



PUBLIC DISCLOSURE STATEMENT

GODFREY HIRST AUSTRALIA PTY LTD

**ORGANISATION CERTIFICATION
CY2020**

Australian Government
Climate Active
Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY: Godfrey Hirst Australia Pty Ltd

REPORTING PERIOD: 1 January 2020 – 31 December 2020

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.

Signature

Date 14 September 2021

Name of Signatory SUSAN ANNE RECHENBERG-DUPE

Position of Signatory Director



Australian Government

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

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Version number February 2021

1. CARBON NEUTRAL INFORMATION

Description of certification

This public disclosure statement (PDS) supports Godfrey Hirst Australia Pty Ltd (ABN 580 0084 9758) and its wholly owned subsidiary Feltex Carpets Pty Ltd (Godfrey Hirst) seeking certification as carbon neutral for the Australian business operations, through development of an inventory in accordance with Climate Active Carbon Neutral Certification Standard for Organisations (Climate Active Organisation Standard). This report includes a description of our operations and emission boundary based on an operational control approach.

“We feel a profound sense of responsibility to advance our shared mission of a more sustainable future.”

The following locations and facilities were included in the emissions boundary:

- South Geelong manufacturing facility
- North Geelong manufacturing facility
- Breakwater manufacturing facility
- Laverton North distribution centre
- Truganina distribution centre
- Sales offices in NSW, SA, WA, QLD, TAS (home office) and ACT (home office)

The emissions included in our organisational boundary included an assessment of the direct (Scope 1) and indirect (Scope 2 and 3) electricity and fuel consumption from:

- Operation and maintenance (plant, equipment parts and repairs) of its manufacturing facilities
- Electricity and fuel use from logistics and distribution centres
- Electricity from owned and leased sales offices
- Fuel from company owned and fleet vehicles, including maintenance
- Employee travel including business travel (flights, accommodation, hire vehicles) and employee commuting to and from manufacturing, sales and distribution facilities for work
- Other supporting products and services including emissions associated with recycling and waste disposal and water supply

As we have applied for the Climate Active Organisation Standard, our boundary does not include greenhouse gas emissions associated with the Climate Active Products and Services Standard, and as such the following emissions have been excluded:

- Distribution, customer use, and disposal of Godfrey Hirst's products and services
- Manufacture and supply of raw materials used to manufacture our products

Organisation description

Godfrey Hirst is the largest carpet manufacturer and hard flooring distributor in Australia, employing 530 staff across several manufacturing, warehouse, sales and support offices Australia wide. As the Oceanic subsidiary of Mohawk Industries, the world’s largest flooring company, we belong to a global network of leading products, brands and world-class manufacturing.

Believe in Better¹ is our sustainability philosophy, where we continuously challenge ourselves to not only reduce our environmental and social impact but seek ways to give back and improve the lives of others throughout everything we do. As part of the world’s largest flooring manufacturer, we feel a profound sense of responsibility to advance our shared mission of a more sustainable future. Locally, we realise the importance of leading our industry with voluntary carbon neutral operations under the Climate Active Organisation Standard.

Drawing on over 150 years of manufacturing experience in Australia, Godfrey Hirst is committed to designing, creating and supplying high quality floorcoverings that contribute to a more beautiful, comfortable and sustainable world.

Every day, thousands of meters of carpet are produced in our facilities in Australia. Our carpet and hard flooring set the safe, comfortable, and beautiful interior foundation for millions of residential homes. Commercially, our vast, locally stocked inventory of running line products, custom capability, and market leading production technology contributes to major projects in all market segments across workspace, retail, hospitality, healthcare, education, public space and multi-residential in Australia, New Zealand and around the globe.

Godfrey Hirst Australia Pty Ltd is a wholly owned subsidiary of Premium Floors Australia Pty Ltd, the operational subsidiary of Unilin Group, Belgium and Mohawk Industries Inc USA.

Feltex Carpets Ltd is a wholly owned subsidiary of Godfrey Hirst Australia Pty Ltd and all its operations are also covered within the emissions boundary within this report.

