



# **PUBLIC DISCLOSURE STATEMENT**


**MERCHANTS OF THE SUN**

**ORGANISATION CERTIFICATION  
FY2021–22**

Australian Government  
**Climate Active**  
**Public Disclosure Statement**

**Merchants.**



<b>NAME OF CERTIFIED ENTITY</b>	Merchants of the Sun
<b>REPORTING PERIOD</b>	Financial year 1 July 2021 – 30 June 2022 Arrear report
<b>DECLARATION</b>	<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>Matthew Banks Founder/Director Merchants Label Pty Ltd 22/11/23</p>



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

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Version March 2022. To be used for FY20/21/CY2021 reporting onwards.



# 1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	290 tCO <sub>2</sub> -e
OFFSETS BOUGHT	100% VCUs
RENEWABLE ELECTRICITY	Total renewables %: 18.59
TECHNICAL ASSESSMENT	26/10/2022 Deepali Dilip Ghadge Pangolin Associates Next technical assessment due: FY2025

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## 2. CARBON NEUTRAL INFORMATION

### Description of certification

This inventory has been prepared for the financial year 1 July 2021 – 30 June 2022 and covers the business operations of Merchants Label Pty Ltd (trading as Merchants of the Sun), ABN: 62 645 535 673.

Most of the products sold by Merchants of the Sun (in Australia and internationally) are included in this certification boundary and are certified as carbon neutral products under a separate Climate Active product certification (child certification). Excluded products are specified in section 2 of the PDS.

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 includes the following location:

- Shop 4, 2 Dawn Parade, Miami 4220 QLD.
- 1/2086 Gold Coast Highway, Miami 4220 QLD.

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

Where possible, the calculation methodologies and emission factors used in this inventory are derived from the National Greenhouse Accounts (NGA) Factors in accordance with "Method 1" from the National Greenhouse and Energy Reporting (Measurement) Determination 2008.

The greenhouse gases considered within the inventory are those that are commonly reported under the Kyoto Protocol; carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and synthetic gases - hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>). These have been expressed as carbon dioxide equivalents (CO<sub>2</sub>-e) using relative global warming potentials (GWPs).

*“The objectives of Climate Active neatly reconcile our belief that we can create and sell fashion in balance with our surroundings.”*  
*Matt Banks*  
*(Founder)*

## Organisation description

Merchants of the Sun is a slow jewellery label based in the Gold Coast, Queensland. Founded in April 2020 by Matthew Banks, the brand continues to fashion a balance between expression and ethical creation.

Each collection includes a considered selection of rings, cuffs, chains and pendants. Most of our products are handcrafted in Indonesia using 100% recycled 925 sterling silver and occasionally 18k gold vermeil. Pieces that go unsold are recycled and melted down for use in succeeding product launches.

Articulating a connection to the environment, Merchants of the Sun acts according to a vision of a zero-waste world. All operations are fortified by the community it has created via consumer education and transparency.

Creativity is the heart of all operations - a notion that is consciously upheld by the team on a daily basis.

Merchants Label Pty Ltd T/A Merchants of the Sun

ABN: 62 645 535 673

ACN: 645 535 673

Office/Warehouse: 2 Dawn Parade, Miami QLD 4220

House of Merchants: Shop 1/2086 Gold Coast Highway, Miami, Queensland 4220

“Motivated by the vision of a zero-waste world, Merchants of the Sun brings to life handcrafted jewellery that inspires their culture to mindfully consume and consciously create.” Matt Banks (Founder)

## 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.

The boundary includes Merchants of the Sun's products, which are also certified carbon neutral under a separate Climate Active product certification (child certification).

Compared to FY2021 assessment, the following activities have been added to the boundary: Miscellaneous manufactured items, photographic services, insurance services, equipment hire, cleaning services, building repair services, vehicle repair, clothing, staff training, entertainment and memberships.

## Inside emissions boundary

### Quantified - Organisation

Accommodation and facilities  
Air Transport  
Cleaning and Chemicals  
Electricity  
Food  
ICT services and equipment  
Land and Sea Transport  
Machinery and vehicles  
Office equipment & supplies  
Postage, courier, and freight  
Professional Services  
Taxi  
Refrigerants  
Waste  
Employee commute  
Working from home  
Emissions quantified as part of the Product Certification:  
Raw materials  
Manufacturing  
Packaging  
Freight  
Disposal

### Non-quantified

Water

## Outside emission boundary

### Excluded

Products sold:  
Accessories (sticker, keychain, gift box, Twin Fin, Leather keychain)

## 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

Merchants of the Sun has achieved its first objective by certifying its organisation and most of its products as carbon neutral through the Climate Active Program. This study helped us understand the climate change impacts of our organisation before deciding on our next emissions reduction actions.

