



PUBLIC DISCLOSURE STATEMENT

CLIMATE FRIENDLY PTY LTD

ORGANISATION CERTIFICATION


CY2021

Australian Government
Climate Active
Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY	Climate Friendly Pty Ltd
REPORTING PERIOD	Calendar year 1 January 2021 – 31 December 2021 Arrears 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>Skye Glenday Co-Chief Executive Officer 5 October 2022</p>



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

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Version March 2022. To be used for FY20/21/CY2021 reporting onwards.



1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	236 tCO ₂ -e
OFFSETS BOUGHT	100% ACCUs
RENEWABLE ELECTRICITY	N/A
TECHNICAL ASSESSMENT	2 August 2022 Michael Rooney Climate Friendly Pty Ltd Next technical assessment due: CY2022

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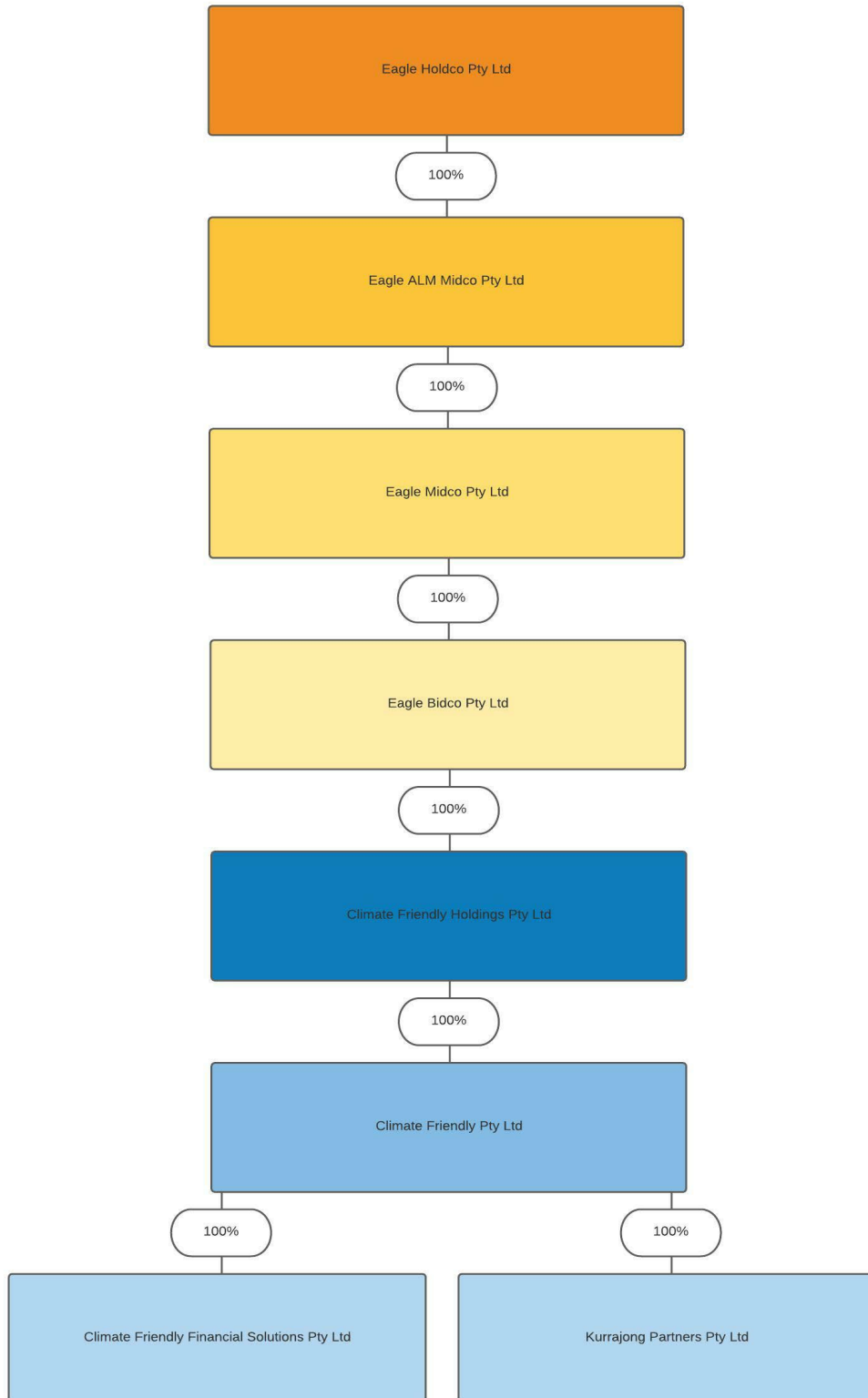
2. CARBON NEUTRAL INFORMATION

