



PUBLIC DISCLOSURE STATEMENT

LARK DISTILLING CO. LIMITED

ORGANISATION CERTIFICATION


FY2022–23

Australian Government
Climate Active
Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY	Lark Distilling Co. Limited
REPORTING PERIOD	1 July 2022 – 30 June 2023 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>Iain Short Chief Financial Officer Date 19 June 2024</p>



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

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Version August 2023.



1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	2,493 tCO ₂ -e
CARBON OFFSETS USED	100% VCUs
RENEWABLE ELECTRICITY	N/A (location-based method)
CARBON ACCOUNT	Prepared by: Trace Pty Ltd
TECHNICAL ASSESSMENT	31/01/2024 for FY2022-23 report James Simpson, Trace Pty Ltd Next technical assessment due: FY2025-26 report
THIRD PARTY VALIDATION	N/A in this reporting period

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2. CERTIFICATION INFORMATION

Description of certification

This certification is attributed to the Australian business operations of Lark Distilling Co. Limited, ABN 62 104 600 544 for the financial year from 1 July 2022 to 30 June 2023.

The operational boundary has been defined based on an operational control test, in accordance with the principles of the National Greenhouse and Energy Reporting Act 2007. This certification includes all staff, offices and distilleries in which Lark Distillery Co. operates in Australia:

- Gin Bar (Level 1, 30 Argyle St, Hobart, TAS 7000)
- Lark Office (Level 1, 91-93 Macquarie Street, Hobart, TAS 7000)
- Lark Distillery (40 Denholms Road, Cambridge, TAS 7170)
- Nant Distillery (254 Nant Lane, Bothwell, TAS 7030)
- Cellar Door (14 Davey St, Hobart, TAS 7000)
- Brooke St Pier (12 Franklin Wharf, Hobart, TAS 7000)
- The Still (30 Argyle St, Hobart TAS 7000)
- Pontville (76 Shene Road, Pontville, TAS 7030)

The methods used for collating data, performing calculations, and presenting the carbon account are in accordance with the following standards:

- Climate Active Standards
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- National Greenhouse and Energy Reporting (Measurement) Determination 2008.

This is a Climate Active organisation certification which covers emissions from our distillery and office operations as well as the whisky and gin ingredients we use for our products. The certification does not cover emissions from customer use, downstream processing or disposal of sold products.

Organisation description

Lark Distilling Co. is a spirit producer based in Tasmania, with a Head Office located in the Hobart CBD. Our production facilities are located in Cambridge, Bothwell and Pontville and we have hospitality venues located on Argyle and Davey Streets in Hobart. We are a producer of Tasmanian single malt whisky and Tasmanian gin.

The Lark vision

Our ambition is to make Lark whisky a globally consumed, recognised, and loved Tasmanian brand icon that celebrates our connection to the craft, the community and each other.

The reason we exist

We are custodians of a Tasmanian icon charged with a global vision.

We envision a better future, a better solution, and a different approach, one where our journey is about the quiet pursuit of the extraordinary by honouring tradition whilst creating new meaning and layers to the Lark story.

Lark Distilling Co. is an ASX listed company comprising several wholly owned subsidiaries, largest of which are Lark Distillery, The Nant Distillery & Australian Whisky Holdings Services (an employee services entity). Head office for the group is located in Hobart, at Macquarie Street, with core assets located at both production facilities; 40 Denholms Road, Cambridge; 76 Shene Road, Pontville; and 254 Nant Lane, Bothwell.

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 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

Quantified

Cleaning Services
Food & Catering
Telecommunications
Office Equipment
Printing & Stationery
Staff Clothing
Advertising
Waste
Business Accommodation
Business Flights
Fuel Used in Company Vehicles and car hire
Stationary Energy
Employee commute
Taxi & Rideshare
Electricity
Freight
Working From Home
Refrigerants
Water (supply and treatment)
Whisky & Gin Ingredients
Packaging
Software
Repair and maintenance
Peat burning

Non-quantified

N/A

Outside emission boundary

Excluded

Processing of sold products
Use of sold products
End-of-life treatment of sold products

4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Environmental impact continues to be a key focus for our business activities.