Our overarching goal is to reduce our emissions per product by 30% by 2027 compared to our 2021 base year.

Our next steps are:

#### 2021 - 2022

- To source more than 75% of our products from recycled sterling silver of which we could trace.
- Continue offsetting our GHG emissions year on year through a recognised program such as Climate Active.

#### 2022 - 2023

- Switch our office and warehouse electricity contract to 100% GreenPower and reduce our scope 2 emissions to 0 by the end of 2023.
- Assist our manufacturer in switching to 100% renewable electricity (on-site solar system) and in conducting an energy audit to find ways to reduce energy consumption (electricity and natural gas) in the factory.
- Introduce a close-the-loop program where we can buy back jewellery from our customers and provide credit so we can recycle our products through the market. This would considerably reduce our scope 3 emissions coming from raw material extraction.
- Create a sustainable and less environmentally impactful ring sizer to combat virgin plastic consumption. and reduce its use to less than 5% of the business output.
- Redesign packaging to ensure it minimises our GHG emissions impact and converting to 100% biodegradable packaging between our production house in Indonesia and warehouse in Australia. Retail packaging currently uses no plastic.
- Introduce TerraCycle to reduce our in-house office waste and plastic waste to ensure it is recycled properly by January 2023.
- Implement a clear ethical code with our manufacturers to ensure minimum wage, slave labour and all other ethical policies are complied with by 2023.
- Introduce Gold Alternatives for plating in our pieces.

#### Beyond:

- Becoming waste-free by 2024, across all areas of production, supply and retail.
- Continuing source reduction to ensure minimalist production, supply and retail.

Merchants of the Sun will define a scope 3 emissions reduction target from FY2023.

You can read more on our sustainability journey [here](#).



## Emissions reduction actions

- We pay for carbon offsets on all freight expenditures inbound and outbound through DHL (not accounted in this submission).
- We have begun sampling the new mycelium mushroom packaging which is completely biodegradable and have paid for samples of this which is set to be released in November 2023.
- We have incorporated rewards in our loyalty program to promote our close-the-loop program to ensure repair + warranty over new creations.
- We are currently building a digital ring-sizing AR app to combat our plastic consumption with our free ring-sizer offer.
- We are also currently investigating changing our website to allow people to opt out of the ring sizer included in jewellery boxes so that we can reduce our consumption for people that don't require it to minimise our contribution to waste.
- We have reduced our current packaging box size by 50% in May 2023 to reduce our recycled cardboard consumption.
- We offset our consumption for 2021 by purchasing offsets through approved Climate Active Projects.

## 5.EMISSIONS SUMMARY

### Emissions over time

Emissions since base year		Total tCO <sub>2</sub> -e
Base year:	2020–21	109.94
Year 2:	2021–22	289.48

### Significant changes in emissions

Emissions have increased since the first year of measurement, mostly due to an increase of number of jewellery items produced and sold and the inclusion of gold-based jewellery.

Emission source name	Current year (tCO <sub>2</sub> -e and/ or activity data)	Previous year (tCO <sub>2</sub> -e and/ or activity data)	Detailed reason for change
Product - Raw Materials	85.04	29.90	Quantity of sold items has increased resulting in an increase of all associated emissions (raw materials, manufacturing, freight, and advertising)
Product - Manufacturing	55.72	21.01	
Product - Distribution to Customers	29.20	25.51	
Advertising services	67.95	16.42	

### Use of Climate Active carbon neutral products and services

N/A

## 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 Scope 1 (tCO <sub>2</sub> -e)	Sum of Scope 2 (tCO <sub>2</sub> -e)	Sum of Scope 3 (tCO <sub>2</sub> -e)	Sum of total emissions (tCO <sub>2</sub> -e)
Accommodation and facilities	0.00	0.00	0.49	0.49
Cleaning and Chemicals	0.00	0.00	0.08	0.08
Construction Materials and Services	0.00	0.00	0.22	0.22
Electricity	0.00	4.49	0.00	4.49
Food	0.00	0.00	0.00	0.00
Horticulture and Agriculture	0.00	0.00	0.00	0.00
ICT services and equipment	0.00	0.00	0.54	0.54
Machinery and vehicles	0.00	0.00	1.19	1.19
Office equipment & supplies	0.00	0.00	3.56	3.56
Products	0.00	0.00	0.45	0.45
Professional Services	0.00	0.00	85.82	85.82
Transport (Air)	0.00	0.00	5.39	5.39
Transport (Land and Sea)	3.94	0.00	2.12	6.06
Waste	0.00	0.00	3.28	3.28
Working from home	0.00	0.00	0.27	0.27
Product - Raw Materials	0.00	0.00	85.05	85.05
Product - Manufacturing	0.00	0.00	55.72	55.72
Product - Packaging upstream	0.00	0.00	0.03	0.03
Product - Packaging	0.00	0.00	2.64	2.64
Product - Upstream Freight	0.00	0.00	1.00	1.00
Product - Distribution to Customers	0.00	0.00	29.20	29.20
Product - Disposal Emissions	0.00	0.00	3.21	3.21
<b>Total</b>	<b>4.77</b>	<b>4.49</b>	<b>280.22</b>	<b>289.48</b>

