PUBLIC DISCLOSURE STATEMENT

HSK WARD GROUP PTY LTD TRADING AS FTA FOOD SOLUTIONS & MCKENZIE'S FOODS

ORGANISATION

FY2023-24

Australian Government

Climate Active
Public Disclosure Statement

An Australian Government Initiative

NAME OF CERTIFIED ENTITY	HSK Ward Group Pty Ltd
REPORTING PERIOD	1 July 2023 – 30 June 2024 Arrears report
DECLARATION	*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.* Andy Todd
	Andy Todd Sustainability Manager 18/10/24

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

Version 9.

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	3,224 tCO_2-e
CARBON OFFSETS USED	12.47% ACCUs, 87.53% VCUs
RENEWABLE ELECTRICITY	18.72%
CARBON ACCOUNT	Prepared by: Andy Todd – Sustainability manager
TECHNICAL ASSESSMENT	March 25, 2022 Matias Sellanes Ndevr Environmental Next technical assessment due: 25/3/2025

Contents

1. Certification summary....3
2. Certification information....4
3. Emissions boundary....5
4. Emissions reductions....7
5. Emissions summary....8
6. Carbon offsets....10
7. Renewable Energy Certificate (REC) Summary....12
Appendix A: Additional Information....13
Appendix B: Electricity summary....14
Appendix C: Inside emissions boundary....17
Appendix D: Outside emissions boundary....18

2. CERTIFICATION INFORMATION

Description of organisation certification

This organisation certification is for the business operations of H.S.K Ward Proprietary Limited ABN 48 004 091 258, including the subsidiaries listed in the table below.

The scope of this certification includes all of the business' Australian based operations including its main warehousing and distribution headquarters in Altona, Victoria, and interstate employees based in QLD, SA, NSW, and WA.

The company's NZ operations have been excluded from the scope of this certification due to their location and relatively small contribution to the overall emissions profile. An investment property compromising an area of undeveloped land has also been excluded due to its insignificance in contributing to the overall inventory.

This Public Disclosure Statement includes information for FY2023-24 reporting period.

Organisation description

The HSK Ward Group is an organisation operating in various parts of the ANZ food & beverage industry.

McKenzie's Foods focusses on manufacturing & packaging consumer goods, especially "pantry staples", sold across the retail & food service channels.

FTA Food Solutions sources a wide range of food ingredients & additives globally & locally and supplies virtually every part of the food industry- including manufacturers & processors, wholesalers, food service outlets, QSR operations, retailers & export markets.

FTA Specialty Foods supplies frozen seafood to the industrial, wholesale, food service, QSR & retail markets.

FTA Coffee supplies roasters with certified carbon neutral green coffee beans.

Henwood Downs Pty Ltd provides administrative services to the group.

The group is headquartered in Melbourne & also has staff located in Brisbane, Sydney, Adelaide, Perth & Auckland. An operational control approach has been taken in defining the boundary for certification.

The following subsidiaries are also included within this certification:

Legal entity name	ABN	ACN
FTA Food Solutions Pty Ltd	82 059 480 054	
Ward McKenzie Pty Ltd	52 004 586 645	
Henwood Downs Pty Ltd	74 007 214 799	

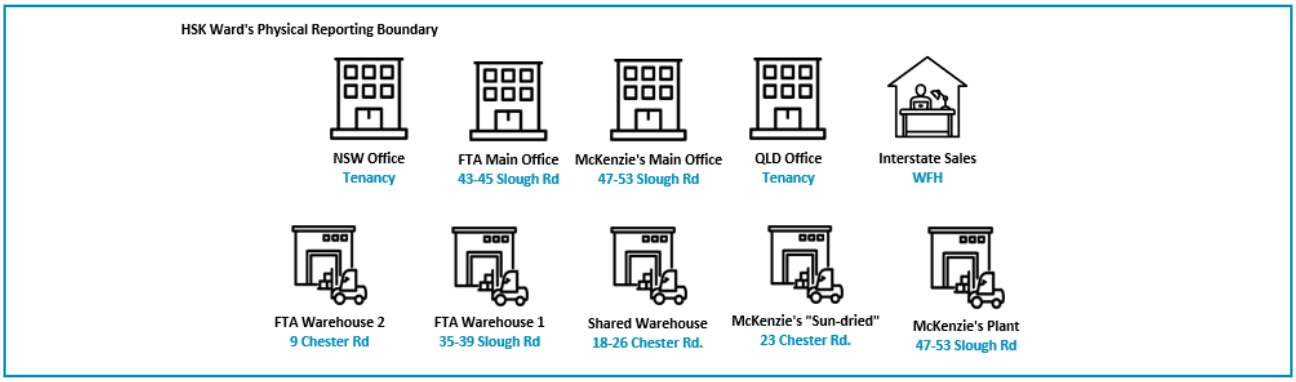
FTA Food Solutions also holds a Climate Active product certification for its green coffee products sold under the FTA Coffee brand. This certification address emissions specific to those coffee products and are not applicable to the parent company.