We continue to strive to minimise our carbon footprint per litre of new make spirit (NMS). Lark aims to reduce its intensity-based emissions from scope 1, 2 and 3 emissions by 20% by 2030, compared to a 2022 baseline (5.9 kgCO₂-e/L sold gin and whisky). This is expected to be achieved through the following measures we expect to implement:

Scope 1 emissions will be reduced by:

- Target or action #1 – By 2030, have 100% green fuel used in all production facilities.

Scope 2 emissions will be reduced by:

- Target or action #1 — by 2025, conduct an energy audit and develop an energy saving plan to reduce electricity consumption in all sites.
- Target or action #2 - by 2026, have 100% green electricity used in all production facilities.
- Target or action #3 – by 2030, install on-site renewable electricity generation system to power onsite bottling and coopering at the Pontville facility.

Scope 3 emissions will be reduced by:

- Target or action #1 – by 2024, use freight brokers delivering more sustainable options for international freight over 250kg.
- Target or action #2 – by 2025, look to implement opt-in/out for option for "essential packaging only" for D2C and on-prem customers and offer a return scheme for bulk gin containers.
- Target or action #3 – by 2030, primary and secondary packaging to be 99% curbside recyclable.

Emissions reduction actions

FY23 saw a decrease in spirit production (including a complete cessation of gin production) and a decrease in total greenhouse gas emissions, such that we have seen an increase in intensity-based emissions.

In FY23, while our carbon footprint per litre produced increased from 5.9 to 7.4 kgCO₂-e/L (25%), our absolute carbon footprint decreased from 2,646.7 to 2,492.6 tCO₂-e. (-6%).

FY23 emissions were significantly impacted by improvements in data collection (particularly from our freight providers), changes in the methodology adopted to perform the calculations, and the implementation of emission reduction actions as follows:

- Creation of a multidisciplinary team, Lark Green Team, to work towards reducing CO₂ emissions.
- Definition of strategy to reduce CO₂ emissions by 20% by 2030, and introduction of new sustainability KPIs and monitoring data on a weekly basis, such as fuel, water, and energy consumption.
- Engagement of a single corporate travel booking supplier to improve tracking of direct and indirect travel emissions.
- Improvements in freight: engaging a freight specialist partner to find more sustainable freight routes and more accurate distance tracking for international freight; a reduction in international freight awards participation by 40%, aiming to reduce impact in emissions from air freight.
- Implementation of a maintenance planning software aiming to reduce maintenance call outs and breakdowns, and as a result reducing costs and associated emissions
- Implementation of RFID technology to improve cask tracking and therefore reduce paperwork and trips to bond stores.
- Continuing to provide all our spent grain and yeast to local farmers.
- Continuing to repack our finished goods into the same cardboard shippers that we receive packaging materials in to reduce the amount of cardboard required. For paper and cardboard that cannot be reused in this way, it is shredded and used as cushioning for our shippers through our Ecommerce channel.
- Continuing to reuse sampling and defective bottles to minimise glass waste.
- Continuing to have all gin primary packaging recyclable.

5. EMISSIONS SUMMARY

Emissions over time

Emissions since base year		Total tCO ₂ -e
Base year / Year 1:	2019-20	1,469.7
Year 2:	2020-21	2,613.0
Year 3:	2021-22	2,646.7
Year 4:	2022-23	2,492.6

Significant changes in emissions

GHG emissions have decreased overall compared to the previous financial year, mainly due to the improvements in data collection and GHG calculations, as well as increases in production efficiencies as outlined above. See details below for emission sources that made up more than 10% of our inventory **and** changed by more than 10% year-on-year.