## 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	290
3. Total eligible offsets required for this report	290
4. Total eligible offsets purchased and retired for this report	290
5. Total eligible offsets banked to use toward next year's report	0

### Co-benefits

Rimba Raya is situated in Central Kalimantan in Indonesian Borneo. Covering land approximately the same size as Singapore, it is known as one of the largest Orangutan sanctuaries in the world. Offering a viable alternative to deforestation, a practice very common in the area, the project has a wealth of benefits to the biodiversity of the region and the surrounding communities. Rimba Raya is home to over 300 species of birds, 122 species of mammals and 180 species of trees and plants. The project has strong community based initiatives including increased employment for communities, greater access to medical and health services, and assistance with education.

The Rimba Raya REDD+ project has successfully defended 64,500 hectares of carbon and biodiversity-rich lowland peat forest from conversion to oil palm plantations, which surround the project area and adjacent Tanjung Putting National Park. Rimba Raya protects over 120 threatened and endangered species in the project area including the endangered Borneo Orangutan and supports over 10,000 forest-dependent community members living in and along the boundaries of the project, who have traditionally held no tenure and who have used the forest in an unsustainable way.

## 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 <sub>2</sub> -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 (%)
Rimba Raya Biodiversity Reserve Project	VCU	Verra	31/07/2023	<a href="#">9380-92407676-92407775-VCS-VCU-263-VER-ID-14-674-01072014-31122014-1</a>	2014	0	100	0	0	100	34%
Rimba Raya Biodiversity Reserve Project	VCU	Verra	31/07/2023	<a href="#">9380-92408215-92408404-VCS-VCU-263-VER-ID-14-674-01072014-31122014-1</a>	2014	0	190	0	0	190	66%
<b>Total offsets retired this report and used in this report</b>										290	
<b>Total offsets retired this report and banked for future reports</b>									0		

Type of offset units	Quantity (used for this reporting period claim)	Percentage of total
Verified Carbon Units (VCUs)	290	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 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 <sub>2</sub> e)	Renewable Percentage of total
Behind the meter consumption of electricity generated	0	0	0%
<b>Total non-grid electricity</b>	<b>0</b>	<b>0</b>	<b>0%</b>
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)	1,030	0	19%
Residual Electricity	4,512	4,489	0%
<b>Total grid electricity</b>	<b>5,542</b>	<b>4,489</b>	<b>19%</b>
<b>Total Electricity Consumed (grid + non grid)</b>	<b>5,542</b>	<b>4,489</b>	<b>19%</b>
Electricity renewables	1,030	0	
Residual Electricity	4,512	4,489	
<b>Exported on-site generated electricity</b>	<b>0</b>	<b>0</b>	
Emissions (kgCO <sub>2</sub> e)		4,489	
<b>Total renewables (grid and non-grid)</b>	<b>18.59%</b>		
<b>Mandatory</b>	<b>18.59%</b>		
<b>Voluntary</b>	<b>0.00%</b>		
<b>Behind the meter</b>	<b>0.00%</b>		
<b>Residual Electricity Emission Footprint (TCO<sub>2</sub>e)</b>	<b>4</b>		

*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	5,542	4,434	665
NT	0	0	0
WA	0	0	0
Tas	0	0	0
<b>Grid electricity (scope 2 and 3)</b>	<b>5,542</b>	<b>4,434</b>	<b>665</b>
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
<b>Non-grid electricity (Behind the meter)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Electricity Consumed</b>	<b>5,542</b>	<b>4,434</b>	<b>665</b>
<b>Emission Footprint (TCO2e)</b>	<b>5</b>		
<i>Scope 2 Emissions (TCO2e)</i>	4		
<i>Scope 3 Emissions (TCO2e)</i>	1		

### Climate Active Carbon Neutral Electricity summary

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissions (kgCO2e)
N/A	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

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
Water	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.

Accessories sold during FY2021/22 have been excluded from this assessment as they did not form part of the carbon neutrality plan for this year of assessment. The accessories represented a minimal part of the products sold during FY2021/22 and are too different from the other jewelries to be combined under the same submission.

Emission sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
Accessories	No	No	No	Yes	No	No



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