



PUBLIC DISCLOSURE STATEMENT

FOOTWEAR INDUSTRIES PTY LTD

ORGANISATION CERTIFICATION


FY2022

Australian Government
Climate Active
Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY	Footwear Industries Pty Ltd, trading as Steel Blue Australia
REPORTING PERIOD	Financial year 1 July 2021 – 30 June 2022 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>Garry Johnson CEO 28th October 2022</p>



Australian Government
**Department of Climate Change, Energy,
the Environment and Water**

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Version March 2022.



1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	1,552 tCO ₂ -e
OFFSETS BOUGHT	100% CERs, stapled to Biodiverse Reforestation Carbon Offsets Yarra Yarra Biodiversity Corridor WA
RENEWABLE ELECTRICITY	N/A
TECHNICAL ASSESSMENT	7 October 2021 Heidi Fog Carbon Neutral Pty Ltd Next technical assessment due: FY2023-24

Contents

1. Certification summary	3
2. Carbon neutral information	4
3. Emissions boundary	5
4. Emissions reductions.....	7
5. Emissions summary.....	9
6. Carbon offsets	11
7. Renewable Energy Certificate (REC) Summary.....	14
Appendix A: Additional Information	15
Appendix B: Electricity summary	16
Appendix C: Inside emissions boundary	18
Appendix D: Outside emissions boundary.....	19

2. CARBON NEUTRAL INFORMATION

Description of certification

The Climate Active Carbon Neutral certification covers the Australian business operations of Footwear Industries Pty Ltd (Steel Blue), ABN 15 068 608 917. The operational boundary of the carbon account has been defined based on the operational control approach. FY2021-22 (1 July 2021 to 30 June 2022) is our second year as a Climate Active carbon neutral certified organisation.

The carbon account has been prepared in accordance with the Climate Active Carbon Neutral Standard for Organisations. This entails using recognised emission factors and methods for carbon accounting published in Australia, such as the National Greenhouse Accounts (NGA) Factors, and the work of the international corporate accounting and reporting standard The Greenhouse Gas Protocol.

The greenhouse gasses included in the carbon account are the seven gasses reported under the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). These gasses are expressed in carbon dioxide equivalents (CO₂-e), providing the ability to present greenhouse gas emissions as one unit.

Organisation description

Steel Blue is a 100% Australian-owned premium safety footwear manufacturer that continually innovates to provide comfortable, safe and durable work boots.

Established in 1995, Steel Blue is Australia's leading supplier of safety boots and the only one to receive the Australian Physiotherapy Association endorsement. Steel Blue began exporting in 1996 and now services New Zealand, Europe, UK, USA, Papua New Guinea, South-East Asia, West Africa, The Middle East, Trinidad and Tobago.

Steel Blue owns its main premises in Malaga (Western Australia) from where the majority of Steel Blue staff work.

At Steel Blue, we recognise the interconnected nature of global issues and our operations across the world.

Businesses globally have an important role in leading change to protect our environment for future generations.

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.