Description of certification

This certification covers the Australian business operations of the Climate Friendly Group for 2021. The main office and core asset is located in Sydney, NSW. The Climate Friendly Group includes eight companies, namely Eagle Holdco Pty Ltd (ABN 52 646 612 928), and wholly owned subsidiaries Eagle ALM Midco Pty Ltd (ABN 35 647 663 438), Eagle Midco Pty Ltd (ABN 41 646 613 630), Eagle Bidco Pty Ltd (ABN 30 646 614 897), Climate Friendly Holdings Pty Ltd (ABN 51 630 141 034), Climate Friendly Pty Ltd (ABN 65 107 201 025), Climate Friendly Financial Solutions Pty Ltd (ABN 91 161 023 276), and Kurrajong Partners Pty Ltd (ABN 93 615 043 260). See Climate Friendly Group structure below.

Additionally, private equity firm Adamantem Capital (Adamantem) joined the Climate Friendly Group as a majority strategic investor in March 2021. Adamantem's involvement supports Climate Friendly's growth and assists us in achieving our vision for a productive, sustainable land sector that contributes to a zero net emission Australia by 2050. Adamantem is also Climate Active certified.

“Being certified carbon neutral with Climate Active is one of the ways we demonstrate our purpose to reduce greenhouse gas emissions by 100Mt by 2025.”



Organisation description

Climate Friendly was established in 2003 to make a material contribution to tackling the climate challenge and achieving a zero net emission Australia by 2050. We do this by supporting rural, regional and remote Australians including landholders, foresters and Traditional Custodians to reduce Australia's greenhouse gas emissions and regenerate the landscape through carbon farming. As a profit-for-purpose company, all our activities focus on achieving large-scale emissions reduction impacts while delivering economic, social and environmental benefits.

The Climate Friendly Group provides a full range of carbon farming project services from assessment, through to managing project registration and compliance, reporting on project implementation, carbon credit issuance and trading. We have nationwide reach and a network of project managers who live on the land and in rural communities. Our carbon farming partners' projects either remove carbon from the atmosphere and store it in the land or prevent greenhouse gases from entering the atmosphere through the implementation of sustainable land management practices.

The revenue gained by our partners from their projects helps to support businesses and livelihoods for families and communities as they regenerate the land. Our driving purpose is to reduce greenhouse gases and regenerate the land. Sustainability of our own business practices has long been an essential part of how we work and our company culture. We have for many years-maintained carbon neutral business operations. We have a well-established staff Sustainability Working Group that monitors performance, reviews our internal policies, and implements new sustainability initiatives to reduce our environmental footprint. Climate Friendly supports the widespread adoption of appropriate, evidence-based national standards such as Climate Active. Consistent with our environmental commitment, we are pleased to have the opportunity to certify our carbon neutral status with Climate Active.

3.EMISSIONS BOUNDARY

Inside the emissions boundary

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

Quantified emissions have been assessed as relevant and are quantified in the carbon inventory. This may include emissions that are not identified as arising due to the operations of the certified entity, however are **optionally included**.

Non-quantified emissions have been assessed as relevant and are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. All material emissions are accounted for through an uplift factor. Further detail is available at Appendix C.

Outside the emissions boundary

Excluded emissions are those that have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary or are outside of the scope of the certification. These emissions are not part of the carbon neutral claim. Further detail is available at Appendix D.

Inside emissions boundary		Outside emission boundary
<p><u>Quantified</u></p> <ul style="list-style-type: none"> Electricity Staff Accommodation Business Travel Petrol and Diesel used in company cars Staff commute to work Food Telecommunication Office supplies Paper Freight Professional Services Waste Water 	<p><u>Non-quantified</u></p> <ul style="list-style-type: none"> Not applicable 	<p><u>Excluded</u></p> <ul style="list-style-type: none"> Natural Gas

Data management plan for non-quantified sources

There are no non-quantified sources in the emission boundary that require a data management plan.