Emission source	Current year (activity data)	Previous year (activity data)	Reason for change
Electricity (location-based method, scope 2)	2,065,276 kWh	1,772,465 kWh	Reduced working from home in FY23 compared to FY22 due to easing of lockdowns
Advertising services	\$2,771,965.10	\$1,912,485.69	Higher focus on marketing and advertising in FY23
Short economy class flights	2,083,944.50 pax.km	283,058.23 pax.km	Much lower number of flights than usual taken in FY22 due to COVID 19 lockdowns and travel restrictions
Liquefied petroleum gas	4,308.27 GJ	4,726.44 GJ	Lower production volumes in FY23 High gravity brewing techniques have increased energy efficiency

Use of Climate Active carbon neutral products, services, buildings or precincts

N/A

Emissions summary

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

Emission category	Scope 1 emissions (tCO ₂ -e)	Scope 2 emissions (tCO ₂ -e)	Scope 3 emissions (tCO ₂ -e)	Total emissions (t CO ₂ -e)
Accommodation and facilities			6.07	6.07
Cleaning and chemicals			13.73	13.73
Construction materials and services			108.66	108.66
Electricity		351.10	20.65	371.75
Food			4.87	4.87
ICT services and equipment			2.82	2.82
Machinery and vehicles			38.05	38.05
Office equipment and supplies			10.78	10.78
Postage, courier and freight			112.88	112.88
Products	4.10		348.36	352.47
Professional services			419.82	419.82
Refrigerants	6.80			6.80
Stationary energy (gaseous fuels)	17.71		1.37	19.08
Stationary energy (liquid fuels)	261.08		87.03	348.11
Transport (air)			480.63	480.63
Transport (land and sea)	12.32		111.49	123.81
Waste			33.61	33.61
Water			34.83	34.83
Working from home			3.83	3.83
Total emissions	302.02	351.10	1,839.46	2,492.57

Uplift factors

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

No uplifts were applied to this carbon inventory in this reporting period.

6. CARBON OFFSETS

Offsets retirement approach

This certification has taken an in-arrears offsetting approach. The total emissions to offset is 2,493 tCO₂-e. The total number of eligible offsets used in this report is 2,493. Of the total eligible offsets used, none were previously banked and 5,000 were newly purchased and retired. 2,507 have been banked for future use.

Co-benefits

Within the East Sepik Province of Papua New Guinea is the April Salumei REDD Project (the project). A combined area of 603,712 h.a. the landscape is defined by forested land on mineral and peat soils. The project area is thriving with both traditional culture and extraordinary levels of biodiversity. Located within a Forest Management Area (FMA) designated for timber production by the Papua New Guinean Forest Authority, the project area was facing a material threat of deforestation. The carbon finance attracted through verified carbon unit (VCU) revenues provides Indigenous landowners a form of income based on the carbon and ecosystem services provided by the forest. The project aims to improve access to education, affordable and clean energy, improve economic outcomes through employment while preserving the rich cultural traditions and customs of the Indigenous land holders.

Eligible offsets retirement summary

Type of offset units	Eligible quantity (used for this reporting period)	Percentage of total
Verified Carbon Units (VCUs)	2,493	100%

Offsets retired 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 retired (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 (%)
April Salumei REDD Project	VCU	Verra	18 Mar 2024	16203-749141847-749144346-VCS-VCU-352-VER-PG-14-1122-01012013-31122013-0	2013	-	2,500	0	7	2,493	100%
April Salumei REDD Project	VCU	Verra	18 Mar 2024	16022-734995415-734997914-VCS-VCU-352-VER-PG-14-1122-01012015-31122015-0	2015	-	2,500	0	2,500	0	0%
Total eligible offsets retired and used for this report										2,493	
Total eligible offsets retired this report and banked for use in future reports									2,507		

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A.

APPENDIX A: ADDITIONAL INFORMATION

N/A.

APPENDIX B: ELECTRICITY SUMMARY

There are two international best-practice methods for calculating electricity emissions – the location-based method and the market-based method. Reporting electricity emissions under both methods is called dual reporting.

Dual reporting of electricity emissions is useful, as it provides different perspectives of the emissions associated with a business's electricity usage.

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.

For this certification, electricity emissions have been set by using the market-based approach.