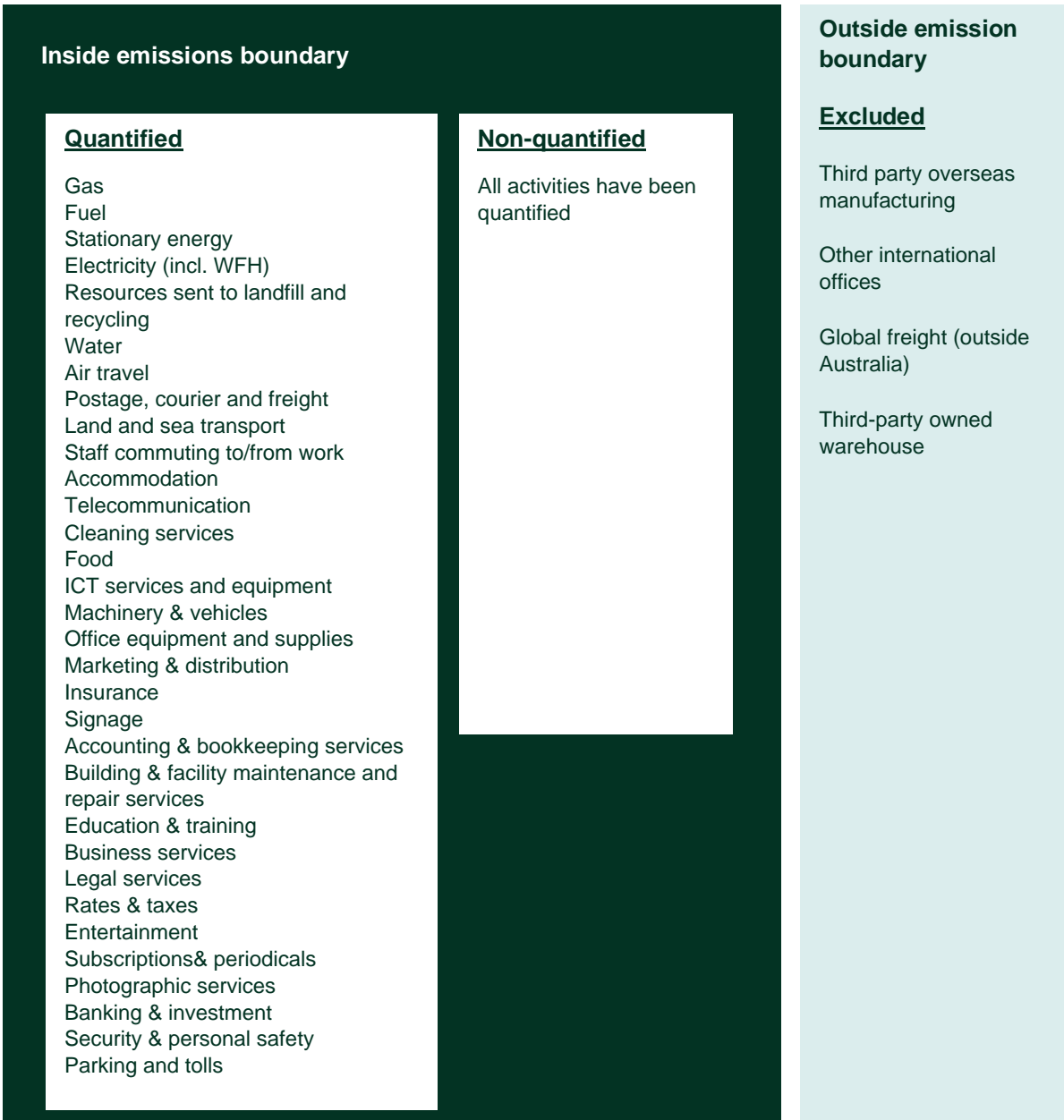


Diagram of the certification boundary



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

Steel Blue is committed to reduce our FY2020-21 base year carbon footprint by at least 30% by full-time equivalent number of employees (FTEs), evident when our Climate Active FY2029 carbon account is produced and submitted to Climate Active by 31 October 2029. At this time, we have absolute reduced our carbon footprint by 12.14% and reduced our emissions by FTE by 16.81%.

This translates into:

Reporting period	FTE	Emissions (t CO ₂ -e)	Emissions intensity (t CO ₂ -e/FTE)
FY2020-21	67	1,785,81	26.65
FY2021-22	70	1,551.81	22.17
FY2028-29 – Target			18.66

Emissions reduction actions

Steel Blue is unequivocally committed to achieve and sustain its goal of net zero emissions from operations. Our approach to corporate social responsibility is systematically entrenched within the organisation, beginning with Steel Blue's FORWARD values, which includes the following guiding statement on environmental responsibility:

Responsible – “We care for our communities, people and environment”.

Drawing from our 'Responsible' value, in 2019 we completed our 'In Our Stride® corporate social responsibility roadmap, outlining a series of key strategic goals and targets including a prescribed climate related goal to 'Be carbon neutral as an organisation by 2025'.

Our documented process and systems configuration for emissions measurement provides management and other key stakeholders with transparent, meaningful, reliable, measurable, and consistent data that enables wide ranging analysis, discussion and informed decision making on emissions control and reductions matters.

