

# National Carbon Offset Standard Carbon Neutral Program Public Disclosure Summary



An Australian Government Initiative

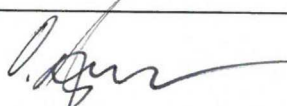
COMPANY NAME: Swisse Wellness Pty Ltd

BASE YEAR: 2010/11

FIRST CARBON NEUTRAL PERIOD: 2010/11

## Declaration

To the best of my knowledge, the information provided in this Public Disclosure Summary is true and correct and meets the requirements of the National Carbon Offset Standard Carbon Neutral Program.

|                         |   |        |            |
|-------------------------|---|--------|------------|
| [Sign here]             |  | [Date] | 28.02.2018 |
| [Name of Signatory]     | OLIVER HORN   |        |            |
| [Position of Signatory] | MD  |        |            |

|  |
|--|
| Type of carbon neutral certification: organisation                                   |
| Verification   |
| Date of most recent external verification/audit: 2016/17                             |
| Auditor: Carbon Risk Management  |
| Auditor assurance statement link: <i>Swisse FY 17 Independent Audit Report_Final</i> |



**Australian Government**  
**Department of the Environment and Energy**

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# 1. Carbon neutral information

This section describes the carbon neutral information associated with Swisse Wellness Pty Ltd's (Swisse) operations as a leading supplier of vitamins and health products in Australia.

## 1A. Introduction

Swisse is one of Australia's largest suppliers of vitamins and health products. The organisation strives to provide consumers with scientifically proven natural supplements to help people live healthier and happier lives. Swisse is currently expanding its product range to include other personal and healthcare products using natural ingredients, where possible. Maintaining environmentally responsible business practices is considered a priority at Swisse and is in line with the organisation's overall philosophy of caring for people and the planet.

The boundary consolidation approach applied for NCOS by Swisse is operational control. The NCOS organisational boundary was determined in accordance with the NGER framework for scope 1 and 2 emissions and the GHG Protocol for scope 3 emissions. During the reporting period, Swisse had operational control of the 111 Cambridge Street Collingwood facility, the 1A Hale Street Botany facility and the 48 Translink Drive Keilor Park facility. Swisse has full authority to introduce and implement its operating, environmental, and health and safety policies at all of those facilities. Direct and indirect (electricity consumption) emissions from these facilities have been defined as scope 1 and scope 2 emissions, respectively.

During the reporting period Swisse was acquired by Health & Happiness Group (H&H) (formerly Biostime Group). H&H was founded in 1999 and is listed on the main board of the Hong Kong Stock Exchange. H&H is also the parent company of Biostime, Healthy Times and Dodie. The acquisition of Swisse Wellness has had no impact on the operational control of Swisse's Australian operations or emissions inventory. The inventory for the current reporting period has been calculated using the same methodology as for the previous reporting year.

Swisse's reporting boundary has changed since the previous reporting period due to the closure of the Gipps Street and Maddox Street facilities. However, no changes to the boundary were necessary as a result of the acquisition by H&H.

The certification boundary includes all the administrative activities associated with Swisse's operations. Scope 3 emissions are included in the certification boundary in accordance with the NCOS Standard and the GHG Protocol. Scope 3 emissions are generally indirect emissions and/or emissions associated with Swisse activities (such as manufacturing and transport) that are not under Swisse's operational control. Material scope 3 GHG-generating activities are included i.e. paper, waste, Swisse team member travel. Additional items such as catering, cleaning and maintenance were reported where reliable data was available. Scope 3 sources that are not part of the certification boundary have been documented and disclosed, with justifications provided under the 'Non-quantified sources' section in this document.

Figure 1 below illustrates the NCOS certification and organisational boundaries.