4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Climate Friendly has a long-term commitment to reducing our operational emissions and this is overseen by a dedicated staff Sustainability Working Group. This group monitors implementation and develops proposals to further improve the sustainability practices of the company, covering the full range of reduce, reuse, recycle.

Climate Friendly commits to reduce emissions in line with our long-term commitments, compared to our current baseline. This will include the following actions:

- Scope 1 emissions will be reduced by:
 - Using hybrid vehicles where possible. By 2025, an assessment into hybrid Hilux procurement will be undertaken and if feasible, the company will consider purchase of hybrid Hilux's which will enable the company to retire the use of the company's traditional fleet vehicles.

- Scope 2 emissions will be reduced by:
 - Assessing electricity use at Climate Friendly. Climate Friendly uses modelled data to determine energy consumption. To ensure that accurate information is gathered, the Climate Friendly sustainability committee will be looking into ways to report on the energy consumption of each employee's home office set-up. Over the next two years we will engage with Climate Friendly's employees to report on the sustainable nature of their home office set-up. Following this, we will commence a planning phase in mid-2023 which will cover ways in which Climate Friendly can help promote additional sustainability within employees' home offices. Following this, Climate Friendly will assist employees to incorporate Sustainable practices within their home offices. Climate Friendly has decided to include a strategy around this aspect of our organisation as many of our employees now work remotely on a part time or permanent basis. We do not yet have data regarding emissions attributed to Climate Friendly related work within employee's personal spaces. However, modelled data is always presented to ensure potential emissions are captured. This strategy is being incorporated to ensure that more accurate data is available in relation to remote staff emissions.

- Scope 3 emissions will be reduced by:
 - Updating Climate Friendly's procurement policy to obtain services (where possible) from companies who are Climate Active certified or are climate neutral.

Emissions reduction actions

The actions which we took over the 2021 Calendar Year are in line with our commitment since registering with Climate Active. Over the period our organization has grown significantly, while maintaining relatively modest emissions. This is in part due to the Covid-19 related lockdowns, which resulted in fewer site-visits, decreased

need for other work travel, and reduced the level of use of Climate Friendly office hubs in various parts of Australia.

The increase in emissions is mainly attributed to including Professional Services and Products within this year's emissions boundary, where previously they were not. This update was allowed due to updates made to the Climate Active Inventory. Professional Services are our largest contributors to emissions, namely Technical Services, Legal Services, and Accounting Services. If Climate Friendly calculated CY2021 emissions using the same methodology as we previously applied in CY2020, our CY2021 emissions would be 97.15 t CO₂e. This represents a reduction in emissions of 22.85 t CO₂e, or approx. 19% reduction from the previous year. Over the same period, Climate Friendly has had a 25% increase in staff numbers. However, owing to the increased scope of our accounting approach to include Professional Services and Products within our emissions boundary, our reported emissions increased by 147.93 t CO₂e.

The inclusion of Professional Services has highlighted a factor which Climate Friendly will now actively monitor and develop a strategy to reduce emissions. For example, Climate Friendly will endeavor to preferentially engage with professional service firms who are Climate Active certified and are committed to reducing their emissions. Another aspect which will be explored in the following years is assessing of how many employees use renewable energy, and how Climate Friendly can promote the use of renewable energy where necessary.

Furthermore, Climate Friendly will continue with current actions, which include:

- Office recycling system, with staff sorting rubbish into multiple categories including paper, organics, soft plastics and mixed
- E-waste recycling a minimum of once annually (including computer hardware and batteries)
- Purchase of green power for our Sydney office
- Regular sustainability training to promote sustainable practices in regional offices and at home
- Sustainability roadmap for the company to ensure all procedures and processes are undertaken with the utmost integrity towards sustainability
- Staff competition for lowest emission travel to annual staff catch up
- Use of reusable coffee cups at our Sydney office by staff and guests
- Event catering using environmentally sustainable food and reusable or recyclable containers and utensils
- Use of video conferencing facilities where appropriate and possible to avoid unnecessary travel
- Sustainable fit out of Sydney office, including reused furniture, energy efficient lighting and low emissions floor cover
- Regional travel using low emissions transport (i.e. public transport or hybrid or electric cars) wherever possible
- Modelling Climate Friendly's growth in advance to plan what additional sustainability standards we can implement to reduce emissions earlier
- Continuation of Climate Active certification

Climate Friendly's Sustainability Working Group will continue to review the company's environmental footprint and develop new initiatives to further reduce our emissions profile.