The following table summarises achievements and progress on our key emissions reduction goals.

Emissions source	Key goal	What we have done already	What we're doing	What we'd like to do
Freight	Reduce per pair freight emissions factor 20%	Increased minimum order quantities to 4 pairs to optimise packaging Implemented digital returns process whereby returned product no longer needs to be freighted back to main premises	Reviewing warehouse locations to optimise transit distance	>50% of outbound freight electric powered by 2030

Emissions source	Key goal	What we have done already	What we're doing	What we'd like to do
Motor vehicle	Reduce per vehicle emissions factor by 20% by June 2025	Updated company fleet policy to mandate hybrid or electric powered vehicles	Transitioning fleet from diesel to hybrid or full electric. Two hybrid vehicles have already replaced two diesel vehicles during FY22	All company owned vehicles to be hybrid or full electric by 2030
Energy	Main premises to be powered by renewable energy before June 2021	<p>Installed 99kw solar system to Perth premises</p> <p>Converted all Perth premises lights to LED lighting</p> <p>Installed light timer switches to automatically turn off when area is inactive</p>		
LPG	All forklifts to be electric powered by 2025	Replaced 1 gas powered forklift with electric powered version	Transitioning remaining forklifts from LPG to full electric	
Air travel	Use like-minded carbon neutral flight partners for Australian travel requirements	<p>Utilised video conferencing in lieu of flight transportation when face to face activities are non-essential</p> <p>Implemented a travel policy that contains prescribed guidelines on business class travel</p>	<p>Carbon offsetting our unavoidable flights with a Climate Active carbon neutral airline at time of purchase.</p> <p>Reducing our total emissions by 43.77tCO₂-e compared to our base year.</p>	
Paper consumption	Reduce printer click rate by 50% by June 2025. This goal was surpassed during FY22 when we reduced number of reams purchased from 401 to 134 or a reduction of 66.58%	Converted finance and customer service functions to paperless	<p>Converting remaining administration functions to paperless</p> <p>Procurement of 100% Climate Active carbon neutral certified office paper</p>	Administration function to be full paperless by 2025
Waste	Reduce, reuse, recycle where possible	<p>Reduced 4.5 cubic metre bin frequency from cyclical to 'as required'</p> <p>Conducted third party waste audit and assigned report recommendations for implementation</p>	Implementing recommendations from third party waste audit	

5. EMISSIONS SUMMARY

Emissions over time

Emissions since base year		Total tCO ₂ -e
Base year/Year 1:	2020-21	1,785.81
Year 2:	2021-22	1,551.81

Significant changes in emissions

Emission source name	Current year (tCO ₂ -e)	Previous year (tCO ₂ -e)	Detailed reason for change
Postage, courier and freight	522.20	567.70	More accurate measure of distance and weight usage. Applying Star Track data and freight supplier emissions calculations
Marketing and distribution	91.41	326.94	Reduced expenditure on marketing and distribution and correct allocation of advertising expenditure.
Advertising	103.15	0	Correct allocation of advertising expenditure.
Signage	181.60	139.82	Increased due to brand review. Expected to resume normal expenditure associated emissions in FY2022-23.
Diesel	86.64	97.47	Usage has reduced due to conversion of two vehicles to hybrid motor vehicles since previous reporting period.

Use of Climate Active carbon neutral products and services

N/A

Organisation emissions summary

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

Emission category	Sum of total emissions (t CO ₂ -e)
Accommodation and facilities	3.71
Cleaning and Chemicals	2.52
Construction Materials and Services	8.51
Electricity	78.93
Food	9.21
ICT services and equipment	86.05
Machinery and vehicles	7.83
Office equipment & supplies	15.47
Postage, courier and freight	522.20
Products	181.60
Professional Services	280.98
Stationary Energy (liquid fuels)	0.03
Transport (Air)	65.19
Transport (Land and Sea)	166.58
Waste	115.11
Water	4.17
Working from home	3.72
Total	1,551.81

Uplift factors

N/A.

An uplift factor is an upwards adjustment to the total carbon inventory to account for relevant emissions, which can't be reasonably quantified or estimated. This conservative accounting approach helps ensure the integrity of the carbon neutral claim.