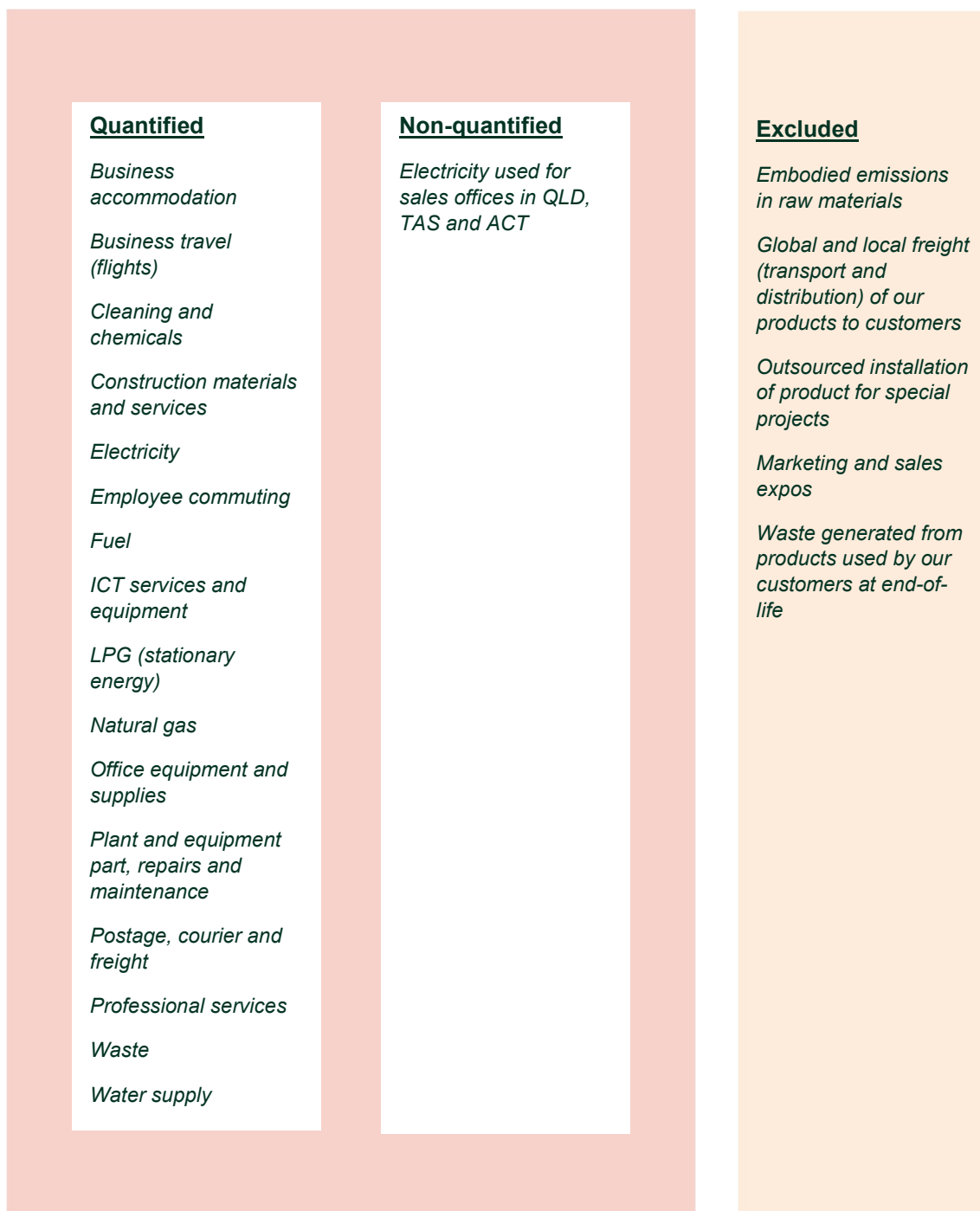


¹<https://www.ghcommercial.com/sustainability>

2. EMISSION BOUNDARY

Diagram of the certification boundary

The following diagram shows the direct (Scope 1) and indirect (Scope 2 and 3) emission sources that were considered from the operations of our business. The following diagram depicts quantified sources, non-quantified sources and excluded sources that have formed part of our inventory for the Climate Active Organisation Standard.