## 1B. Emission sources within certification boundary

### Quantified sources

The following emission sources have been included in the certification boundary:

| Scope | Emission source                              | Source of activity data | Methodology reference                        |
|-------|--|-------------------------|--|
| 1     | Natural Gas Usage                            | -                       | Method 1: NGA Factors 2016, Table 2          |
| 1     | Bottled gas (LPG)                            | Supagas invoices        | Method 1: NGA Factors 2016, Table 3          |
| 2     | Purchased Electricity (excl. GreenPower) VIC | Origin invoices         | Method 1: NGA Factors 2016, Table 41         |
| 2     | Carbon Neutral Product (Electricity) VIC     | Powershop invoices      | Carbon Neutral electricity emits 0 emissions |
| 2     | Purchased electricity (GreenPower) VIC       | -                       | Greenpower electricity emits 0 emissions     |
| 2     | Purchased Electricity (excl. GreenPower) NSW | Origin and AGL invoices | Method 1: NGA Factors 2016, Table 41         |
| 2     | Carbon Neutral Product (Electricity) NSW     | -                       | Carbon Neutral electricity emits 0 emissions |
| 2     | Purchased electricity (GreenPower) NSW       | -                       | Greenpower electricity emits 0 emissions     |
| 3     | Purchased Electricity (excl. GreenPower) VIC | Origin invoices         | Method 1: NGA Factors 2016, Table 41         |
| 3     | Carbon Neutral Product (Electricity) VIC     | Powershop invoices      | Carbon Neutral electricity emits 0 emissions |
| 3     | Purchased electricity (GreenPower) VIC       | -                       | Greenpower electricity emits 0 emissions     |

| Scope | Emission source                                 | Source of activity data    | Methodology reference                        |
|-------|---|----------------------------|--|
| 3     | Purchased Electricity (excl. GreenPower) NSW    | Origin and AGL invoices    | Method 1: NGA Factors 2016, Table 41         |
| 3     | Carbon Neutral Product (Electricity) NSW        | -                          | Carbon Neutral electricity emits 0 emissions |
| 3     | Purchased electricity (GreenPower) NSW          | -                          | Greenpower electricity emits 0 emissions     |
| 3     | Natural Gas Usage (extraction and distribution) |                            | Method 1: NGA Factors 2016, Table 38         |
| 3     | Travel Air - Short Haul - Economy               | Mileage Report Jul16.Jun17 | DEFRA 2016                                   |
| 3     | Travel Air - Short Haul - Premium Economy       | Mileage Report Jul16.Jun18 | DEFRA 2016                                   |
| 3     | Travel Air - Short Haul - Business              | Mileage Report Jul16.Jun19 | DEFRA 2016                                   |
| 3     | Travel Air - Short Haul - First Class           | Mileage Report Jul16.Jun20 | DEFRA 2016                                   |
| 3     | Travel Air - Medium Haul - Economy              | Mileage Report Jul16.Jun21 | DEFRA 2016                                   |
| 3     | Travel Air - Medium Haul - Premium Economy      | Mileage Report Jul16.Jun22 | DEFRA 2016                                   |
| 3     | Travel Air - Medium Haul - Business             | Mileage Report Jul16.Jun23 | DEFRA 2016                                   |
| 3     | Travel Air - Medium Haul - First Class          | Mileage Report Jul16.Jun24 | DEFRA 2016                                   |
| 3     | Travel Air - Long Haul - Economy                | Mileage Report Jul16.Jun25 | DEFRA 2016                                   |