6. CARBON OFFSETS

Offsets retirement approach






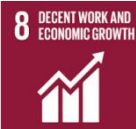



In arrears	
1. Total number of eligible offsets banked from last year's report	0
2. Total emissions footprint to offset for this report (tCO ₂ -e)	1,552
3. Total eligible offsets required for this report	1,552
4. Total eligible offsets purchased and retired for this report	1,629 (+ 71 additional. Please see Appendix A)
5. Total eligible offsets banked to use toward next year's report	77

Co-benefits

Yarra Yarra Biodiversity Corridor, Biodiverse Reforestation Carbon Offsets

The Yarra Yarra Biodiversity Corridor is a native reforestation project located in Southwest Australia. The table indicates the co-benefits of this project and how this project contributes to the United Nation Sustainability Development Goals.

As land use and forestry activities are recognised as requiring high levels of upfront finance to source land, to plant and to manage, we have supplemented local biodiverse reforestation carbon offsets from the Yarra Yarra Biodiversity Corridor with Climate Active eligible offset units.

Co-benefits category	Core co-benefit	Co-benefit description/nature of potential co-benefit	UN Sustainable Development Goals
Environment	Biodiversity / ecosystem services	The Yarra Yarra project reconnects and restores fragmented and declining (remnant) woodland and shrubland which provides habitat for threatened flora and fauna.	Goal 15: Life on Land 
	Water quality	Water quality is assumed to improve due to reduced surface runoff and reduction in sediment and nutrient loads in water catchments. Groundwater levels and salt concentrations are also expected to reduce over time.	Goal 6: Clean Water and Sanitation 
	Soil quality	Soil quality of the Yarra Yarra project area is expected to improve over time with soil organic matter increasing and salt concentrations declining.	Goal 15: Life on Land 
Economic	Local Employment and Skills	The establishment of plantations and conservation areas creates employment opportunities and skills development during the preparation, planting, management of the Yarra Yarra project	Goal 3: Good Health and Well-being 
			Goal 4: Quality Education 
			Goal 8: Decent Work and Economic Growth 
			Goal 17: Partnerships for the goals 
Social	Indigenous cultural heritage	The Yarra Yarra project recognises and continues to protect significant cultural heritage sites that are located in the project area. This is assumed to strengthen cultural heritage and support spiritual reconnection to country which potentially has positive impacts on mental health and wellbeing of indigenous communities	Goal 3: Good Health and Well-being 
			Goal 17: Partnerships for the goals 

Metro Delhi Project, India (Stapled Unit)

The development of the Delhi Metro provides a transit system that reduces greenhouse gas emissions and air pollutants by replacing conventional forms of transport. The table indicates how this project contributes to the United Nation SDGs.

UN Sustainable Development Goals	
Goal 3: Good Health and Well-being	
Goal 9: Industry, innovation and infrastructure	
Goal 11: Sustainable cities and communities	
Goal 13: Climate action	

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 (%)
Yarra Yarra Biodiversity Corridor. Biodiverse Reforestation Carbon Offset Project, WA			26 October 2022	12PWA314647B - 12PWA316346B		1,629	-	-	-	-	-
<i>Stapled to</i>											
Metro Delhi Project, India	CER	ANREU	26 October 2022	239,747,752 – 239,749,451	CP2		1,629	0	77	1,552	100%
Total offsets retired this report and used in this report										1,552	
Total offsets retired this report and banked for future reports									77		

Type of offset units	Quantity (used for this reporting period claim)	Percentage of total
Certified Emissions Reductions (CERs)	1,552	100%

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A.

The following RECs have been surrendered to reduce electricity emissions under the market-based reporting method.

1. Large-scale Generation certificates (LGCs)*	0
2. Other RECs	0

* LGCs in this table only include those surrendered voluntarily (including through PPA arrangements), and does not include those surrendered in relation to the LRET, GreenPower, and jurisdictional renewables.