The following entities are excluded from this certification:

Legal entity name	ABN	ACN
FTA Food Solutions New Zealand Ltd	NZBN: 9429031033848	NZCN: 3455791

3.EMISSIONS BOUNDARY

Inside the emissions boundary



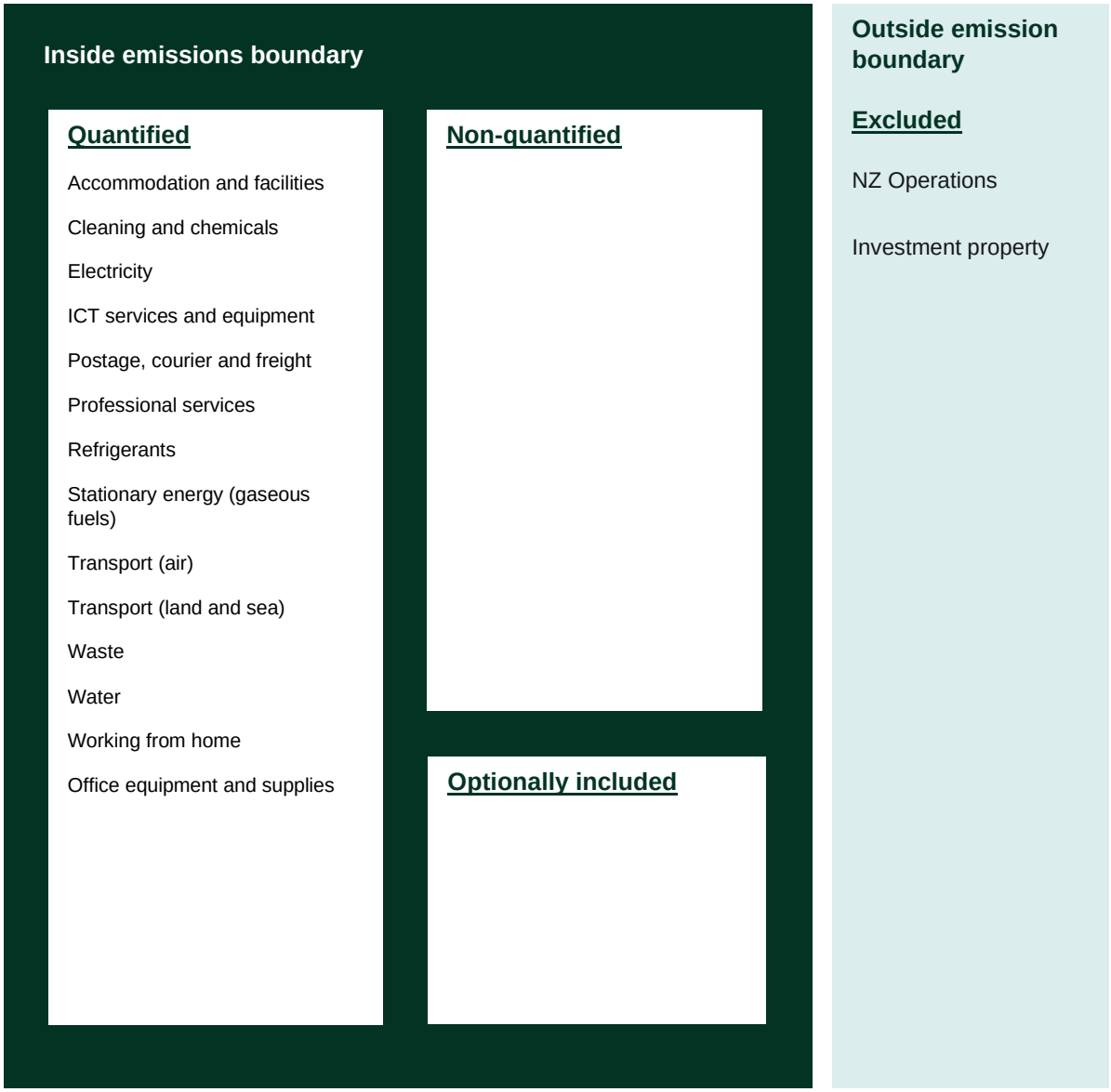
All emission sources listed in the emissions boundary are part of the carbon neutral claim.

