



PUBLIC DISCLOSURE STATEMENT

LARK DISTILLING CO. LIMITED


**ORGANISATION CERTIFICATION
FY 2021-2022**

Australian Government
**Climate Active
Public Disclosure Statement**



An Australian Government Initiative



NAME OF CERTIFIED ENTITY	Lark Distilling Co. Limited
REPORTING PERIOD	Financial year 1 July 2021 – 30 June 2022
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>Iain Short CFO 03/10/23</p>



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

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1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	2,647 tCO ₂ -e
OFFSETS BOUGHT	100% ACCUs
RENEWABLE ELECTRICITY	N/A
TECHNICAL ASSESSMENT	Next technical assessment due: FY2023

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2. CARBON NEUTRAL INFORMATION

Description of certification

This certification is attributed to the Australian business operations of Lark Distilling Co. Limited, ABN 62 104 600 544 for the financial year from 1 July 2021 to 30 June 2022.

The operational boundary has been defined based on an operational control test, in accordance with the principles of the National Greenhouse and Energy Reporting Act 2007. This certification includes all staff, offices and distilleries in which Lark Distillery Co operates in Australia:

- Gin Bar (Level 1, 30 Argyle St, Hobart, TAS 7000)
- Lark Office (Level 1, 30 Argyle St, Hobart, TAS 7000)
- Lark Distillery (40 Denholms Road, Cambridge, TAS 7170)
- Nant Distillery (254 Nant Lane, Bothwell, TAS 7030)
- Cellar Door (14 Davey St, Hobart, TAS 7000)
- Brooke St Pier (12 Franklin Wharf, Hobart, TAS 7000)
- The Still (30 Argyle St, Hobart TAS 7000)
- Pontville (76 Shene Road, Pontville, TAS 7030)

The methods used for collating data, performing calculations, and presenting the carbon account are in accordance with the following standards:

- Climate Active Standards
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- National Greenhouse and Energy Reporting (Measurement) Determination 2008.

Organisation description

Lark Distilling Co. is a spirit producer based in Tasmania, with a Head Office located in the Hobart CBD. Our production facilities are located in Cambridge, Bothwell and Pontville and we have hospitality venues located on Argyle and Davey Streets in Hobart. We are a producer of Tasmania single malt whisky and Tasmanian gin.

The Lark Vision

Our ambition is to make Lark whisky a globally consumed, recognised, and loved Tasmanian brand icon that celebrates our connection to the craft, the community and each other.

“Tasmania’s climate is extremely important to the way we produce and develop our spirits. At Lark we believe it is our duty to reduce the impact we have on our local climate to preserve the conditions that have shaped our spirits, and brands, in the past so that we can continue to grow them into the future.”

The Reason We Exist

We are custodians of a Tasmanian icon charged with a global vision.

We envision a better future, a better solution, and a different approach, one where our journey is about the quiet pursuit of the extraordinary by honouring tradition whilst creating new meaning and layers to the Lark story.

Lark Distilling Co. is an ASX listed company comprising several wholly owned subsidiaries, largest of which are Lark Distillery, The Nant Distillery & Australian Whisky Holdings Services (an employee services entity). Head office for the group is located in Hobart, at 30 Argyle Street, with core assets located at both production facilities; 40 Denholms Road, Cambridge, 76 Shene Road, Pontville, and 254 Nant Lane, Bothwell.

3.EMISSIONS BOUNDARY

Inside the emissions boundary

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

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

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

Outside the emissions boundary

Excluded emissions are those that have been assessed as not relevant to an organisation's or precinct'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

Cleaning Services
Food & Catering
Telecommunications
Office Equipment
Printing & Stationery
Staff Clothing
Advertising
Waste
Business Accommodation
Business Flights
Fuel Used in Company Vehicles
Stationary Energy
Employee commute
Taxi & Rideshare
Electricity
Freight
Working From Home
Refrigerants
Water (supply and treatment)
Whisky & Gin Ingredients
Packaging
Software
Repair and maintenance
Peat burning

Non-quantified

N/A

Outside emission boundary

Excluded

Processing of sold products

Use of sold products

End-of-life treatment of sold products

Data management plan for non-quantified sources

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

4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Lark Distilling Co. continues to grow, especially due to the commissioning of the new Pontville facility with a total production capacity of approximately 1,000,000 L. As a result, we expect an increase in our total emissions but with a reduction in emissions per L. Environmental impact continues to be a key focus for our business activities.

