AND assess broader nature risk



Investor engagement priorities

Urge Woolworths to:

1. Address questions and concerns with their sustainability report shared here
2. Work with salmon suppliers in Macquarie Harbour to move operations out of the Harbor, which are harming the World Heritage Area of the Harbour and the 66m y.o. endangered Maugean skate. Government inaction shouldn't be an excuse to not take action
 - **Woolworths subject of OECD complaint** for Violations of the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct that is associated with severe adverse harms – including marine ecosystem degradation, biodiversity harm to a protected UNESCO World Heritage Area, and harm to an IUCN endangered species
3. Update its [Group Seafood Sourcing Policy](#) to prioritise conducting their own due diligence on impacts rather than relying on flawed certifications

*This approach is consistent with the process to identify dependencies and impacts per TNFD and should have been done as part of WOW's preliminary assessment of nature-related risks and opportunities across its business and supply chain done in FY24 ([Annual report 2024](#))

Salmon farms still biggest threat to Skate

The Maugean skate is a medium-sized skate that is endemic to Macquarie Harbour, Tasmania, and is considered one of the most endangered sharks or rays in the world.

It is IUCN red-listed as Endangered, as well as Endangered under Australia's EPBC Act. It remains on track to be recommended for uplisting to Critically Endangered this year and is **listed as a species of world heritage value** of the Tasmanian Wilderness World Heritage Area because of its Gondwanan lineage.

Macquarie Harbour is now recognised as a Key Biodiversity Area by the IUCN.

2025 study reported tentative signs of a recent upward trend in the Maugean skate's population

But imminent extinction risk is unchanged and they warn the **"Maugean skate's population is still at low levels and potentially subject to major environmental events leading to mortality"**



A female juvenile Maugean skate

2024 AGM results

Resolution ask		
Identify and report on the impacts of farmed seafood procured for Own Brand products on threatened species under Australia's EPBC Act*	30.42%	39.11%



Coles was highest supported nature resolution in 2024



and the 7th largest in the world for an environmental resolution in 2024**

* Threatened fauna and flora are listed under Section 17.8 of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) under Federal law in Australia
**out of 550 resolutions tracked by UNPRI

Government inaction not an excuse

Both companies told shareholders they did not want to prejudice Australian Government decision to review Macquarie Harbor following request from environmental conservation groups in light of evidence of the negative impact of salmon farming on the endangered Maugean skate*

Government has decided - in 2025 it passed legislation limiting the Minister of Environment's ability to review such decisions at the urging of the industry - condemned by every major conservation group in Australia.

Global best practice for corporate responsibility states **government inaction isn't an excuse for inaction** and **businesses still have a responsibility to act** on real or potential harms in their supply chains and direct operations (e.g OECD Guidelines for Multinational Enterprises, Conservation Alliance Seafood Solutions Guide for Business, EU corporate sustainability due diligence directive).

Reconsideration of Macquarie Harbour farming requests submitted by the Australian Institute, Environmental Defenders Office (on behalf of Australian Marine Conservation Society, Humane Society International) and Fitzgerald and Brown (on behalf of Bob Brown Foundation). See: <https://consult.dcceew.gov.au/epbc-macquarie-harbour>



Amidst global shift against net pen salmon farming

2024 - Canada announced ban on net pens in BC by 2029 (40% of country)

2025 - Washington ends net pen fish farming on West Coast of US

2021 - Argentina's major salmon farming provinces ban it

Significant community opposition in Canada, Norway, Iceland, Chile, Scotland, Australia



Major salmon producing countries

Certifications

Certifications that endorse Macquarie Harbour salmon

	X
	✓
GLOBALG.A.P.	✓

- WW + Coles Seafood Sourcing Policies accept ASC, BAP, and GLOBALGAP for farmed seafood
- Impossible for consumers to know which certification is behind the WW + Coles 'responsibly sourced' labels
- MH Farms withdrew from ASC in 2018 due to major environmental breaches of ASC standard
- MH farms are able to meet 'lower bar' BAP and GLOBALGAP
- BAP and GLOBALGAP have no oxygen limits

ASC statement

"Not one of the 11 salmon farming sites in Macquarie Harbour is certified to the ASC standard. However, they are still certified to other aquaculture standards that have lower environmental requirements."