| Scope | Emission source   | Source of activity data                              | Methodology reference   |
|-------|---|--|---|
| 3     | Travel Air - Long Haul - Premium Economy                  | Mileage Report Jul16.Jun26                           | DEFRA 2016  |
| 3     | Travel Air - Long Haul - Business                         | Mileage Report Jul16.Jun27                           | DEFRA 2016  |
| 3     | Travel Air - Long Haul - First Class                      | Mileage Report Jul16.Jun28                           | DEFRA 2016  |
| 3     | Transport Diesel - post 2004 vehicles                     | Fuel Expense Claims                                  | Method 1: NGA Factors 2016, Table 4   |
| 3     | Transport Petrol – post 2004 vehicles                     | Fuel Expense Claims                                  | Method 1: NGA Factors 2016, Table 4   |
| 3     | Transport Diesel - post 2004 vehicles (extraction losses) | Fuel Expense Claims                                  | Method 1: NGA Factors 2016, Table 40  |
| 3     | Transport Petrol – post 2004 vehicles (extraction losses) | Fuel Expense Claims                                  | Method 1: NGA Factors 2016, Table 40  |
| 3     | Travel - Taxi Petrol                                      | Swisse General Ledger, Taxi Domestic & International | Method 1: NGA Factors 2016, Table 4; ABS Survey of Motor Vehicle Use 2016, Table 6, Taxi fare estimations |
| 3     | Travel - Taxi Diesel                                      | Swisse General Ledger, Taxi Domestic & International | Method 1: NGA Factors 2016, Table 4; ABS Survey of Motor Vehicle Use 2016, Table 6, Taxi fare estimations |
| 3     | Travel - Taxi Hybrid                                      | Swisse General Ledger, Taxi Domestic & International | Method 1: NGA Factors 2016, Table 4; Green Vehicle Guide; Taxi fare estimations                           |
| 3     | Travel - Taxi LPG   | Swisse General Ledger, Taxi Domestic & International | Method 1: NGA Factors 2016, Table 4; Green Vehicle Guide; Taxi fare estimations                           |
| 3     | Travel - Uber Petrol                                      | Swisse General Ledger, Taxi Domestic & International | Method 1: NGA Factors 2016, Table 4; ABS Survey of Motor Vehicle Use 2016, Table 6, Uber fare estimations |

| Scope | Emission source  | Source of activity data                              | Methodology reference   |
|-------|--|--|---|
| 3     | Travel - Uber Diesel                                       | Swisse General Ledger, Taxi Domestic & International | Method 1: NGA Factors 2016, Table 4; ABS Survey of Motor Vehicle Use 2016, Table 6, Uber fare estimations |
| 3     | Courier / Freight  | Swisse General Ledger, Freight                       | Method 1: NGA Factors 2016, Table 4   |
| 3     | Catering   | Swisse General Ledger, Employees Amenities           | 2016 Input/Output factors, ABS CPI Index - TABLE 9  |
| 3     | Maintenance  | Swisse General ledger, Repairs & Maintenance         | 2016 Input/Output factors, ABS CPI Index - TABLE 9  |
| 3     | Accommodation  | Swisse General ledger, Travel accommodation          | 2016 Input/Output factors, ABS CPI Index - TABLE 9  |
| 3     | Cleaning   | Swisse General ledger, Cleaning                      | 2016 Input/Output factors and RBA Inflation calculator  |
| 3     | Printing, stationery, paper                                | Swisse General ledger, Printing & Stationery         | 2016 Input/Output factors and RBA Inflation calculator  |
| 3     | Waste - municipal solid waste                              | J.J. Richards & Suez invoices                        | Method 1: NGA Factors 2016, Table 44  |
| 3     | Team Member Commuting - Bus                                | Swisse Travel Survey 2017                            | Method 1: NGA Factors 2016, Table 4   |
| 3     | Team Member Commuting – Car, Motorcycle, Car Pooling, Uber | Swisse Travel Survey 2017                            | Method 1: NGA Factors 2016, Table 4   |
| 3     | Travel - Rail  | Swisse Travel Survey 2017                            | Method 1: NGGI 1990-2005, Table 17  |
| 3     | Travel - Tram  | Swisse Travel Survey 2017                            | Method 1: NGGI 1990-2005, Table 16  |
| 3     | Water supply VIC   | City West Water invoices                             | Direct from Melbourne Water   |
| 3     | Water supply NSW   | Estimations based on City West Water invoices        | Direct from Sydney Water  |

## Non-quantified sources

The following emission sources have not been quantified, in line with the NCOS for Organisations.