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)	0	0	0%
GreenPower	0	0	0%
Climate Active precinct/building (voluntary renewables)	0	0	0%
Precinct/Building (LRET)	0	0	0%
Precinct/Building jurisdictional renewables (LGCS surrendered)	0	0	0%
Electricity products (voluntary renewables)	0	0	0%
Electricity products (LRET)	0	0	0%
Electricity products jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	388,272	0	19%
Residual Electricity	1,677,004	1,601,539	0%
Total renewable electricity (grid + non grid)	388,272	0	19%
Total grid electricity	2,065,276	1,601,539	19%
Total electricity (grid + non grid)	2,065,276	1,601,539	19%
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	1,677,004	1,601,539	
Scope 2	1,480,991	1,414,346	
Scope 3 (includes T&D emissions from consumption under operational control)	196,013	187,193	
Residual electricity consumption not under operational control	0	0	
Scope 3	0	0	

Total renewables (grid and non-grid)	18.80%
Mandatory	18.80%
Voluntary	0.00%
Behind the meter	0.00%
Residual scope 2 emissions (t CO₂-e)	1,414.35
Residual scope 3 emissions (t CO₂-e)	187.19
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	1,414.35
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	187.19
Total emissions liability (t CO₂-e)	1,601.54

Figures may not sum due to rounding. Renewable percentage can be above 100%

Location-based approach summary						
Location-based approach	Activity Data (kWh) total	Under operational control			Not under operational control	
		(kWh)	Scope 2 Emissions (kgCO ₂ -e)	Scope 3 Emissions (kgCO ₂ -e)	(kWh)	Scope 3 Emissions (kgCO ₂ -e)
Percentage of grid electricity consumption under operational control	100%					
TAS	2,065,276	2,065,276	351,097	20,653	0	0
Grid electricity (scope 2 and 3)	2,065,276	2,065,276	351,097	20,653	0	0
TAS	0	0	0	0		
Non-grid electricity (behind the meter)	0	0	0	0		
Total electricity (grid + non grid)	2,065,276					

Residual scope 2 emissions (t CO ₂ -e)	351.10
Residual scope 3 emissions (t CO ₂ -e)	20.65
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	351.10
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	20.65
Total emissions liability	371.75

Operations in Climate Active buildings and precincts

Operations in Climate Active buildings and precincts	Electricity consumed in Climate Active certified building/precinct (kWh)	Emissions (kg CO ₂ -e)
N/A	0	0
<i>Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their building or precinct certification. This electricity consumption is also included in the market based and location based summary tables. Any electricity that has been sourced as renewable electricity by the building/precinct under the market based method is outlined as such in the market based summary table.</i>		

Climate Active carbon neutral electricity products

Climate Active carbon neutral product used	Electricity claimed from Climate Active electricity products (kWh)	Emissions (kg CO ₂ -e)
N/A	0	0
<i>Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their electricity product certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the electricity product under the market-based method is outlined as such in the market based summary table.</i>		

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following emissions sources 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.

N/A – no non-quantified emission sources.

Data management plan for non-quantified sources

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

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to this organisation'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.

Excluded emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Processing of sold products	N	N	N	N	N	<p>Size: The emissions source is likely to be immaterial, and therefore is not likely to be large compared to the total emissions from electricity, stationary energy and fuel emissions (738.94 t-CO₂-e).</p> <p>Influence: We do not have the potential to influence the emissions from this source, including by shifting to a different lower-emissions supplier for our business.</p> <p>Risk: There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest.</p> <p>Stakeholders: Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business.</p> <p>Outsourcing: We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.</p>
Use of sold products	N	N	N	N	N	<p>Size: The emissions source is likely to be immaterial, and therefore is not likely to be large compared to the total emissions from electricity, stationary energy and fuel emissions (738.94 t-CO₂-e).</p> <p>Influence: We do not have the potential to influence the emissions from this source, including by shifting to a different lower-emissions supplier for our business.</p> <p>Risk: There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest.</p> <p>Stakeholders: Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business.</p> <p>Outsourcing: We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.</p>

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
End-of-life treatment of sold products	N	N	N	N	N	<p>Size: The emissions source is likely to be immaterial, and therefore is not likely to be large compared to the total emissions from electricity, stationary energy and fuel emissions (738.94 t-CO₂-e).</p> <p>Influence: We do not have the potential to influence the emissions from this source, including by shifting to a different lower-emissions supplier for our business.</p> <p>Risk: There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest.</p> <p>Stakeholders: Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business.</p> <p>Outsourcing: We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.</p>



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