5. EMISSIONS SUMMARY

Emissions over time

Emissions since base year		Total tCO ₂ -e
Base year/Year 1	2019	221
Year 2:	2020	120
Year 3:	2021	236

Significant changes in emissions

Categories which have a significant contribution (+3%) to Climate Friendly's total emitted amount have been assessed in this section.

Ten new emission source categories have been included within this report. Out of the ten, four have significantly contributed to an increase in emissions. The emission sources are:

- Professional Services: Technical Services
- Professional Services: Accounting Services
- Professional Services: Marketing and distribution
- Professional Services: Education

This information has been incorporated into the CY2021 report as the emission source was available in the carbon inventory provided by Climate Active. Additionally, the data relating to the emission sources mentioned above were also readily available.

There has been a significant increase in the following pre-existing emission factors:

- Accommodation and facilities
- Food & catering
- Short economy flights
- Diesel: Large Car
- Legal services

Emission source name	Current year (activity data)	Previous year (tCO ₂ -e and/ or activity data)	Detailed reason for change
Technical Services	\$465,380	N/A	Update to the CY2021 carbon inventory.
Accounting Services	\$215,104	N/A	As above.
Marketing and distribution	\$21,222.72	N/A	As above.
Education	\$16,440.81	N/A	As above.
Accommodation &	\$46,570.71	\$21,091.3	Increase in employee

facilities			numbers.
Food & catering	\$23,840.21	\$12,132.22	As above.
Short economy class flight	106,959.66 pax.km	85,647.91 pax.km	Business growth.
Diesel: Large Car	74,313 km	41,888 km	New fleet car added to the existing fleet cars.
Legal services	\$288,684	\$212,821	Unique once of situation which resulted in increased legal costs.

Use of Climate Active carbon neutral products and services

Throughout CY2021 Climate Friendly utilised electricity from Powershop.

Organisation emissions summary

The electricity summary is available in the Appendix B. Electricity emissions were calculated using a market-based approach.

Emission Category	Sum of Scope 1 (TCO2e)	Sum of Scope 2 (TCO2e)	Sum of Scope 3 (TCO2e)	Sum of Total Emissions (TCO2e)
Accommodation and facilities	0.00	0.00	8.23	8.23
Carbon neutral products and services	0.00	0.00	0.00	0.00
Electricity	0.00	36.13	0.00	36.13
Food	0.00	0.00	9.25	9.25
ICT services and equipment	0.00	0.00	4.90	4.90
Office equipment & supplies	0.00	0.00	0.04	0.04
Postage, courier and freight	0.00	0.00	0.76	0.76
Products	0.00	0.00	0.29	0.29
Professional Services	0.00	0.00	147.64	147.64
Transport (Air)	0.00	0.00	21.23	21.23
Transport (Land and Sea)	0.00	0.00	25.51	25.51
Waste	0.00	0.00	6.08	6.08
Water	0.00	0.00	0.59	0.59
Working from home	0.00	0.00	-25.25	-25.25
Grand Total	0.00	36.13	199.27	235.41

Uplift factors

Not applicable.

6. CARBON OFFSETS

Offsets retirement approach

In arrears		
1.	Total number of eligible offsets banked from last year's report	0
2.	Total emissions footprint to offset for this report	236
3.	Total eligible offsets required for this report	236
4.	Total eligible offsets purchased and retired for this report	245
5.	Total eligible offsets banked to use toward next year's report	9

Co-benefits

Climate Friendly purchased 245 Australian Carbon Credit Units, the equivalent to 245 tonnes of CO₂-e. Out of the 245 Australian Carbon Credit Units, 245 of the carbon credits were purchased for this reporting period from Kullilli Bulloo River Aboriginal Corporation RNTBC. This was an intentional purchase and retirement of credits, to provide additional co-benefits to the offsetting of Climate Friendly's carbon emissions. This is in line with our commitment to the Traditional Custodians of the land, outlined in our Reconciliation Action Plan.