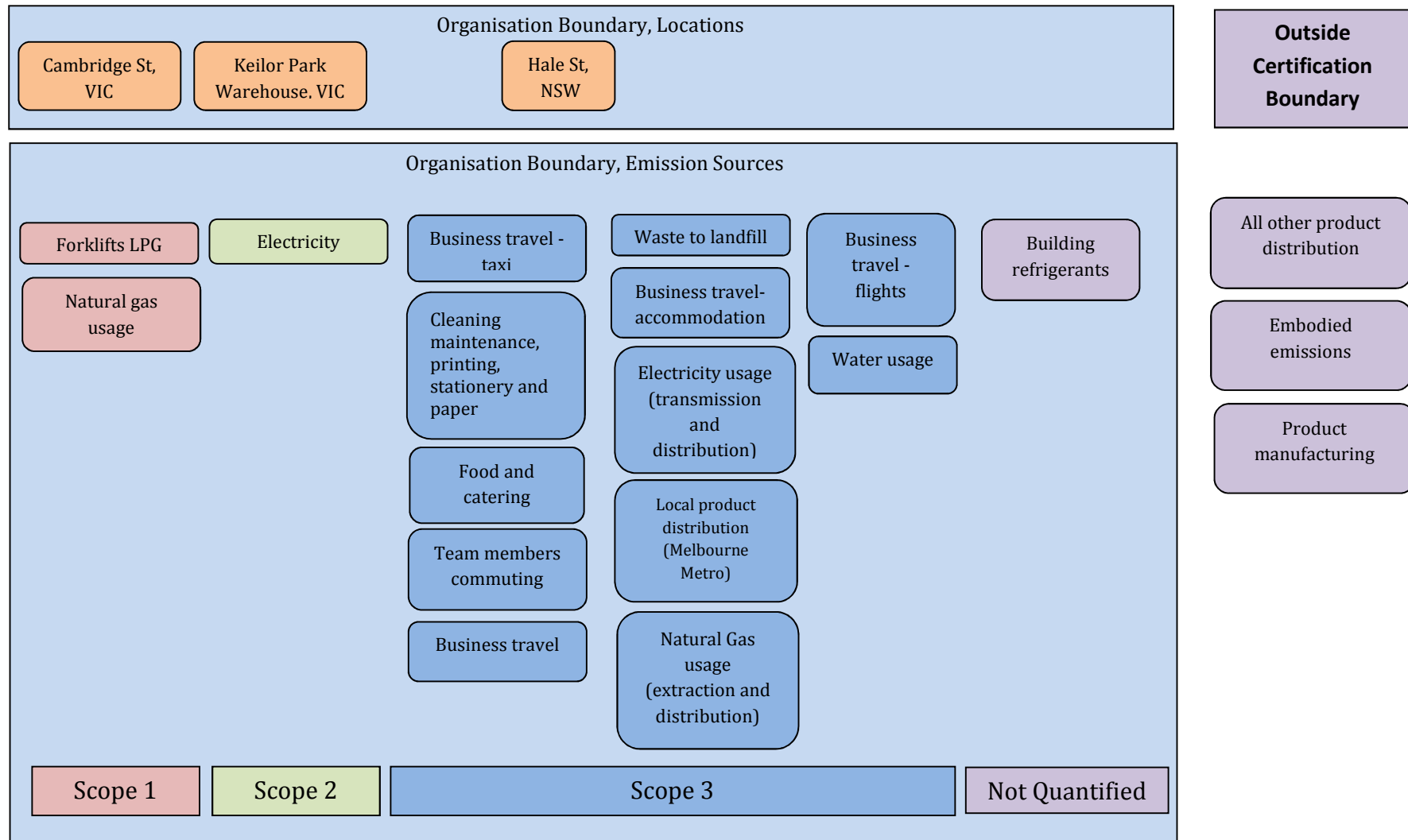
- Product manufacturing as a source of scope 3 emissions has been excluded. This is because Swisse does not have operational control of the manufacturing process, or access to emissions and energy data. The manufacturer has multiple clients and multiple products. It is therefore not feasible to attempt to allocate a portion of the manufacturer's emissions to Swisse. This approach is in line with the subject of the certification which is Swisse as an organisation, rather than for Swisse's individual product lines.
- Non-Melbourne metropolitan and international distribution (as scope 3 emissions) is excluded from the certification boundary. Swisse does not have operational control over third party contracted transport providers, nor access to reliable and complete emissions and energy data from all distribution activities. Product distribution is typically conducted via multiple contractors using multiple transport modes and mixed loads. These activities are identified as 'All Other Product Distribution' in Figure 1 below, which outlines Swisse's certification boundary.