We continue to strive to minimize our carbon footprint per litre of new make spirit (NMS). Lark aims to reduce its intensity-based emissions from scope 1, 2 and 3 emissions by 20% by 2030, compared to a 2022 baseline (5.9 kgCO₂-e/L sold gin and whisky). This is expected to be achieved through the following measures we intend to implement:

Scope 1 emissions will be reduced by:

- Target or action #1 – By 2030, have 100% green fuel used in all production facilities.

Scope 2 emissions will be reduced by:

- Target or action #1 — by 2025, Conduct an energy audit and develop an energy saving plan to reduce electricity consumption in all sites.
- Target or action #2 - by 2026, have 100% green electricity used in all production facilities.
- Target or action #3 – by 2030, install on-site renewable electricity generation system to power onsite bottling and coopering at the Pontville facility.

Scope 3 emissions will be reduced by:

- Target or action #1 – by 2024, use freight brokers delivering the most sustainable options for international freight over 250kg.
- Target or action #2 – by 2025, implement opt-in/out for option for "essential packaging only" for D2C and on-prem customers and offer a return scheme for bulk gin containers.
- Target or action #3 – by 2030, primary and secondary packaging to be 99% curbside recyclable

Emissions reduction actions

FY22 saw a slight increase in spirit production and total greenhouse gas emissions. However, we have seen a decrease in intensity-based emissions.

In FY21, our carbon footprint per litre produced was 6.47 kg CO₂-e. In FY22, this decreased by more than 10% resulting in 5.9 kg CO₂-e per litre produced. Using this calculation allows us to continue to scale the business and still provide a useful metric to measure our performance against.

FY22 emissions was a significantly impacted by improvements in data collection, changes in the methodology adopted to perform the calculations, and for the implementation of the emission reduction actions as following:

- Casks – re-coopered and reused casks and increased the average size of casks from 120L to 220L, reducing the need for purchased casks.
- Freight - worked with freight suppliers to provide more accurate freight reports.
- Malt – continued the work to improve yield, get the most out of all the raw material going into the process. We also recycled as much alcohol as possible to minimize the impact of the incoming raw materials, resulting in malt requirement decreased by 10% and lower water usage per kg of grain.
- Wastewater - we made improvements to our waste water treatment that has resulted in less water and treatment chemicals being used.
- Grain and ferment waste - all our spent grain and yeast are provided to local farmers.
- Botanicals – planned gin production around seasonal availability from local sources.
- Packaging – we focused on reusing and recycling as much packaging as possible:
 - we repack our finished goods into cardboard shippers we receive packaging materials in to reduce the amount of cardboard we need, and for paper and cardboard that cannot be used in this way, we shred it and use it as cushioning for our shippers through our Ecommerce channel.
 - we reuse all sampling and defect bottles to minimize glass waste.
 - and, we switched gin closures from non-recyclable to recyclable, having now all gin primary packaging recyclable.

5. EMISSIONS SUMMARY

Emissions over time

Emissions since base year		Total tCO ₂ -e
Base year:	2019-20	1,469.7
Year 2:	2020-21	2,613.0
Year 3 (Current):	2021-22	2,646.7

Significant changes in emissions

GHG emissions have increase compared to the previous financial years, mainly due to the improvements in data collection and GHG calculations, as well as an increase production and freight of the products.

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
Air freight (short haul)	221.27	15.56	Improved the methodology to calculate freight emissions, and more suppliers were included in the assessment than FY2021.
Advertising services	229.71	78.94	Increase spent on advertising services for new product promotion
Glass	302.67	189.08	The calculation methodology changed from an economic input/output approach to a weight based approached.
Malt	229.91	363.19	The calculation methodology changed from an economic input/output approach to a weight based approached.

Use of Climate Active carbon neutral products and services

Lark Distilling Co uses carbon neutral paper from Opal Australia Paper (Reflex).

