



PUBLIC DISCLOSURE STATEMENT

GODFREY HIRST AUSTRALIA PTY LTD

ORGANISATION CERTIFICATION

CY2021

Australian Government

Climate Active Public Disclosure Statement



NAME OF CERTIFIED ENTITY	Godfrey Hirst Australia Pty Ltd
REPORTING PERIOD	1 January 2021 – 31 December 2021 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>Jane Fletcher Director/COO Date: 27/10/2022</p>



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

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Version September 2021. To be used for FY20/21 reporting onwards.

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	16,692 tCO ₂ -e
OFFSETS BOUGHT	3% ACCUs & 97% CERs
RENEWABLE ELECTRICITY	18.54%
TECHNICAL ASSESSMENT	Date: 26 July 2021 Name: Damien Wigley Organisation: Equilibrium OMG Pty Ltd Next technical assessment due: CY2023

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2. CARBON NEUTRAL INFORMATION

Description of certification

This public disclosure statement (PDS) supports the Australian business operations of Godfrey Hirst Australia Pty Ltd (ABN 58 000 849 758) and its wholly owned subsidiary Feltex Carpets Pty Ltd (ABN 60 068 166 843) seeking certification as carbon neutral 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 center
- 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 centers
- 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.

The emissions boundary and therefore the certification covers the Australian business operations of Godfrey Hirst Australia Pty Ltd ABN 58 000 849 758 and its wholly owned subsidiary Feltex Carpets Ltd ABN 60 068 166 843.

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



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



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.

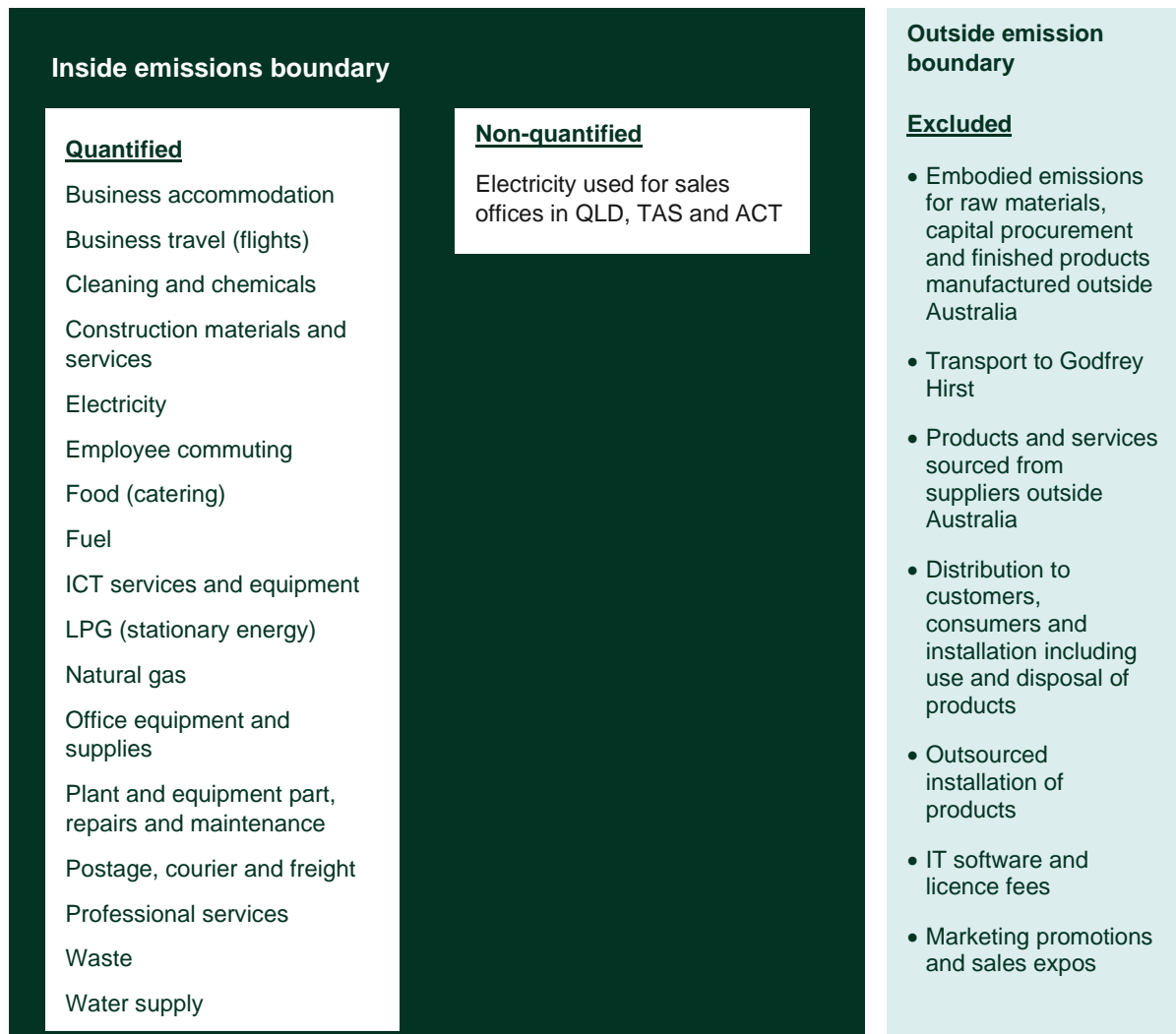
Non-quantified emissions have been assessed as relevant and are captured within the emissions boundary but are not measured (quantified) in the carbon inventory.