It is not feasible to attempt to apportion the transport contractors' emissions to Swisse except for Melbourne metropolitan product distribution, where delivery is actioned from the head office. Swisse continues to review its approach to calculating emissions from all product distribution.

- Embodied emissions in capital plant and equipment are excluded from the certification boundary and not considered in the inventory as scope 3 emissions. It is not feasible to gather accurate emissions data for all/some major capital items, and emissions over the life of plant are likely to be negligible. In addition, such emissions are not required to be quantified in terms of the certification requirements for Organisations under the NCOS.
- Refrigerant utilised in small domestic cooling appliances such as fridges, freezers and air-conditioners while included in the certification boundary has been excluded from the inventory due to its immaterial impact. This has been identified based on the low quantity of refrigerant (typically R600a) estimated during historical site visits and low global warming potential associated with these gases. Further, R600a is not a reportable item under the *National Greenhouse and Energy Reporting Regulations 2008*.

### 1C. Diagram of certification boundary

Figure 1. Diagram of NCOS Certification Boundary including activities for Scope 1, 2 and 3 for reporting period 2016/17





## 2. Emissions reduction measures

### 2A. Emissions over time

| <b>Table 1.</b> Emissions since base year |                          |                           |                           |                           |                            |
|---|--------------------------|---------------------------|---------------------------|---------------------------|----------------------------|
|   | Base Year                | FY 13/14                  | FY 14/15                  | FY 15/16                  | FY 16/17                   |
| Scope 1                                   | 134.3                    | 19.7                      | 12.7                      | 22.2                      | 21.8                       |
| Scope 2                                   | 197.9                    | 137.1                     | 124.5                     | 235.1                     | 856.6                      |
| Scope 3                                   | 409.1                    | 1361.1                    | 1760.1                    | 3730.0                    | 4,776.8                    |
| Total                                     | 741 t CO <sub>2</sub> -e | 1518 t CO <sub>2</sub> -e | 1897 t CO <sub>2</sub> -e | 3987 t CO <sub>2</sub> -e | 5,655 t CO <sub>2</sub> -e |

### 2B. Emissions reduction strategy

Swisse's management regards sustainability as a prominent pillar of its business operation, and is continually exploring opportunities to reduce the environmental footprint of the organisation. Due to Swisse's organic growth and expansion into international markets, it is impractical to maintain GHG emissions at a constant level. However, Swisse strives to continually improve emissions intensity over time.

Several emissions reduction measures addressing scope 1, 2 and 3 emissions have been identified under Part C below. These measures have been identified by examining Swisse's operation and emissions sources, in collaboration with carbon and energy experts, to determine feasible emissions reduction opportunities.

## 2C. Emissions reduction actions

The following activities have been identified to reduce emissions within Swisse's operational boundary. The measures include activities implemented during this reporting period, activities planned for future implementation, and avoided emissions from purchasing certified carbon neutral products.

| Emission source           | Reduction Measure   | Scope | Status                              | Reduction<br>t CO <sub>2</sub> -e                               |
|---------------------------|---|-------|-------------------------------------|---|
| Supply Chain              | Information sessions to suppliers on the benefits of carbon neutrality to reduce emissions from the supply chain  | 3     | Planned for future reporting period | Ongoing and will extend beyond Swisse's organisational boundary |
| Swisse Team Member Travel | Swisse encourages team members to cycle, walk and take public transport for their daily commute. Swisse have also invested in a bike storage facility on site at its head office to further encourage cycling to work.<br><br>Travel via bike increased from 3% of NSW responders last reporting period to 18% in the current reporting period. | 3     | Implemented this reporting period   | 10*   |
| Waste                     | Increase awareness of the proper use of waste receptacles and recycling facilities. Swisse is also investing in bigger bins, better signage and greater team members awareness including training on the different types of waste in the office and closer monitoring of the waste that is taken away by our contractors.                       | 3     | Implemented this reporting period   | 50**  |