Organisation 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 (tCO₂-e)	Sum of Scope 2 (tCO₂-e)	Sum of Scope 3 (tCO₂-e)	Sum of total emissions (tCO₂-e)
Accommodation and facilities	0.00	0.00	11.66	11.66
Cleaning and Chemicals	0.00	0.00	15.21	15.21
Construction Materials and Services	0.00	0.00	101.56	101.56
Electricity	0.00	283.59	0.00	283.59
Food	0.00	0.00	22.95	22.95
ICT services and equipment	0.00	0.00	11.99	11.99
Machinery and vehicles	0.00	0.00	28.26	28.26
Office equipment & supplies	0.00	0.00	3.23	3.23
Postage, courier and freight	0.00	0.00	349.94	349.94
Products	4.78	0.00	941.53	946.31
Professional Services	0.00	0.00	243.55	243.55
Refrigerants	7.96	0.00	0.00	7.96
Stationary Energy (gaseous fuels)	12.67	0.00	1.99	14.66
Stationary Energy (liquid fuels)	286.42	0.00	17.02	303.44
Transport (Air)	0.00	0.00	47.56	47.56
Transport (Land and Sea)	0.00	0.00	117.91	117.91
Waste	0.00	0.00	60.96	60.96
Water	0.00	0.00	71.40	71.40
Working from home	0.00	0.00	4.57	4.57
Grand Total	311.83	283.59	2,051.29	2,646.72

Uplift factors

N/A

6. CARBON OFFSETS

Offsets retirement approach

In arrears	
1. Total number of eligible offsets banked from last year's report	0
2. Total emissions footprint to offset for this report	2,647
3. Total eligible offsets required for this report	2,647
4. Total eligible offsets purchased and retired for this report	2,647
5. Total eligible offsets banked to use toward next year's report	0

Co-benefits

Garrawin Gumahah Regeneration Project

This project establishes permanent native forests through assisted regeneration from in-situ seed sources (including rootstock and lignotubers) on land that was cleared of vegetation and where regrowth was suppressed for at least 10 years prior to the project having commenced.

Eligible offsets retirement summary

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	Stapled quantity	Eligible quantity (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 (%)
Garrawin Gumahah Regeneration Project	ACCU	ANREU	05/04/2023	SN 8,342,076.197 8,342,078.613	2021-2022		2,417	0	0	2,417	91%
Garrawin Gumahah Regeneration Project	ACCU	ANREU	05/04/2023	SN 8,342,066.311 8,342,066.540	2021-2022		230	0	0	230	9%
Total offsets retired this report and used in this report										2,647	
Total offsets retired this report and banked for future reports									0		
Type of offset units		Quantity (used for this reporting period claim)					Percentage of total				
Australian Carbon Credit Units (ACCU)		2,647					100%				

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a location-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 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 & 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)	329,501	0	19%
Residual Electricity	1,442,963	1,435,696	0%
Total grid electricity	1,772,465	1,435,696	19%
Total Electricity Consumed (grid + non grid)	1,772,465	1,435,696	19%
Electricity renewables	329,501	0	
Residual Electricity	1,442,963	1,435,696	
Exported on-site generated electricity	0	0	
Emissions (kgCO ₂ e)		1,435,696	
Total renewables (grid and non-grid)	18.59%		
Mandatory	18.59%		
Voluntary	0.00%		
Behind the meter	0.00%		
Residual Electricity Emission Footprint (TCO₂e)	1,436		

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 (kgCO2e)	Scope 3 Emissions (kgCO2e)
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	1,772,465	248,145	35,449
Grid electricity (scope 2 and 3)	1,772,465	248,145	35,449
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	1,772,465	248,145	35,449

Emission Footprint (TCO2e)	284
<i>Scope 2 Emissions (TCO2e)</i>	248
<i>Scope 3 Emissions (TCO2e)</i>	35

Climate Active Carbon Neutral Electricity summary

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissions (kgCO2e)
None	0	0

Climate Active carbon neutral electricity is not renewable electricity. The emissions have been offset by another Climate Active member through their Product certification.

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

There is no non-quantified emission sources in the report.

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?
Processing of sold products	No	No	No	No	No	No
Use of sold products	No	No	No	No	No	No
End-of-life treatment of sold products	No	No	No	No	No	No



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