Certifications: not fit for purpose

WWF-review

WWF-commissioned review of MH certifications: found ASC successfully detected impacts (hence the loss of certification) but BAP unable to detect impacts. Found BOTH unable to prevent impacts. **Overall finding -- certifications not-fit-for-purpose in MH.**

Deferral to inadequate local laws

WWF review criticized BAP for deferring to local laws. Farm licence conditions (aka local laws) deemed “inadequate” by another 2 independent reviews for failing to have oxygen compliance limits in mid & bottom waters.

Formal complaints disregarded

‘Nothing to see here’ responses to NGO complaints to BAP and GLOBALGAP. No impartial complaint process. Continue to endorse.

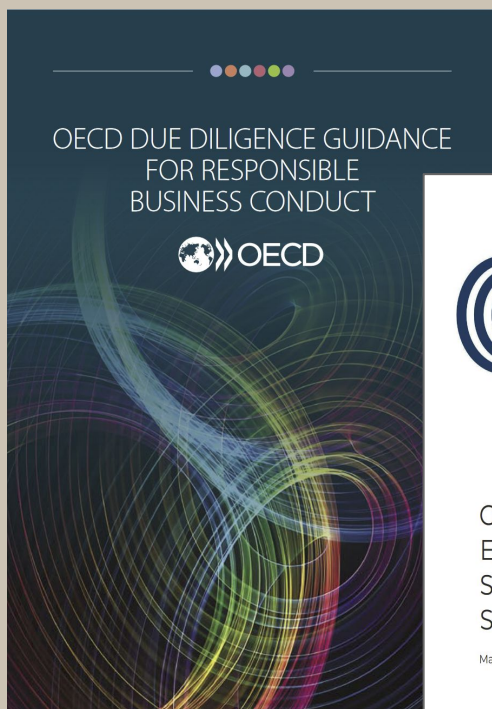
Certifications’ credibility questioned

US Federal Trade Commission asked to investigate BAP after exposés found forced labor practices, banned antibiotics & env damage associated with BAP shrimp farms and facilities. 70+ global groups penned open letter calling out evidence of greenwashing at BAP salmon farms.

The need for due diligence approach

Failure of certifications to detect and penalize farms for impacts to skate, a due diligence approach is necessary. OECD Guidance says certification ≠ due diligence; & taking no action ≠ due diligence.

Beyond Certifications – Due Diligence



Examples

A large retailer (with dedicated sustainability staffing and resources) only sells seafood certified by the Marine Stewardship Council (MSC) or Best Aquaculture Practices (BAP).

- The retailer expects farm suppliers to ensure sustainable production and sourcing throughout the supply chain, including final processing plants, farms, hatcheries, and feed mills.
- Tuna purchases must comply with the International Sustainable Seafood Foundation's conservation measures, including those adopted in collaboration with relevant tuna Regional Fishery Management Organizations and from vessels registered on the Proactive Vessel Register.
- The retailer has also set a goal to help protect, more sustainably manage, or restore at least 50 million acres of land and one million square miles of ocean by 2030.
- If it is discovered that the company is procuring species that have an adverse impact on Endangered, Threatened, or Protected (ETP) species, the company will attempt to work with the supplier to find alternative species. If that is not possible, the company will cease sourcing that species from the supplier.

- 2023: OECD Guidelines updated with biodiversity loss within scope
- 2024: Conservation Alliance for Seafood Solutions' company guidance updated based on OECD DD
- Company guidance DD example for such a circumstance as MH salmon (i.e., certified yet ETP species impact)

Disclosure reveals unknown risk



Dependence on overexploited wild fish for feed creates operational risks (fish stock shortages, price volatility), regulatory risks (changes to fishing quotas) and reputational risks (depleting fish stocks that could be otherwise used as food).