| Emission source  | Reduction Measure   | Scope | Status                              | Reduction<br>t CO <sub>2</sub> -e |
|--|---|-------|-------------------------------------|-----------------------------------|
| Flights  | Swisse is bringing in approval codes for every team members trip, so that they will require finance approval of the cost. Swisse are also considering a 'Who can fly the least' competition to encourage a reduction in air travel by team members. This initiative will also promote an uptake of video conferencing services such as skype. | 3     | Planned for future reporting period | 50                                |
| Waste (from catering)  | Specifically requesting that catered lunches be packaged with minimal non-recyclable material. Swisse is consciously selecting catering providers that can minimise waste and packaging. In the next reporting period Swisse will purchase their own eco-plates and use washable cutlery for team lunches.                                    | 3     | Implemented this reporting period   | 10                                |
| Total emission reductions implemented in this reporting period |   |       |                                     | Total not quantifiable            |
| Total expected emission reductions in future reporting periods |   |       |                                     | 100 - 200                         |

\*While the proportion of team members traveling by bike increased by 15%, and therefore resulted in emissions reductions, overall emissions from team members travel increased slightly. This is due mostly to an increase in the average distance travelled by team members to commute to offices/warehouses from all modes of transport (including modes that result in emissions).

\*\*Although total waste volume/weight has increased due to an increase in productivity and growth, recycling has increased substantially compared to the last reporting period. Multiple survey responses confirm that initiatives to promote proper use of recycling receptacles has taken place in Swisse offices.

### 3. Emissions summary

| Table 2. Emissions Summary |                 |                      |
|----------------------------|-----------------|----------------------|
| Scope                      | Emission source | t CO <sub>2</sub> -e |
| Scope 1                    | Gas usage       | 0.0                  |

| Table 2. Emissions Summary |   |                      |
|----------------------------|---|----------------------|
| Scope                      | Emission source                                   | t CO <sub>2</sub> -e |
| Scope 1                    | Bottled LPG                                       | 21.8                 |
| Scope 2                    | Electricity Usage                                 | 856.6                |
| Scope 3                    | Electricity Usage (transmission and distribution) | 101.1                |
| Scope 3                    | Natural Gas usage (extraction and distribution)   | 0.0                  |
| Scope 3                    | Transport (diesel)                                | 10.5                 |
| Scope 3                    | Transport (petrol)                                | 31.6                 |
| Scope 3                    | Accommodation                                     | 263.7                |
| Scope 3                    | Taxi & Uber Travel                                | 13.6                 |
| Scope 3                    | Air Travel  | 2196.3               |
| Scope 3                    | Catering  | 86.6                 |
| Scope 3                    | Cleaning  | 40.3                 |
| Scope 3                    | Waste   | 1606.6               |
| Scope 3                    | Water   | 0.2                  |
| Scope 3                    | Team Member travel                                | 221.7                |
| Scope 3                    | Printing, Stationery and paper                    | 72.1                 |
| Scope 3                    | Maintenance                                       | 87.0                 |
| Scope 3                    | Local Product Distribution                        | 45.4                 |
| Total Gross Emissions      |   | <b>5,655</b>         |
| GreenPower                 |   | 0                    |
| Total Net Emissions        |   | 5,655                |

## 4. Carbon offsets

### 4A. Offsets summary

| Table 3. Offsets Summary                       |              |          |  |
|--|--------------|----------|--|
| Offset type and registry                       | Year retired | Quantity | Serial numbers   |
| APX VCS Registry, Verified Carbon Units (VCUs) | 2016         | 467      | 4722-195338232-195338698-VCU-034-MER-IN-1-1523-31032014-31122014-0 (Portion of offsets surrendered last financial year and banked for this financial year) |
| APX VCS Registry, Verified Carbon Units (VCUs) | 2018         | 884      | 1613-67351245-67352113 VCU-006-MER-AU-14-641-01042010-30062011-0<br>1613-67394838-67394852-VCU-006-MER-AU-14- 641-01042010-30062011-0                      |