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 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
Accommodation and facilities
Cleaning and chemicals
Electricity
ICT services and equipment
Postage, courier and freight
Professional services
Refrigerants
Stationary energy (gaseous fuels)
Transport (air)
Transport (land and sea)
Waste
Water
Working from home
Office equipment and supplies
Non-quantified
Optionally included
Outside emission boundary
Excluded
NZ Operations
Investment property

4.EMISSIONS REDUCTIONS

Emissions reduction strategy

Aligned with a science-based target to limit global warming to 1.5°C by 2030, HSK Ward is committed to reducing its scope 1&2 emissions by 50% by 2030 against its emissions from FY2021-22.

The company plans to achieve this goal by pursuing the following emissions reduction strategies over the coming months and years:

Scope 1

Implementing energy-reduction strategies and technology. 0-24 months

Installation of low energy lighting. 0-12 months

Scope 2

Phased introduction of green energy removing up to 45% of emissions. 0-24 months

Site feasibility study for solar installation which could remove up to 30% of emissions. 0-12 months.

Scope 3

Ongoing waste stream review to with a view to reduce emissions by approximately 10%. 0-12 months

Inventory of scope 3 supply-chain emissions sources to identify reduction opportunities 0-12 months

Transitioning forklift fleet to electric models. 5-10 years

Emissions reduction actions

Emissions from natural gas consumption have been reduced by 72% due to reviews of product offerings and refinement of production practices.

Emissions from sources attributed to the organisation’s general ledger have been reduced by a further 12% in the last 12-months due to reviews of services provided to the business.

General waste emissions have been reduced by another 7% in the last 12-months due to ongoing review of the organisation’s waste-management practices and cooperation with waste collection companies.

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year			
		Total tCO_2-e (without uplift)	**Total tCO_2-e** (with uplift)
Base year:	FY 2020–21	2,599	N/A
	FY 2021–22*	4,149	N/A
Year 1:	FY 2022–23	3,416	N/A
Year 2:	FY 2023-24	3,224	N/A

Significant changes in emissions

The base year calculation for our initial projected report was based on figures from the 2020-21 financial year. As this was a Covid year and the business was operating under Covid-19 restrictions, emissions were reduced in comparison to the following years when restrictions were lifted.

*Figures for the 2021-22 are not required for compliance, but were calculated to provide a clear picture of the organisation's emissions in a normal year and to highlight the progress made in reducing our emissions to this point.

Significant changes in emissions			
Emission source	**Previous year emissions** (t CO_2-e)	**Current year emissions** (t CO_2-e)	**Reason for change**
Medium Car: unknown fuel	234.12	394.85	Calculation method changed in line with switch to WFH method B reporting