Project supported by LGC purchase	Eligible units	Registry	Surrender date	Accreditation code (LGCs)	Certificate serial number	Generation year	Quantity (MWh)	Fuel source	Location
Total LGCs surrendered this report and used in this report							0		

APPENDIX A: ADDITIONAL INFORMATION

Our climate change strategy focuses on reducing our operational greenhouse gas (GHG) emission, investing in low emissions technologies, supporting activities to rehabilitate degraded ecosystems, promoting product stewardship and managing climate related risk and opportunity.

Steel Blue aims to continuously strive to improve the lives of all stakeholders, whilst positively impacting the community and minimising our carbon footprint. Some of Steel Blue's achievements to date include:

- Aiming to be Carbon Neutral as an organisation by 2025.
- Being selected as a CO2nstruct Zero Business Champion in the UK.
- Developing a Restricted Substance policy ensuring no restricted substances that can be harmful to human health or the environment are used, which all Steel Blue suppliers adhere to.
- Being an active member of the Australian Packaging Covenant Organisation to reduce the environmental impact of packaging.
- Using sustainably and ethically sourced leather from the Leather Working Group.

Additional offsets cancelled for purposes other than Climate Active Carbon Neutral Certification

Project description	Type of offset units	Registry	Date retired	Serial number	Vintage	Eligible Quantity (tCO ₂ -e)	Purpose of cancellation
Yarra Yarra Biodiversity Corridor. Biodiverse Reforestation Carbon Offset Project, WA			26 October 2022	12PWA314647B - 12PWA316346B			Carbon offsetting Steel Blue's New Zealand operations. FY2021-22 estimated carbon footprint of 70.44tCO ₂ -e.
<i>Stapled to</i>							
Metro Delhi Project, India	CERs	ANREU	26 October 2022	239,747,752 – 239,749,451	2014-16	71	

APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a **location-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 (kgCO 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)	21,578	0	19%
Residual Electricity	94,495	94,019	0%
Total grid electricity	116,073	94,019	19%
Total Electricity consumed (grid + non grid)	116,073	94,019	19%
Electricity renewables	21,578	0	
Residual electricity	94,495	94,019	
Exported on-site generated electricity	0	0	
Emissions (kgCO ₂ -e)		94,019	
Total renewables (grid and non-grid)	18.59%		
Mandatory	18.59%		
Voluntary	0.00%		
Behind the meter	0.00%		
Residual electricity emission footprint (tCO₂-e)	94		
<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 2 emissions (kgCO ₂ -e)	Scope 3 emissions (kgCO ₂ -e)
WA	116,073	77,769	1,161
Grid electricity (scope 2 and 3)	116,073	77,769	1,161
WA	0	0	0
Non-grid electricity (Behind the meter)	0	0	0
Total electricity consumed	116,073	77,769	1,161

Emission Footprint (tCO₂-e)	78.93
<i>Scope 2 Emissions (tCO₂-e)</i>	<i>77.77</i>
<i>Scope 3 Emissions (tCO₂-e)</i>	<i>1.16</i>

Carbon neutral electricity offset by Climate Active product	Activity Data (kWh)	Emissions (kgCO ₂ -e)
Not applicable	0	0

Climate Active carbon neutral electricity is not renewable electricity. The emissions have been offset by another Climate Active member through their product certification.

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following sources emissions have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. 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
N/A				

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.

The following emission source have been excluded from our organisation certification:

- Emissions associated with Steel Blue's third-party overseas manufacturing are excluded in line with the provisions and application of the relevance test under the Climate Active Carbon Neutral Standard for Organisations.
- Emissions associated with Steel Blue's international offices are excluded in line the Climate Active Carbon Neutral Standard for Organisations.
- Emissions related to sea freight into Sydney and Fremantle ports are excluded. These emissions are attributed to the departure region and are outside of Steel Blue's operational control. Demand planning activities, including inventory levels, are optimised to place minimal reliance on airfreight from our overseas manufacturing sites.
- Emissions relating to storage in Sydney Startrack warehouse are excluded. These emissions are outside of Steel Blue's operational control

Emission sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
Third party overseas manufacturing	Yes	No	No	No	No	No
International offices	Yes	No	No	No	No	No
Global freight (outside Australia)	Yes	No	No	No	No	No
Third party owned warehouse	No	No	No	No	No	No



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