Currently we have agreements with the Kullilli People on several Emission Reduction Fund human-induced regeneration projects that we have developed, including the Norley Regeneration Project. To be able to continue to support a community we have a direct relationship with is of great significance to Climate Friendly. The Kullilli Bulloo River Aboriginal Corporation RNTBC have a vision to promote Kullilli culture and empower future generations to be self-determined and economically sustainable. By partnering on carbon farming projects within their native title area, the Kullilli People are improving relationships with pastoral leaseholders, gaining economic benefits, and supporting land regeneration.

Eligible offsets retirement summary

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	Stapled quantity	Eligible quantity (tCO ₂ -e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total (%)
Orient Regeneration Project	ACCUs	ANREU	9 August 2022	3,807,373,631 – 3,807,373,853 3,807,333,283 – 3,807,333,304	2020-21	0	245	0	9	236	100%
Total offsets retired this report and used in this report										236	
Total offsets retired this report and banked for future reports									9		
Type of offset units		Quantity (used for this reporting period claim)					Percentage of total				
Australian Carbon Credit Units (ACCUs)		245					100%				

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

Not applicable.

APPENDIX A: ADDITIONAL INFORMATION

Not Applicable.

APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a market-based approach

Location-based method

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

Market-based method

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

Market Based Approach Summary

Market Based Approach	Activity Data (kWh)	Emissions (kg CO ₂ e)	Renewable Percentage of total
Behind the meter consumption of electricity generated	0	0	0%
Total non-grid electricity	0	0	0%
LGC Purchased and retired (kWh) (including PPAs & Precinct LGCs)	0	0	0%
GreenPower	0	0	0%
Jurisdictional renewables (LGCs retired)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	6,699	0	19%
Residual Electricity	29,435	29,435	0%
Total grid electricity	36,134	29,435	19%

Total Electricity Consumed (grid + non grid)	36,134	29,268	19%
Electricity renewables	6,699	0	
Residual Electricity	29,435	29,268	
Exported on-site generated electricity	0	0	
Emissions (kgCO ₂ e)		29,268	
Total renewables (grid and non-grid)	18.54%		
Mandatory	18.54%		
Voluntary	0.00%		
Behind the meter	0.00%		
Residual Electricity Emission Footprint (TCO₂e)	29		
<i>Figures may not sum due to rounding. Renewable percentage can be above 100%</i>			

Location Based Approach Summary

Location Based Approach	Activity Data (kWh)	Scope 3 Emissions (kgCO ₂ e)	Scope 2 Emissions (kgCO ₂ e)
ACT	0	0	0
NSW	36,134	2,529	0
SA	0	0	0
Vic	0	0	0
Qld	0	0	0
NT	0	0	0

WA	0	0	0
Tas	0	0	0
Grid electricity (scope 2 and 3)	36,134	28,184	2,529
ACT	0	0	0
NSW	0	0	0
SA	0	0	0
Vic	0	0	0
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
Non-grid electricity (Behind the meter)	0	0	0
		28,184	
Total Electricity Consumed	36,134	48,184	2,529
Emission Footprint (TCO2e)	31		
<i>Scope 2 Emissions (TCO2e)</i>	28		
<i>Scope 3 Emissions (TCO2e)</i>	3		
Climate Active Carbon Neutral Electricity summary			
Carbon Neutral electricity offset by Climate Active Product	Acti vity Dat a (kW h)	E m is s i o n s (k g C O 2 e)	
<i>Powershop</i>	9,306	0	
<i>Climate Active carbon neutral electricity is not renewable electricity. The emissions have been offset by another Climate Active member through their Product certification.</i>			

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

Not applicable.

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary. These emissions are not part of the carbon neutral claim. Emission sources considered for relevance must be included within the certification boundary if they meet two of the five relevance criteria. Those which only meet one condition of the relevance test can be excluded from the certification boundary.

Emissions tested for relevance are detailed below against each of the following criteria:

1. **Size** The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions
2. **Influence** The responsible entity has the potential to influence the reduction of emissions from a particular source.
3. **Risk** The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
4. **Stakeholders** Key stakeholders deem the emissions from a particular source are relevant.
5. **Outsourcing** The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

Emission sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
Natural Gas	No	No	No	No	No	No



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