PUBLIC DISCLOSURE STATEMENT

HEARTWOOD NATURAL HARMONY

ORGANISATION CERTIFICATION
CY2022

Australian Government

Climate Active
Public Disclosure Statement

HEARTWOOD
NATURAL HARMONY

An Australian Government Initiative

Climate Active

NAME OF CERTIFIED ENTITY	Heartwood Natural Harmony Pty Ltd
REPORTING PERIOD	1 January 2022 – 31 December 2022
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.* *Alex Wilson*
	Alex Wilson Director 10/5/23

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

Version March 2023.

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	20 tCO_2-e
OFFSETS USED	100% ACCUs
RENEWABLE ELECTRICITY	N/A
CARBON ACCOUNT	Prepared by: Heartwood
TECHNICAL ASSESSMENT	Small Organisation not required
THIRD PARTY VALIDATION	Type 1 Date 26/5/23 Katherine Simmons, Krea Consulting

Contents

2.CARBON NEUTRAL INFORMATION

Description of certification

This inventory has been prepared for the Calendar year,1st January 2022 to 31st December 2022 and covers the Australian business operations of Heartwood Natural Harmony Pty Ltd (ABN: 26 629 820 211).

It complies with the Climate Active Standard for Carbon Neutral Organisations and is based on the operational control approach to the measurement of greenhouse gases.

The certification does not include the embodied emission associated with products sold within the store.

Organisation description

Heartwood Natural Harmony is a multi-brand clean beauty retailer, specialising in Indian sandalwood wellbeing products and experiences. Heartwood sells over 80 clean beauty brands, amongst which our brand of Indian sandalwood products is the hero. Our products include Incense, perfume, skincare, jewellery and with services include facials, massages and the ability to make your own Eau de Parfum at an inhouse personalised perfume bar.

Heartwood has one location at 35A Napoleon Street, Cottesloe WA 6011.

3. EMISSIONS BOUNDARY

This is a small organisation certification, which uses the standard Climate Active small organisation emissions boundary.

Inside the emissions boundary

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

Quantified emissions have been assessed as relevant and are quantified in the carbon inventory. This may include emissions that are not identified as arising due to the operations of the certified entity, however are **optionally included**.

Non-quantified emissions have been assessed as relevant and are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. All material emissions are accounted for through an uplift factor. Further detail is available at Appendix C.

Outside the emissions boundary

Excluded emissions are those that have been assessed as not relevant to an organisation's operations and are outside of its emissions boundary or are outside of the scope of the certification. These emissions are not part of the carbon neutral claim. Further detail is available at Appendix D.

Inside emissions boundary

Quantified

- Stationary energy and fuels
- Electricity
- Accommodation
- Carbon neutral products and services
- Cleaning and chemicals
- Food
- ICT services and equipment
- Professional services
- Office equipment and supplies
- Postage, courier and freight
- Refrigerants
- Transport (land and sea)
- Waste
- Water

Non-quantified

N/A

Optionally included

N/A

Outside emission boundary

Excluded

Embodied emissions associated with third party products and goods sold by Heartwood.

4.EMISSIONS REDUCTIONS

Emissions reduction strategy

Heartwood has a modest carbon footprint with many measures already undertaken to reduce its carbon emissions.

Heartwood commits to a 10% reduction of its carbon emissions to revenue intensity by 2027 based on a 2022 base year.

The emissions intensity in 2022 per $10,000 was 0.21

Heartwood will meet its commitments by:

- Turning off towel warmers when possible.
- Reducing AC use, ensuring system is turned off at night, setting appropriate temperature points and prioritizing the use of the smaller energy efficiency split system installed rather than the older larger unit.
- Ensuring renovations take energy efficiency and thermal performance principles into account.
- Talking to their landlord about installing solar panels.
- Exploring the upgrade of window lights left on overnight to LEDs.
- Getting staff to carpool to work where feasible.

5.EMISSIONS SUMMARY

Emissions summary

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

Emission category	Sum of scope 1 (tCO_2-e)	Sum of scope 2 (tCO_2-e)	Sum of scope 3 (tCO_2-e)	Sum of total emissions (t CO_2-e)
Accommodation	0.00	0.00	0.00	0.00
Carbon neutral products and services	0.00	0.00	0.00	0.00
Cleaning and chemicals	0.00	0.00	0.00	0.00
Electricity	0.00	8.80	0.69	9.49
ICT services and equipment	0.00	0.00	0.59	0.59
Office equipment & supplies	0.00	0.00	1.10	1.10
Postage, courier and freight	0.00	0.00	0.41	0.41
Professional Services	0.00	0.00	0.16	0.16
Refrigerants	0.60	0.00	0.00	0.60
Stationary energy	0.00	0.00	0.00	0.00
Transport (Land and Sea)	2.53	0.00	0.64	3.18
Waste	0.00	0.00	2.96	2.96
Water	0.00	0.00	0.22	0.22
Total emissions	**0.00**	**0.00**	**0.00**	**18.70**

Uplift factors

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

Reason for uplift factor	tCO_2-e
mandatory 5% uplift for small organisations	0.935
Total of all uplift factors	0.935
Total emissions footprint to offset *(total emissions from summary table + total of all uplift factors)*	**19.64**

6. CARBON OFFSETS

Offsets retirement approach

This certification has taken an in-arrears offsetting approach. The total emission to offset is 20t CO_2-e. The total number of eligible offsets used in this report is 20. Of the total eligible offsets used, 0 were previously banked and 20 were newly purchased and retired. 0 are remaining and have been banked for future use.