Outside the emissions boundary

Excluded emissions are those that have been assessed as not relevant to our operations and are outside of the emissions boundary or are outside of the scope of the certification. These emissions are not part of the carbon neutral claim.

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.



Data management plan for non-quantified sources

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

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

4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Sustainability is a moral imperative that guides our work, from product design, right through to delivery. As part of Unilin Group, 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
 - 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

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

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?

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 reduction actions

Godfrey Hirst Australia's total greenhouse gas emissions have been impacted by both COVID-19 related factors and increased production for the CY2021 period. Godfrey Hirst Australia has implemented several initial emission reduction actions throughout this period, including:

- Installation of a 99.9kW solar system – capable of generating up to 121MWh per annum. The facility's roof design was ideal for an initial installation of 220 solar panels. The 99.9kw system is capable of powering over half the warehouse, generating clean, green energy, and reducing our reliance on non-renewable sources is a win-win, while measurably reducing our overall operating costs. The system generates up to 333 kWh per day and can offset up to 70% of daytime Electricity (44%+ of total electricity consumption at the site) for the 14,402m² centralised distribution center capable of storing over 1 million square meters of commercial flooring, including carpet tiles and planks, vinyl planks, engineered timber, hybrid and laminate products. Any surplus solar not consumed by the plant was exported to the grid

More info: www.ghcommercial.com/sustainability

- Completed the construction of new yarn warehousing facility, measuring 11, 588m² with a total storage capacity in excess of 4,500 tonnes of yarn. Godfrey Hirst Australia made the decision to increase the total raw material storage, ensuring that a minimum 3-month stock can be maintained, as well as improving operational efficiency by storing raw materials at our largest manufacturing site. Resulting in reduced emissions from the transport of yarn between our South Geelong and North Geelong facilities.
- Engaged with third parties to develop a comprehensive framework for supplier collaboration, to raise awareness and support procurement decisions relating to environmental, social and governance (ESG) criteria.

- Updated Godfrey Hirst Australia's environmental Objectives and Targets to recognise the commitment to SBTi, with the inclusion of our absolute and relative emission reduction targets outlined above (Page 8).

Please refer to Godfrey Hirst Australia's previous public disclosure statement for CY2020 on Climate Active's website for more information on our previous reporting periods.

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year		Total tCO ₂ -e
Base year: Year 1:	2020	17,585
Year 2:	2021	16,691

Significant changes in emissions

Based on the current accounts the emissions have decreased by 8%, however we increased production year on year by 7%. We are proud of this achievement and we're expecting to continue to see a differential between production and emissions as we undertake and realise more of our medium to long term reduction goals set out on Page 8.

The following table outlines the significant changes in emissions and a detailed reason for the change.

Emission source name	Current year (tCO ₂ -e and/ or activity data)	Previous year (tCO ₂ -e and/ or activity data)	Detailed reason for change
Machinery and equipment repairs and maintenance services	1,000 tonnes	894 tonnes	12 % increase in emissions due to increased production
Electricity consumption	6,397 tonnes	6,743 tonnes	5% decrease in emissions due to change of product categories resulting in less electricity use.
Natural Gas consumption	4,344 tonnes	4,231 tonnes	3% increase in emissions due to increased production overall
Commercial and Industrial Waste	926 tonnes	1,073 tonnes	14% decrease in emissions due to less waste generated for disposal activities.