| Table 3. Offsets Summary                        |              |          |  |
|---|--------------|----------|--|
| Offset type and registry                        | Year retired | Quantity | Serial numbers   |
| APX VXS Registry, Verified Carbon Units (VCU)   | 2018         | 4,152    | 2306-96059418-96063548 VCU-014-APX-CN-1-830-23122009-27022011-0<br>2306-96063549-96063567-VCU-014-APX-CN-1-830-23122009-27022011-0 |
| APX VCS Registry, Verified Carbon Units (VCUs)  | 2018         | 166      | 5202-215788741-215788906-VCU-034-APX-IN-1- 1660-13022015-31122015-0  |
| Total offsets retired                           |              |          | 5,669  |
| Net emissions                                   |              |          | 5,655  |
| Total offsets held in surplus for future years: |              |          | 14   |

#### **4B. Offsets purchasing and retirement strategy**

Ndevr Environmental Pty Ltd (Ndevr Environmental) sources NCOS approved offsets on behalf of Swisse. Swisse prefers to procure Australian native forestry and high co-benefit offsets, where available.

This year, Swisse purchased and retired 884 'Conserving Tasmania's Wilderness' offsets to cover scope 1 and 2 emissions. To offset Swisse's Scope 3 emissions, a combination of 'Beijing Guanting Wind Power Project' offsets and a small portion of 'Wind bundle project in Maharashtra by Sispara' offsets were purchased in addition to the offsets banked from the previous financial year. All offsets are Verified Carbon Units (VCUs) and were purchased and surrendered from the APX VCS Registry.

#### 4C. Offset projects (Co-benefits)

- **Conserving Tasmania’s Wilderness** – This carbon offset project is run by a third-generation farming family, and protects over 7,000 hectares of native Tasmanian forest which would, if not for the project, continue to under selective logging to be cleared and converted to pasture.

The forest protected by this project is a natural habitat for native endangered species such as the Tasmanian wedge-tailed eagle, Spotted-tail quoll (Tasmanian population) and Tasmanian devil. By halting logging activities, the project restores eagle nesting places and creates a safe, lush environment in which a variety of animals can flourish.

- **Winds of Change** - Located in Hebei Province, China, this wind farm avoids greenhouse gas emissions by introducing clean power to the North China Power Grid which would have otherwise be generated by a fossil-fuel fired power plant. The project has also created local jobs in construction, operation and maintenance of the turbines and infrastructure. Compatible with rural land uses, the wind farm allows farmers to continue to grow crops and graze livestock.

The project also supports local economies, provides valuable community education in sustainability and its success encourages additional investment in renewable energy, further diversifying China’s reliance on fossil fuels.

## 5. Use of trade mark

| Table 4. Trade mark register |                        |
|------------------------------|------------------------|
| Where used                   | Logo type              |
| Website                      | Certified Organisation |

## 6. Have you done more?

Swisse is committed to its carbon neutral journey and encourages its team members, contractors and business partners to also reduce their environmental impact. Throughout the year Swisse engaged in several activities to promote sustainable initiatives and values.

Swisse has investigated if the Hale Street NSW site is eligible for Carbon Neutral electricity through the electricity provider Powershop. Unfortunately, the site was not eligible. This action would have greatly reduced Swisse’s carbon inventory for the current reporting period.

Swisse also initiated a sustainability reporting initiative under the Global Reporting Initiative (GRI) to use international independent standards to better understand and communicate its impacts on issues such as climate change, gender diversity and human rights.

Swisse team members were asked to list sustainability improvements they have noticed around their workplace facilities. Some of their responses include:

- Additional recycling bins
- Bicycle hooks set up on the ground floor
- Bicycle racks & servicing, emails regarding recycling initiatives
- Bike parking area
- Larger recycling bins, a focus on recycling and best practice, team members turning off screens and shutting down laptops at night
- Low energy lighting upgrades
- More communication to the wider team to ensure everyone is using the bins correctly.
- Replacement of halogen high bay lights in the warehouse to LED
- More sustainable products on offer (personal amenities, paper plates at team lunches), and better bicycle facilities on offer
- Sustainability workshops.