Non-quantified sources

Non-quantified emission sources included electricity used for sales offices in QLD, TAS and ACT are immaterial and therefore did not form part of the assessment of the operational emission profile of our operations.

Excluded sources (outside of certification boundary)

The following emission sources have been excluded from the Organisational boundary as they satisfy the exclusion condition using the relevance test as per the Climate Active Organisation Standard:

- Raw material inputs/embodied emissions from the manufacturer of our products
- Global and local freight (transport and distribution) of our products to customers
- Outsourced installation contractors for our products
- Marketing and sales expos
- Waste generated from products used by our customers at end-of-life

“Climate Active frameworks and guidance documents ensure consistent and rigorous reporting across all certified organisations.”

3. EMISSIONS SUMMARY

Emissions reduction strategy

Sustainability is a moral imperative that guides our work, from product design, right through to delivery. Through our parent company, we are aiming to reduce our impact in line with the Paris Agreement² to keep global warming below 1.5°C. Certification under Climate Active substantiates our commitment to achieving net zero operational emissions and furthers our *Believe in Better* philosophy.

The following strategic pillars and targets guide our efforts:

Circularity (Product Stewardship³):

- Diverting end of life materials from landfill for reuse and recycling
 - 100% of new products recyclable by 2030
 - 20% of end-of-life products being recycled by 2030
- Increasing recycled and renewable materials in production
 - 70% recycled content for carpet tiles by 2030
 - 20% recycled or biobased material by 2030

Climate (Resource Stewardship⁴):

- CO₂-e neutral operations in Australia by 2021
- Scope 1 & 2 emissions absolute reduction of 30% by 2030
- Scope 3 emissions reduction of 10% by 2030
 - Upstream: Work with supply chain to reduce virgin raw materials and introduce recycled content as above
 - Downstream: Manufacture recyclable products that require less water and generate less emissions to manufacture and maintain, as above.
- Resource stewardship
 - 80% reduction of pre-consumer waste to landfill by 2030

People (Doing Better Together⁵):

- Safety, health and wellbeing, positive societal impacts and support of UN sustainable development goals⁶.
- Socially just and equitable supply chain
 - 60% hard flooring Green Tag certified by 2030
 - 80% of Timber products PEFC certified by 2030
- Product Transparency⁷ and Material Health⁸
 - 100% of carpets Declare Red List Free certified by 2030
 - 100% of carpets at <10 ug/m³ FH VOC by 2021

Innovation (Local Manufacturing⁹):

- Implementing the above framework across all new product development e.g.
 - Can we design product that is recyclable at end of life?
 - Can we use recycled materials that meet our material health certifications?
 - Can we take the product back under our product stewardship program?
 - Can we incorporate biophilic design¹⁰?
 - Can we create a positive societal impact by supporting organisations that make our communities better places to live and work along the way?

“Locally, we realise the importance of leading our industry with voluntary carbon neutral operations under the Climate Active Organisation Standard.”

²<https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

³<https://www.ghcommercial.com/sustainability/product-stewardship>

⁴<https://www.ghcommercial.com/sustainability/resource-stewardship>

⁵<https://www.ghcommercial.com/sustainability/doing-better-together>

⁶<https://sdgs.un.org/goals>

⁷<https://www.ghcommercial.com/sustainability/product-transparency>

⁸<https://www.ghcommercial.com/sustainability/material-health>

⁹<https://www.ghcommercial.com/sustainability/local-manufacturing>

¹⁰<https://www.ghcommercial.com/sustainability/biophilic-design>

Emissions summary (inventory)

Table 2

Emission source category	Tonnes CO ₂ -e
Business accommodation	19
Business travel (flights)	30
Cleaning and chemicals	43
Construction materials and services	160
Electricity (Net market-based consumption)	6,743
Employee commuting	391
Fuel	652
ICT Services and Equipment	326
LPG (Stationary energy)	11
Natural gas	4,231
Office equipment and supplies	531
Plant and equipment part and repairs and maintenance	1,396
Postage, courier and freight	1,216
Professional services	607
Waste	1,075
Water supply	155
<i>Total Net Emissions</i>	17,585

Uplift factors

Table 3

Reason for uplift factor	Tonnes CO ₂ -e
Not Applicable	0
<i>Total footprint to offset (uplift factors + net emissions)</i>	0

Carbon neutral products

During the 2020 calendar year we purchased Carbon neutral copy paper from Winc for all of our internal office copy and printing needs. No emissions associated with this product have been included in the organisational boundary or inventory. As this is our first report, we are actively working with suppliers to incorporate additional carbon neutral products within our supply chain.