Use of Climate Active carbon neutral products and services

During the 2021 calendar year we purchased Carbon Neutral (certified through Climate Active) 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. We are actively working with suppliers to incorporate additional carbon neutral products within our supply chain.

Organisation emissions summary

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

Emission category	Sum of total emissions (tCO ₂ -e)
Accommodation and facilities	11
Cleaning and Chemicals	35
Construction Materials and Services	104
Electricity	6,397
Food	24
ICT services and equipment	436
Machinery and vehicles	1,311
Office equipment & supplies	108
Postage, courier and freight	874
Professional Services	541
Stationary Energy (gaseous fuels)	4,345
Stationary Energy (liquid fuels)	10
Transport (Air)	25
Transport (Land and Sea)	1,207
Waste	929
Water	296
Working from home	39
Total	16,692

6. CARBON OFFSETS

Offsets strategy

The following table describes the offset strategy employed by Godfrey Hirst Australia

In arrears		
1.	Total number of eligible offsets banked from last year's report	495
2.	Total emissions footprint to offset for this report	16,692
3.	Total eligible offsets required for this report	16,197
4.	Total eligible offsets purchased and retired for this report	17,500
5.	Total eligible offsets banked to use toward next year's report	1,303

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 2.8% of our total carbon offsets retired and our voluntary carbon offset cost for 2021.

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](#)

Qinghai Maqin Gequ Level 2 Hydropower Station¹² – Certified Emission Reductions

The Qinghai Maqin Gequ Level 2 Hydropower Station is located in the Maqin County, Guoluo Zang Autonomous Prefecture, Qinghai Province, P.R. China. The plant utilises water resources of the Qinghai Maqin Gequ River for electricity generation through 48MW of hydro turbines, delivering an annual average of over 250,000 MWh of electricity to the Northwest China Power Grid (NWPG). This project represents 97.2% of our total carbon offsets retired and our voluntary carbon offset cost for 2021.

The project supports UN Sustainability Development Goal 7 – Affordable and Clean Energy. The project provides access to renewable energy and promotes investment in energy infrastructure and clean energy technology

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.

Goal 9 – Industry, Innovation, and Infrastructure. The project has facilitated greater adoption of clean and environmentally sound technologies and industrial processes.

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.

The Project provided 27 job opportunities throughout the operating period, and these employment opportunities are helpful for the local people to improve their living standards.



¹²[CDM: Qinghai Maqin Gequ Level 2 Hydropower Station \(unfccc.int\)](#)

Offsets summary

Proof of cancellation of offset units

Offsets cancelled for Climate Active Carbon Neutral Certification										
Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Eligible quantity (tCO ₂ -e)	Quantity used for previous reporting periods	Quantity banked for future reporting periods	Quantity used for this reporting period claim	Percentage of total (%)
Carbon Conscious Carbon Capture Project 1	ACCU	Australian National Registry of Emissions Units	3/06/2021	3,752,024,328 - 3,752,025,327	2016-17	1,000	505	0	495	3%
Qinghai Maqin Gequ Level 2 Hydropower Station	CER	Swiss Emissions Trading Registry	24/03/2022	1127762744 - 1127780243	CP2	17,500	0	1,303	16,197	97%
Total offsets retired this report and used in this report									16,692	
Total offsets retired this report and banked for future reports								1,303		
Type of offset units		Quantity (used for this reporting period claim)					Percentage of total			
Australian Carbon Credit Units (ACCU)		495					3%			
Certified Emissions Reductions (CERs)		16,197					97%			

APPENDIX A: 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>

Offset retirement certificate:



GREENENERGY
GPO

CARBON OFFSET RETIREMENT CERTIFICATE

MARCH 24, 2022

Godfrey Hirst Australia Pty Ltd

This Retirement Certificate denotes that Godfrey Hirst Australia Pty Ltd has purchased verified carbon offsets for 17,500 MTCO₂e of Climate Active eligible carbon credits from the Qinghai Maqin Gequ Level 2 Hydropower Station Project (CDM 7507) from Vintage 2013 or newer offsets..

This Retirement Certificate and the accompanying verification process are issued based on the expert, credentialed, and independent opinion(s) of the GreenEnergy GPO Verification Team.