Co-benefits

Arnhem Land Fire Abatement

Combining traditional Indigenous knowledge with modern technologies, controlled savanna fire management is one of the Clean Energy Regulator's carbon abatement methods. Early dry season burning creates a patchwork of firebreaks that can limit the number and size of destructive late-season wildfires. The savanna fire management methods aim to reduce the frequency and severity of late dry season fires in savannas, resulting in fewer greenhouse gas emissions. The 2018 method also credits for increased carbon stored in the landscape as a result of the change in fire patterns.

“The scheme provides a source of funding for Traditional Owners to be able to realise their aspirations for Country,” Arnhem Land Fire Abatement (ALFA) Chief Executive Officer, Dr Jennifer Ansell, said.

“Undertaking fire management in a way that is culturally responsive requires extensive funds - it's employing people, getting people out on remote Country, and doing it in a way that people are in control of, in charge of and making decisions around.”

ALFA was created by Traditional Owners and Aboriginal ranger groups in western Arnhem Land involved in the operation of the West Arnhem Land Fire Abatement (WALFA) project - the first savanna fire abatement project anywhere in the world, covering 28,000 square kilometres of land.

Today, ALFA has grown to support multiple project partners in Arnhem Land in their engagement in the carbon industry, working to protect, preserve, and care for the environment through bushfire management activities across over 80,000 square kilometres of land.

The co-benefits of savanna fire management projects are extensive. For ALFA, the flow-on positive effects for Traditional Owners in Arnhem Land can be seen across a range of environmental, cultural, social and economic co-benefits.

Clive Nunggarrgalu is a Traditional Landowner and ranger coordinator in south east Arnhem Land. He explains “Our ranger groups do the same thing every year for the fire season. We get together and catch up with all the Landowners to talk about what they want to do. If they want to come out to do burning, we can take them. If it's the Learning on Country (LoC) kids from school, we can take them out and show them the country and talk about everything that we do with the ranger group. We have Songlines all along, we talk about the Songlines and explain to the kids when they work with us.”

Since the company was created and WALFA was registered to participate, ALFA has expanded to support projects right throughout Arnhem Land. To date, ALFA has earned over 4,800,000 Australian carbon credit units (ACCUs) under savanna fire management methods. Each ACCU represents one tonne of carbon dioxide equivalent avoided by the project, and ACCUs earned can then be sold. Through the production and sale of carbon credits, ALFA has been able to fund its project partners to deliver community identified projects, such as recording rock art knowledge, cultural site maintenance, education, ecological monitoring

and women's ranger programs. There are benefits to Country through fire management, and benefits through the reinvestment of funds to other community priorities. “It has been incredible to see ALFA's project partners be able to have an independent income stream they can use to invest in their own projects and also to be able to use that income to leverage additional funds,” Dr Ansell said.

Traditional Owners in the Warddeken Indigenous Protected Area, which makes up nearly half of the WALFA project, used carbon credit income and philanthropic funding to finance the creation and early operations of the Nawarddeken Academy. A unique model of bi-cultural, community-driven education in the remote communities of western Arnhem Land, the Nawarddeken Academy now operates three independent registered schools providing full-time education on country.

“The future is looking bright for the carbon industry. ALFA is particularly excited about the strengthening of climate policies, future method developments and the strong growth in the demand and price of ACCUs. The scheme allows ALFA to maximise opportunities to deliver funding to support project partners in Arnhem Land undertake savanna fire management as well as deliver of broader land management and community development aspirations,” Dr Ansell concluded.

Merepah Fire Project

Merepah Fire Project is located on Merepah Station, a pastoral lease west of Coen, Queensland, and started in 2013. The property lease is held by the Indigenous Land and Sea Corporation (ILSC), the ILSC is transitioning the lease over the next 5 to 10 years to Moompa Awu Aboriginal Corporation (MAAC), which represents the Traditional Owners of the property. The Merepah fire project is a combined effort between MAAC and ILSC including planned aerial burning with strategic ground burning and positioning of fire breaks, in conjunction with back burning and fire suppression when required.