Electricity summary

Electricity was calculated using a market-based approach.

Market-based approach summary

Table 4

Market-based approach	Activity Data (kWh)	Emissions (kgCO ₂ e)	Renewable %
Behind the meter consumption of electricity generated	0	0	0.0%
Total non-grid electricity	0	0	0.0%
LGC purchased and retired (kWh) (including PPAs)	0	0	0.0%
Green power	0	0	0.0%
Jurisdictional renewables	0	0	0.0%
Residual electricity	6,253,769	6,742,817	0.0%
Large-scale Renewable Energy Target (applied to grid electricity only)	1,496,595	0	19.3%
Total grid electricity	7,750,364	6,742,817	19.3%
Total electricity consumed (grid + non grid)	7,750,364	6,742,817	19.3%
Electricity renewables	1,496,595	0	
Residual electricity	6,253,769	6,742,817	
Exported on-site generated electricity	0	0	
Emission footprint (kgCO ₂ e)		6,742,817	

Emission footprint (TCO₂e)	6,743
LRET renewables	19.3%
Voluntary renewable electricity	0.0%
Total renewables	19.3%

Location-based approach summary

Table 5

Location-based approach	Activity Data (kWh)	Emissions (kgCO ₂ e)
ACT	0	0
NSW	42,391	38,152
SA	8,486	4,413
Vic	7,692,250	8,384,552
Qld	0	0
NT	0	0
WA	7,237	5,066
Tas	0	0
Grid electricity (scope 2 and 3)	7,750,364	8,432,183
ACT	0	0
NSW	0	0
SA	0	0
Vic	0	0
Qld	0	0
NT	0	0

WA	0	0
Tas	0	0
Non-grid electricity (Behind the meter)	0	0
Total electricity consumed	7,750,364	8,432,183
Emission footprint (TCO2e)	8,432	

5. CARBON OFFSETS

Offsets strategy

Offset purchasing strategy:

As this is our first year of being certified carbon neutral, we are offsetting in arrears for the 2020 reporting period as per the emissions summary table. We are also carrying over an allocation for the 2021 period. The forward offsets are a result of finetuning our 2020 emissions summary through independent audit, in line with the Climate Active Organisation Standard.

Arrears purchasing Summary

1. Total offsets previously forward purchased and banked for this report	0
2. Total emissions liability to offset for this report	17,585
3. Net offset balance for this reporting period	17,585
4. Total offsets to be forward purchased to offset the next reporting period	495
5. Total offsets required for this report	18,080

Co-benefits

Carbon Conscious Carbon Capture Project 1¹¹ – Australian Carbon Credit Units

5,700ha of reforestation is contained on 14 properties within the Central and Northern Agricultural Regions of Western Australia. From 2009 to 2010 over 6,000,000 native species mallee trees were planted on land previously cleared for dryland cropping and grazing. Registration as a Carbon Farming Initiative Project included commitment to maintain the project forest for a minimum 100 years. The Company's property rights to sequestered carbon are enshrined by Carbon Rights and Tree Plantation Agreements, and the Project is registered to continue producing ACCUs until 2039. This project represents 5.5% of our total carbon offsets retired and 48% of our voluntary carbon offset cost for 2020.

The regions that contain the project areas were recognised as significantly over-cleared, and the reforestation is providing protective habitat for native flora and fauna, reducing wind and water erosion and in some cases, reducing soil salinity and providing a useful environment for sheep and honeybees.