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

N/A

Emissions summary

The electricity summary is available in Appendix B. Electricity emissions were calculated using a market-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	0.00	0.00	7.95	7.95
Cleaning and chemicals	0.00	0.00	18.32	18.32
Climate Active carbon neutral products and services	0.00	0.00	0.00	0.00
Construction materials and services	0.00	0.00	0.00	0.00
Electricity	0.00	1326.80	163.80	1490.60
Food	0.00	0.00	0.00	0.00
Horticulture and agriculture	0.00	0.00	0.00	0.00
ICT services and equipment	0.00	0.00	213.27	213.27
Machinery and vehicles	0.00	0.00	0.00	0.00
Office equipment and supplies	0.00	0.00	4.78	4.78
Postage, courier and freight	0.00	0.00	9.32	9.32
Products	0.00	0.00	0.00	0.00
Professional services	0.00	0.00	339.42	339.42
Refrigerants	3.69	0.00	0.00	3.69
Roads and landscape	0.00	0.00	0.00	0.00
Stationary energy (gaseous fuels)	0.06	0.00	0.00	0.07
Stationary energy (liquid fuels)	0.00	0.00	0.00	0.00
Stationary energy (solid fuels)	0.00	0.00	0.00	0.00
Transport (air)	0.00	0.00	147.93	147.93
Transport (land and sea)	49.18	0.00	411.14	460.33
Waste	0.00	0.00	650.58	650.58
Water	0.00	0.00	3.83	3.83
Working from home	0.00	0.00	-126.91	-126.91*
Total emissions (tCO_2-e)	**52.93**	**1326.80**	**1843.44**	**3223.17**

*WFH negative emissions represents avoided emissions not accounted for in staff commute net emissions (Transport (land and sea)).

Uplift factors

N/A

6. CARBON OFFSETS

Eligible offsets retirement summary

Offsets retired for Climate Active certification

Type of offset unit	Quantity used for this reporting period	Percentage of total units used
Australian Carbon Credit Units (ACCUs)	402	12.47%
Verified Carbon Units (VCUs)	2822	87.53%

Project name	Type of offset unit	Registry	Date retired	Serial number	Vintage	Total quantity retired	Quantity used in previous reporting periods	Quantity banked for future reporting periods	Quantity used for this reporting period	Percentage of total used this reporting period
Nulla Carbon	ACCU	ANREU	21/05/2024	3,797,720,200 - 3,797,720,999	2020-21	800	398*	0	402	12.47%
April Salumei REDD Project	VCU	Verra Registry	29/10/2024	16833-795760562-795761972-VCS-VCU-352-VER-PG-14-1122-01012014-31122014-0	2014	1411	0	0	1411	43.77%
Satara Wind Power Project in Maharashtra, India	VCU	Verra Registry	29/10/2024	8138-460584584-460585994-VCU-050-APX-IN-1-1519-01012019-31102019-0	2019	1411	0	0	1411	43.77%
						3622	**398**	**0**	**3224**	

*The remaining 398 offsets have been used in child FTA Coffee's green coffee product FY2023-24 PDS.

Co-benefits

EXTRAORDINARY IMPACT

OFFSET PROJECT CATEGORY OVERVIEW

Located in New South Wales and Queensland, these carbon farming projects work with landholders to regenerate and protect native vegetation. The projects help improve marginal land, reduce salinity and erosion and provide income to farmers. Widespread land clearing has significantly impacted local ecosystems. This degradation and loss of plant species threatens the food and habitat on which other native species rely. Clearing allows weeds and invasive animals to spread and affects greenhouse gas emissions.

The project areas can harbour a number of indigenous plant species which provide important habitat and nutrients for native wildlife. By erecting fencing and actively managing invasive species, these projects avoid emissions caused by clearing and achieve key environmental and biodiversity benefits.

The projects meet the following Sustainable Development Goals

TEM

EXTRAORDINARY IMPACT

OFFSET PROJECT CATEGORY OVERVIEW

Deep within the East Sepik Province of Papua New Guinea is TEM's April Salumei REDD Project. A combined area of 603,712 h.a. the landscape is defined by forested land on mineral soils. The project area is thriving with both traditional culture and extraordinary levels of biodiversity.

Located within a Forest Management Area designated for timber production by the Papua New Guinean Forest Authority, the project area was facing a very material threat. The carbon finance attracted through verified carbon unit revenues offers Indigenous landowners a form of income based on the carbon storage and ecosystem services provided by the forest, rather than through the short-term royalties that flow from logging concessions. Conserving the forest and its carbon stocks avoids significant volumes of carbon emissions.

Our project aims to improve the overall wellbeing of local communities, support sustainable agricultural development, provide access to employment, healthcare, education, and infrastructure, all while preserving the rich cultural traditions and customs of the Indigenous owners.