Risks of sourcing from ecological sensitive locations & World Heritage Areas or high human rights risk locations



Australian ocean-based aquaculture is expanding so timely to assess impacts

- Bass Strait trial of offshore aquaculture (Blue Economy CRC) already raising concerns for endangered albatross
- Coles found South Australian sea cage kingfish (yellow tail) and tuna farms may harm other endangered species - such as Southern Right Whale and Australian sea lion

TNFD answer to why Boards should ask managers about nature risks

Why ask?



Dependencies and impacts on nature from your organisation's current and future operations both pose sources of risk for your business, your shareholders and stakeholders. For example, a mining company highly dependent on purified freshwater is exposed to financial risks if the supply of water becomes diminished or disrupted. An aquaculture company that has a negative impact on the marine ecosystem by releasing waste, chemicals or medicines is exposed to reputational risk, which can materialise through channels such as adverse media, consumer product boycotts, loss of brand loyalty, regulatory action and increased risk of litigation.

Sources:

FAIRR, De-risking salmon feed: The wild-caught fish dilemma

TNFD: Asking Better Questions

Greenwashing risks

Public awareness = reputation risk

- Woolworths OECD complaint reported in Aus and global media
- 2017-2025 surveys report Aus salmon consumers buy less due to enviro harm and supporting ending Macq. Harbour farming
- Petition with **60,000~ signatures** calling for the removal of MH salmon from supermarkets
- 2025 mass mortality saw fatty globules and infected carcasses washing up on-shore
 - RSPC revoked Huon (JBS) certification

Label shopping = litigation risk

- Woolworths sells MH salmon with responsible sourcing certs from G.GAP and BAP - Coles seems to have removed theirs from Own Brand products
- ASC was removed from MH farms following audits that detected impacts
- Legal complaint to ACCC for false and misleading claims on salmon labels
- Supermarkets criticised by Senate Inquiry into Greenwashing for over reliance on certifications



Aus consumers rank low pollution and health as important for purchase decisions and associate these attributes with responsibly sourced labels. Public awareness of **harm to nature and health risk high margins on salmon**

Salmon & antimicrobial resistance

- Diseases cause mass mortality and antibiotic use - “unprecedented” mass death in Feb 2025 where 13% of stock (10m kgs) died from *Piscirickettsia salmonis* - a novel strain of bacteria that has been in East Coast Tas waters since at least 2021.
- Misuse and overuse of antibiotics (including for livestock in food supply chains) are the main drivers of AMR
- Antibiotics found in wild fish up to 7km away from Tasmanian pens and recreational waters

AMR systemic financial risk

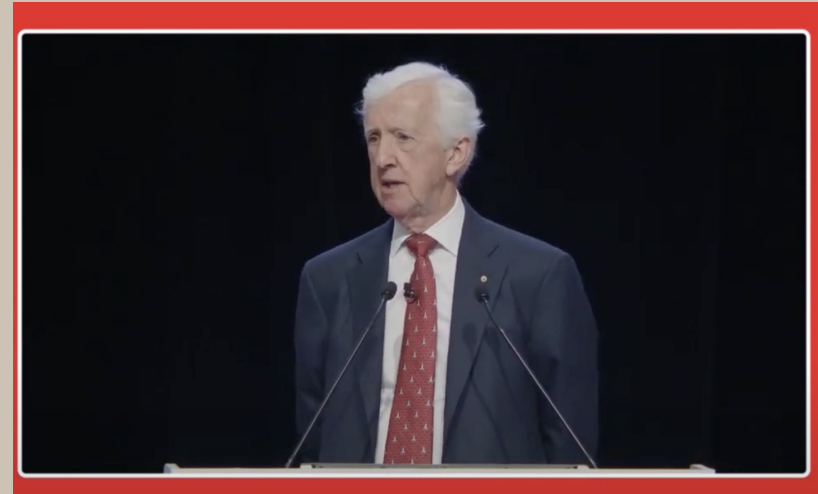
- Public health threat from AMR likely to reduce global growth and investment returns
- Estimates range from loss of 3.8% of GDP to \$100 trillion by 2050
- COVID-19 pandemic good proxy for cost as next pandemic may well involve a drug-resistant pathogen
- Investors diversified across sectors will absorb economic impact of next pandemic - and unforeseen social and geopolitical upheaval

Source:

ABC News ; Tasmanian Legislative Council hansard, MLC Hon Ruth Forrest ; Hartsein et al. 2019 ; TSSC Conservation Advice, TNFD Aquaculture Sector Guidance, ENCORE
Henry B. Skinner, “We’re Already Ignoring the next Pandemic,” Harvard Public Health Magazine, June 7, 2022,
World Bank, 2016, *Drug Resistant Infections: A Threat to Our Economic Future*
The Shareholder Commons, *Antimicrobial Resistance and the Engagement Gap*

Risk not warranted

- Macquarie Harbour salmon accounts for a small percentage of all Coles Own Brand farmed salmon (12-16%). Salmon is small part of the company's total revenue of A\$43.6 billion, and high margins at risk
- Woolworths haven't disclosed % of farmed salmon from MH, we estimate it is proportional to MH's contribution to Tasmanian farmed salmon production (12%)
- One meta-study of stocks found negative changes to **ESG ratings downgrades are consistently detrimental for risk-adjusted returns, particularly for large-cap high rated companies** (such as AA rated Coles)
- Both companies are taking **unnecessary brand risk** to sell a product that contributes little to total revenue and profit



“At the centre of our ambition to build trust and long-term shareholder value is sustainability”

James Graham, Chairman of Coles Group at 2024 AGM

A close-up photograph of a person's hand holding a fish, likely a salmon, against a blurred green background. The fish is held horizontally, with its head pointing towards the right. The hand is visible on the left side of the frame, with fingers gently gripping the fish. The fish has a silvery, speckled pattern on its side and a lighter underbelly. The background is a soft, out-of-focus green, suggesting an outdoor setting with foliage.

Opportunity to be leading sustainable retailer

- Can sell high margin sustainable seafood products without greenwashing risk
- 81% of 25 biggest North American and EU retailers have partnership with Conservation Alliance NGO member, including Walmart, Kroger and Costco - including Safeway Canada which sells nearly 100% sustainable seafood
- Asia Pacific behind EU/NA on sustainable seafood sourcing. Aligning sourcing policy with international best practice can make Woolworths and Coles regional leaders
- Industry leading reporting and due diligence demonstrates better risk management to investors
- Meet growing expectations for nature risk management - NA100, TNFD, Kunming-Montreal Biodiversity Agreement
- Taskforce for Nature Related Disclosures will likely be precursor to mandatory nature-related reporting - quality of reporting will affect ESG ratings which can impact shareholder return

Case study: Safeway Canada

NGO-target

Targeted by NGOs for selling farmed salmon (ads, protests over years causing negative publicity)

-
-

2011

-
-

NGO partnership

Partnered with SeaChoice with their sustainable seafood policy based on Conservation Alliance Guidance to implement a robust sustainable seafood policy that included shifting to land-based salmon

Transition to land-salmon

Starts selling salmon grown in the first commercial-scale land-based Atlantic salmon farm in North America with support from Namgis First Nation

-
-

2014

-
-

Positive recognition

Turned their press from bad to positive including topping the Greenpeace seafood supermarket ranking

2016

-
-

World leading

92% of seafood sales sustainable vs 51% in 2012



FAQs

#1 - “What do Coles and Woolworths have to do to align with CASS Guidance”

Both are inadequate on identifying high risk areas / species (as evidenced by the skate) due to over-reliance on certifications, and so **investing in the people, software and creating processes** to be able to do that to should be priority - ASDA and Metro requirements of supplier include requirements like:

- complete verified self-evaluations,
- undergo annual traceability spot checks,
- resubmit when sourcing changes,
- face delisting if found non-compliant, and
- accept random DNA and chain-of-custody audits

OECD guidance is clear: certification ≠ due diligence. Even credible schemes must be scrutinised for scope, credibility, and data reliability, and companies must verify and act on red flags.

Both retailers know their certifier BAP has been discredited—70+ global groups have condemned its salmon standard as greenwash, citing illegal activity and damage to endangered species.

Without full traceability (“farm/tawler to plate”), human rights abuses, illegal fishing, and ecological harm can easily slip into supply chains. Other retailers anticipating mandatory due diligence are acting.