The project supports UN Sustainability Development Goals 13 - Climate Action: To take urgent action to combat climate change and its impacts and 15 - Life on Land: To protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

¹¹[Carbon Conscious Capture Project 1 EOP100636](#)



Hubei Duhe Pankou Hydropower Plant¹² – Certified Emission Reductions

The Hubei Duhe Pankou Hydropower Plant is located on Du River, in Zhushan County, northwest of Hubei Province, China. The plant utilises water resources of the Du River for electricity generation through 500MW of hydro turbines, delivering an annual average of over 1 million MWh of electricity to the Central China Power Grid. This project represents 94.5% of our total carbon offsets retired and 52% of our voluntary carbon offset cost for 2020.

The project supports UN Sustainability Development Goal 13 - Climate Action: To take urgent action to combat climate change. Local electricity demand was previously supplied by the Hubei Grid, comprised predominantly of non-renewable coal power plants. This hydropower plant reduces the emission of greenhouse gases by replacing traditional thermal power with renewable hydropower.

Goal 8 - Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all its impacts. This hydropower plant promotes large scale local economic development during both construction and ongoing operation, creating new employment opportunities and helping to improve the livelihood of local residents.



¹²<https://cdm.unfccc.int/Projects/DB/JACO1340762224.99/view>

Offsets summary

1. Total offsets required for this report				17,585					
2. Offsets retired in previous reports and used in this report				0 – this is our first report					
3. Net offsets required for this report				17,585					
Project description	Eligible offset units type	Registry unit retired in	Date retired	Serial number (including hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO2-e)	Quantity used for previous report	Quantity to be banked for future years	Quantity to be used this report
Hubei Duhe Pankou Hydropower Plant	CERs	Australian National Registry of Emissions units	3/06/2021	1,087,180,422 – 1,087,185,421 1,087,536,005 – 1,087,548,084 Project fact sheet	CP2 (2013-2016)	17,080	0	0	17,080
Carbon Conscious Carbon Capture Project 1	ACCU	Australian National Registry of Emissions units	3/06/2021	3,752,024,328 - 3,752,025,327 Registry link	2016-17	1,000	0	495	505
Total offsets retired this report and used in this report							17,585		
Total offsets retired this report and banked for future reports							495		
Type of offset units				Quantity (used for this	Percentage of Total				

	reporting period claim)	
Australian Carbon Credit Units (ACCUs)	505	3%
Certified Emissions Reductions (CERs)	17,080	97%

6. USE OF TRADEMARK

Description where trademark used	Logo type
Website	Certified Organisation
Social media	Certified Organisation
Advertising	Certified Organisation
Email signature	Certified Organisation
Sustainability report	Certified Organisation
Key buildings	Certified Organisation

7. ADDITIONAL INFORMATION

For detail of how we have gone beyond the sustainability requirements of Climate Active Carbon Neutral Standard for Organisations, refer to our latest Sustainability information at

<https://www.ghcommercial.com/sustainability>

APPENDIX 1

Excluded emissions

The following table shows the excluded emissions as deemed relevant by meeting two of the five relevance criteria. Excluded emissions are detailed below against each of the five criteria.

Table 9

Relevance test					
Excluded emission sources	<i>The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions</i>	<i>The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.</i>	<i>Key stakeholders deem the emissions from a particular source are relevant.</i>	<i>The responsible entity has the potential to influence the reduction of emissions from a particular source.</i>	<i>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.</i>
Raw material inputs/embodied emissions from the manufacturer of our products	Yes	No	No	No	No
Global and local freight (transport and distribution) of our products to customers	Yes	No	No	No	No
Outsourced installation contractors for our products	No	No	No	Yes	No
Marketing and sales expos	No	No	No	No	No

Waste generated as a result of product used by our customers at end-of-life	No	No	No	No	No
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APPENDIX 2

Non-quantified emissions for organisations

Please advise which of the reasons applies to each of your non-quantified emissions. You may add rows if required.

Table 10

Non-quantification test				
Relevant-non-quantified emission sources	<i>Immaterial <1% for individual items and no more than 5% collectively</i>	<i>Quantification is not cost effective relative to the size of the emission but uplift applied.</i>	<i>Data unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.</i>	<i>Initial emissions non-quantified but repairs and replacements quantified</i>
Electricity used for sales offices in QLD, TAS and ACT	Yes	No	No	No



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