SERIAL NUMBER

START BLOCK: 1127762744

END BLOCK: 1127780243

These Certified Emissions Reductions were retired on behalf of Godfrey Hirst Australia Pty Ltd in the Clean Development Mechanism (CDM) registry on March 4, 2022.

LANA CARMICHAEL
MANAGING DIRECTOR

APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a market-based approach.

Location-based method

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

Market-based method

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

Market-based approach summary

Market-based approach	Activity data (kWh)	Emissions (kgCO ₂ -e)	Renewable % of total
Behind the meter consumption of electricity generated	0	0	0
Total non-grid electricity	0	0	0
LGC purchased and retired (kWh) (including PPAs & Precinct LGCs)	0	0	0
GreenPower	0	0	0
Jurisdictional renewables (LGCs retired)	0	0	0
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0
Large Scale Renewable Energy Target (applied to grid electricity only)	1,464,282	0	19%
Residual electricity	6,433,677	6,397,347	0
Total grid electricity	7,897,959	6,397,347	19%
Total electricity consumed (grid + non grid)	7,897,959	6,397,347	19%
Electricity renewables	1,464,282	0	
Residual electricity	6,433,677	6,397,347	
Exported on-site generated electricity	0	0	
Emission footprint (kgCO ₂ -e)		6,397,347	

Total renewables (grid and non-grid)	18.54%
Mandatory	18.54%
Voluntary	0.00%
Behind the meter	0.00%
Residual electricity emission footprint (tCO₂-e)	6,397

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

Location-based approach summary

Location-based approach	Activity Data (kWh)	Scope 2 Emissions (kgCO ₂ -e)	Scope 3 Emissions (kgCO ₂ -e)
ACT	0	0	0
NSW	41,023	31,998	2,872
SA	8,006	2,402	560
VIC	7,842,203	7,136,405	784,220
QLD	0	0	0
NT	0	0	0
WA	6,727	4,507	67
TAS	0	0	0
Grid electricity (scope 2 and 3)	7,897,959	7,175,312	787,720
ACT	0	0	0
NSW	0	0	0
SA	0	0	0
VIC	0	0	0
QLD	0	0	0
NT	0	0	0
WA	0	0	0
TAS	0	0	0
Non-grid electricity (Behind the meter)	0	0	0
Total Electricity Consumed	7,897,959	7,175,312	787,720
Emission Footprint (tCO₂-e)	7,963		
Scope 2 Emissions (tCO ₂ -e)	7175		
Scope 3 Emissions (tCO ₂ -e)	788		

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following sources emissions have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. These emissions are accounted for through an uplift factor. They have been non-quantified due to one of the following reasons:

1. **Immaterial** <1% for individual items and no more than 5% collectively
2. **Cost effective** Quantification is not cost effective relative to the size of the emission but uplift applied.
3. **Data unavailable** Data is unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.
4. **Maintenance** Initial emissions non-quantified but repairs and replacements quantified.

Relevant-non-quantified emission sources	(1) Immaterial	(2) Cost effective (but uplift applied)	(3) Data unavailable (but uplift applied & data plan in place)	(4) Maintenance
Electricity used for sales offices in QLD, TAS and ACT	Yes	No	No	No

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary. These emissions are not part of the carbon neutral claim. Emission sources considered for relevance must be included within the certification boundary if they meet two of the five relevance criteria. Those which only meet one condition of the relevance test can be excluded from the certification boundary.

Emissions tested for relevance are detailed below against each of the following criteria:

1. **Size** The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions
2. **Influence** The responsible entity has the potential to influence the reduction of emissions from a particular source.
3. **Risk** The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
4. **Stakeholders** Key stakeholders deem the emissions from a particular source are relevant.
5. **Outsourcing** The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

Emission sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
Embodied emissions for raw materials, capital procurement and finished products manufactured outside Australia	Yes	No	No	No	No	No
Transport to Godfrey Hirst	Yes	No	No	No	No	No
Products and services sourced from suppliers outside Australia	No	No	No	No	No	No
Distribution to customers, consumers and installation including use and disposal of products	No	No	No	No	No	No
Outsourced installation of products	No	No	No	No	No	No
IT software and licence fees	No	No	No	No	No	No
Marketing promotions and sales expos	No	No	No	No	No	No



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