The projects meet the following Sustainable Development Goals

EXTRAORDINARY IMPACT

OFFSET PROJECT CATEGORY OVERVIEW

Across India, wind farms introduce clean energy to the grid which would otherwise be generated by coal-fired power stations. Wind power is clean in two ways: it produces no emissions and also avoids the local air pollutants associated with fossil fuels. Electricity availability in the regions have been improved, reducing the occurrence of blackouts across the area.

The projects support national energy security and strengthen rural electrification coverage. In constructing the turbines new roads were built, improving accessibility for locals. The boost in local employment by people engaged as engineers, maintenance technicians, 24-hour on-site operators and security guards also boosts local economies and village services.

The projects meet the following Sustainable Development Goals

TEM

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 certified - Precinct/Building (voluntary renewables)	0	0	0%
Climate Active certified - Precinct/Building (LRET)	0	0	0%
Climate Active certified - Precinct/Building jurisdictional renewables (LGCs surrendered)	0	0	0%
Climate Active certified - Electricity products (voluntary renewables)	0	0	0%
Climate Active certified - Electricity products (LRET)	0	0	0%
Climate Active certified - 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)	377,262	0	19%
Residual electricity	1,638,027	1,490,604	0%
Total renewable electricity (grid + non grid)	**377,262**	**0**	**19%**
Total grid electricity	**2,015,289**	**1,490,604**	**19%**
Total electricity (grid + non grid)	**2,015,289**	**1,490,604**	**19%**
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	**1,638,027**	**1,490,604**	
Scope 2	1,458,024	1,326,802	
Scope 3 (includes T&D emissions from consumption under operational control)	180,003	163,803	
Residual electricity consumption not under operational control	**0**	**0**	
Scope 3	0	0	

Total renewables (grid and non-grid)	**18.72%**
Mandatory	**18.72%**
Voluntary	**0.00%**
Behind the meter	**0.00%**
Residual scope 2 emissions (t CO_2-e)	**1,326.80**
Residual scope 3 emissions (t CO_2-e)	**163.80**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**1,326.80**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**163.80**
Total emissions liability (t CO_2-e)	**1,490.60**

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	
Percentage of grid electricity consumption under operational control	**100%**	**(kWh)**	**Scope 2 Emissions ($kgCO_2$-e)**	**Scope 3 Emissions ($kgCO_2$-e)**	**(kWh)**	**Scope 3 Emissions ($kgCO_2$-e)**
NSW	1,536	1,536	1,045	77	0	0
VIC	2,011,747	2,011,747	1,589,280	140,822	0	0
QLD	2,006	2,006	1,464	301	0	0
Grid electricity (scope 2 and 3)	**2,015,289**	**2,015,289**	**1,591,789**	**141,200**	**0**	**0**
NSW	0	0	0	0		
VIC	0	0	0	0		
QLD	0	0	0	0		
Non-grid electricity (behind the meter)	**0**	**0**	**0**	**0**		
Total electricity (grid + non grid)	**2,015,289**					

Residual scope 2 emissions (t CO_2-e)	**1,591.79**
Residual scope 3 emissions (t CO_2-e)	**141.20**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**1,591.79**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**141.20**
Total emissions liability	**1,732.99**

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)
Enter name or address of Climate Active certified building/precinct	**0**	**0**

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.

Climate Active carbon neutral electricity products

Climate Active carbon neutral electricity product used	Electricity claimed from Climate Active electricity products (kWh)	Emissions (kg CO_2-e)
Enter name of Climate Active Carbon Neutral electricity product	**0**	**0**

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.

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

N/A

Data management plan for non-quantified sources

N/A

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:

Size The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.

1. **Influence** The responsible entity has the potential to influence the reduction of emissions from a particular source.

2. **Risk** The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.

3. **Stakeholders** Key stakeholders deem the emissions from a particular source are relevant.

4. **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
NZ Office	N	Y	N	N	N	**Size:** Emissions are likely to be insignificant in context of this inventory. **Influence:** The NZ office is a shared office space and as such the company has no influence on its operations. **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. **Stakeholders:** Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business. **Outsourcing:** As this certification is not recognised in New Zealand, have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.
Investment Property	N	N	N	N	N	**Size:** Property is undeveloped land and does not generate any emissions. **Influence:** The property does not generate any emissions. **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. **Stakeholders:** Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business. **Outsourcing:** The company has not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.

An Australian Government Initiative

Climate Active