OECD/CASS Guidance clear they should **act on identified harm** by working with suppliers to mitigate it, or ending supplier relationship

Due to not aligning with the expected OECD Guidelines, Woolworths now finds their sourcing policy, over-reliance of certifications, and lack of due diligence as part of an OECD complaint

FAQs

#2 - “Why not use TNFD as a benchmark for assessment when Woolworth’s is piloting TNFD?”

While many aspects of the TNFD Aquaculture Sector Guidance to assess nature risk of companies cites many credible sources as the basis for its recommendations, it has limitations:

- While certifications can be used to support implementation of sustainable seafood plans, they are often used as a **substitute** for due diligence. The flaws in all voluntary certifications such as TNFD, SBTN, etc is standards are broad enough to ‘catch all’ scenarios, meaning when unusual adverse impact arises (such as Maugean skate) these standards fail to capture this and respond appropriately.
- Frameworks with higher standards, such as the Conservation Alliance for Seafood Solutions, OECD Guidelines for Multinational Enterprises and EU CSDDD place the **onus on companies to conduct their own DD and deal with adverse impacts case by case.**
- TNFD’s suggestion to use “Reputable certification schemes” still allows label shopping, as the interpretation of “reputable” is not universal. TNFD also say orgs can refer to GSSI (Global Sustainable Seafood Initiative) benchmark standards, which BAP, ASC and G.GAP are benchmarked [to](#).
- While ASC has higher standards than Global GAP and BAP, ASC’s revised Farm Standard use a 5m depth for measuring the trigger values/compliant limits for dissolved oxygen levels (for all farms regardless of location-specifics). IMAS, the [SAMS Review](#) and [WWF](#) called for certifications to require oxygen limits for the [mid and bottom waters](#) “to ensure the adequate protection of the flora and fauna of Macquarie Harbour”.

FAQs

#3 - “Woolworths and Coles need to ensure a just transition for workers affected by swapping supply locations”

- The salmon industry has intentionally exaggerated how many people it employs to exaggerate the socio-economic impact of ending Macquarie Harbour salmon farming.
- Ministerial Briefing stated **20 people are employed in salmon farming in Strahan** (town closest to Macquarie Harbour farms) - not in top 5 employment industries in nearby towns or regions. This $\frac{1}{3}$ of the 60 the industry belatedly claimed, after revising its claim of 400 and ‘1 in 2 or 3’ jobs. Estimates of 5,100 in industry-funded Deloitte report heavily criticized and the details of models were never released
- Salmon companies run salmon farms across Tasmania and are **responsible for working with gov to transition employees** across their business when it relies on unsustainable methods
- Tasmanian salmon industry employs max 2000 of which 80% are in Hobart/South of the state, <1% of all Tasmanian jobs

FAQs

#4 - “It’s impossible and too expensive to monitor the full seafood supply chain”

- We are asking them to start with just their “Own Brand” seafood that's high risk of harm to nature - it's a journey, as noted by the Conservation Alliance for Sustainable Seafood *Guidance for Business*.
- Not knowing where your fish is coming from means human rights abuses, illegal fishing etc are easily able to enter their supply chain (n.b. WW + Coles seafood has been implicated in human rights abuses)
- If they cannot trace source of a product then they shouldn't label it as 'responsibly sourced'
- Despite challenges traceability is an issue being taken very seriously by many due to high risks. EU, USA, and other governments either require or are working towards mandatory traceability
- Planet tracker [estimates](#) the savings from a seafood processor implementing a GDST-compliant traceability system to reduce costs by 3.4% of sales (see p.28) via avoided lawsuits, product recalls etc
- **Overseas, less profitable, supermarkets, such as Metro (Canada) and ASDA (UK), have voluntarily done this** including:
 - A full chain traceability system in place that applies to all seafood products and that involves tracing the scientific name, geographic origin, farmed or wild and gear type or farming method from the source fishery or farm.
 - Suppliers required to fill out traceability questionnaire to allow METRO to conduct sustainability assessment
 - Metro conducts random DNA testing, frequent product traceability tests and random checks on suppliers' chain of custody records

If you would like to meet to discuss this analysis please contact

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