The fire project is overseen by ILSC’s Carbon & Environment team, and operations are undertaken by ILSC’s Indigenous Station staff and MAAC with aerial burning support from Bush Heritage Australia’s Fire Coordinator, Richard Geddes. Traditional Owners (TOs) have been working on the station and becoming increasingly involved in the fire project over several years, this includes conducting firebreaks, road maintenance and aerial burning, as well as being involved in the cattle operations and day-to-day station operations. There are multiple benefits from this project: environmental, saving the grass for the cattle; cultural, preserving traditions; community involvement, the elders are happy with the burning project on the property and were involved by coming along to family meetings and culture camp (this was the health country plan meeting which involved 50 family members attending). There are two young family members working on the property full time, the others have been engaged in casual short-term contacts working on the station and involved in the family meeting. Once MAAC are fully managing the project, they aim to spend carbon trading revenue on: i) fire operations (helicopter hire, fuel, equipment etc.), ii) station equipment (tools, vehicles etc.) and iii) to set up a nature and culture ranger base and tourism centre on the property.

Eligible offsets retirement summary

Offsets retired for Climate Active Carbon Neutral Certification											
Project description	**Type of offset units**	**Registry**	**Date retired**	**Serial number (and hyperlink to registry transaction record)**	**Vintage**	**Stapled quantity**	**Eligible quantity retired (tCO_2-e)**	**Eligible quantity used for previous reporting periods**	**Eligible quantity banked for future reporting periods**	**Eligible quantity used for this reporting period**	**Percentage of total (%)**
Central Arnhem Land Fire Abatement Project (CALFA)	ACCU	ANREU	8 May 2023	3,785,079,499 – 3,785,079,502	2018-19	0	4	0	0	4	100%
Merepah Fire Project	ACCU	ANREU	8 May 2023	3,803,862,122 – 3,803,862,137	2020-21	0	16	0	0	16	100%
									Total eligible offsets retired and used for this report	20	
									Total eligible offsets retired this report and banked for use in future reports	0	

Type of offset units	Eligible quantity (used for this reporting period)	Percentage of total
Australian Carbon Credit Units (ACCUs)	20	100%

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 **location-based approach**

Market-based approach summary

Market-based approach	Activity Data (kWh)	Emissions (kg CO_2-e)	Renewable percentage of total
Behind the meter consumption of electricity generated	0	0	0%
Total non-grid electricity	**0**	**0**	**0%**
LGC Purchased and retired (kWh) (including PPAs)	0	0	0%
GreenPower	0	0	0%
Climate Active precinct/building (voluntary renewables)	0	0	0%
Precinct/Building (LRET)	0	0	0%
Precinct/Building jurisdictional renewables (LGCS surrendered)	0	0	0%
Electricity products (voluntary renewables)	0	0	0%
Electricity products (LRET)	0	0	0%
Electricity products jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	0	0	0%
Residual Electricity	14,038	13,407	0%
Total renewable electricity (grid + non grid)	**3,216**	**0**	**19%**
Total grid electricity	**17,255**	**13,407**	**19%**
Total electricity (grid + non grid)	**17,255**	**13,407**	**19%**
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	**14,038**	**13,407**	
Scope 2	12,397	11,840	
Scope 3 (includes T&D emissions from consumption under operational control)	1,641	1,567	
Residual electricity consumption not under operational control	**0**	**0**	
Scope 3	0	0	.

Total renewables (grid and non-grid)	**18.64%**
Mandatory	**18.64%**
Voluntary	**0.00%**
Behind the meter	**0.00%**
Residual scope 2 emissions (t CO_2-e)	**11.84**
Residual scope 3 emissions (t CO_2-e)	**1.57**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**11.84**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**1.57**
Total emissions liability (t CO_2-e)	**13.41**

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)**
ACT	0	0	0	0	0	0
NSW	0	0	0	0	0	0
SA	0	0	0	0	0	0
VIC	0	0	0	0	0	0
QLD	0	0	0	0	0	0
NT	0	0	0	0	0	0
WA	17,255	17,255	8,800	690	0	0
TAS	0	0	0	0	0	0
Grid electricity (scope 2 and 3)	**17,255**	**17,255**	**8,800**	**690**	**0**	**0**
ACT	0	0	0	0		
NSW	0	0	0	0		
SA	0	0	0	0		
VIC	0	0	0	0		
QLD	0	0	0	0		
NT	0	0	0	0		
WA	0	0	0	0		
TAS	0	0	0	0		
Non-grid electricity (behind the meter)	**0**	**0**	**0**	**0**		
Total electricity (grid + non grid)	**17,255**					

Residual scope 2 emissions (t CO_2-e)	**8.80**
Residual scope 3 emissions (t CO^2-e)	**0.69**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**8.80**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**0.69**
Total emissions liability	**9.49**

Operations in Climate Active buildings and precincts

Operations in Climate Active buildings and precincts	Electricity consumed in Climate Active certified building/precinct (kWh)	Emissions (kg CO_2-e)
N/A	**0**	**0**

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 product used	Electricity claimed from Climate Active electricity products (kWh)	Emissions (kg CO_2-e)
N/A	**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

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

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

Relevant non-quantified emission sources	Justification reason
N/A	

Data management plan for non-quantified sources

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

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

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

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

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

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

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

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

5. **Outsourcing** The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
N/A						**Size:** **Influence:** **Risk:** **Stakeholders:** **Outsourcing:**

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