# PUBLIC DISCLOSURE STATEMENT

KINGLAKE DISTILLERY PTY LTD

ORGANISATION CERTIFICATION
FY2022–23

Australian Government

# Climate Active
# Public Disclosure Statement

An Australian Government Initiative

| | |
|---|---|
| NAME OF CERTIFIED ENTITY | Kinglake Distillery Pty Ltd |
| REPORTING PERIOD | Financial Year 1 July 2022 – 30 June 2023<br>Arrears report |
| 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.*<br>  <br>Samuel Ireland Lowe<br>Director<br>5/12/23 |

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



Version August 2023.

# 1.CERTIFICATION SUMMARY

| | |
|---|---|
| TOTAL EMISSIONS OFFSET | 56 $tCO_2$-e |
| CARBON OFFSETS USED | 100% VCUs |
| RENEWABLE ELECTRICITY | 100% |
| CARBON ACCOUNT | Prepared by: Everclime |
| TECHNICAL ASSESSMENT | 7 March 2022<br>Pangolin Associates<br>Next technical assessment due: FY2023-24 report |

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# 2. CARBON NEUTRAL INFORMATION

## Description of certification

This inventory has been prepared for the financial year 1 July 2022 to 30 June 2023 and covers the operations and all whiskey produced by Kinglake Distillery Pty Ltd, ABN 94 617 507 365. The organisation is based in the town of Kinglake, Victoria.

This year, the certification only assesses the whiskey process during FY2023. An operational control emissions boundary was taken. A co-assessment was made between the Climate Active product and organisation certifications as the emissions for the product make up 100% of the emissions of the organisation.

## Organisation description

Kinglake Distillery is an organisation based in the town of Kinglake, Victoria. We are a small family-owned producer of handmade Australian Single Malt. All the whisky is made in Kinglake from scratch. We're in close contact with the whisky from the moment we grind the malt until the new spirit finally fills the barrel.

Our off-grid whisky distillery was specially designed to take advantage of its rural location.

Eucalypt-dominated vegetation disperses fine drops of volatile oil into the atmosphere. The oil drops increase the risk of fire but also perfume the air and scatter the blue light rays of the spectrum. Our ferments are long and washbacks left open to these local pollens and yeasts.

# 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**.

- **Organisation Quantified**: *Telecommunication*, *Postage*, *Paper*, *Transport fuels, Electricity (Solar)*
- **Product Quantified:** *Barley, Yeast, Water, Barrels, Bottles, Cork, Labels, Wax Seals, Plastic & Cardboard Packaging, Freight, Stationary Fuels, Waste & Recycling*

**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**

**Organisation Quantified**

*Telecommunications*

*Postage, courier and freight*

*Paper*

*Transport*

*Electricity (Solar)*

*Stationary energy and fuels*

*Accommodation*

*Cleaning and chemicals*

*Food*

*ICT services and equipment*

*Professional services*

*Office equipment*

*Refrigerants*

*Waste*

**Product Quantified**

*Barley*

*Yeast*

*Water*

*Barrels*

*Bottles*

*Cork*

*Labels*

*Wax Seals*

*Plastic & Cardboard Packaging*

*Freight*

*Stationary Fuels*

*Waste & Recycling*

**Non-quantified**

N/A

**Outside emission boundary**

**Non-attributable**

Customer storage

# 4.EMISSIONS REDUCTIONS

## Emissions reduction strategy

Kinglake Distillery is on-track with its goal to reduce its stationary diesel fuel usage per litre of whisky produced by 75% over the next 5 years, by decreasing it by 15% per year. This will be done by reducing the reliance on the diesel generator by producing in the summer months and relying more on our solar system. From 2021 diesel usage has decrease from 3113L to this year's figure of 953L, which is a 70% reduction. We expect that figure to reduce further with the increase in solar capacity of 10kWh plus an 8kWh battery system.

Kinglake Distillery is working on a more defined emissions reduction target for FY2024, which will consider the following reduction actions:

## Emissions reduction actions

During the 2022-2023 FY we have made the following changes to our business model to reduce our carbon footprint per litre of whisky produced and sold.

- We have upgraded our solar system so that next financial year we will use significantly less diesel as a stationary fuel, estimated over 50% reduction.
- We have decided we will also second fill our barrels, so we will now get double the usage from each.
- We have worked out how to replace the airbags we use for individual postage with dissolvable peanuts, which are much more environmentally friendly. This will be our preferred packaging medium for next financial year.

# 5.EMISSIONS SUMMARY

## Emissions over time

| Emissions since base year | | | |
|---|---|---|---|
| | | **Total $tCO_2$-e (without uplift)** | **Total $tCO_2$-e (with uplift)** |
| Base years/Year 1 | 2018–21[1] | 75.62 | N/A |
| Year 2: | 2021–22 | 23.13 | N/A |
| Year 3: | 2022–23 | 55.47 | N/A |

## Significant changes in emissions

| Emission source | Previous year emissions (t $CO_2$-e) | Current year emissions (t $CO_2$-e) | Reason for change |
|---|---|---|---|
| Transport Air | 0.0 | 15.76 | Two flights to the UK for work purposes. No flights taken in previous years |
| Stationary Energy | 12.11 | 18.24 | Increase in production time required more electricity from diesel generators |
| Machinery and Vehicles | 0 | 7.96 | Purchase of expanded off-grid solar and battery system |

## Use of Climate Active carbon neutral products, services, buildings or precincts

N/A

[1] Kinglake Distillery's initial Climate Active submission included the emissions from the first 3 years of making whiskey. Subsequent submissions only include the emissions for the whiskey made during a one-year period. Any comparisons to the base year emissions should take this into account.

## Emissions summary

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

| Emission category | Scope 1 emissions (t $CO_2$-e) | Scope 2 emissions (t $CO_2$-e) | Scope 3 emissions (t $CO_2$-e) | Total emissions (t $CO_2$-e) |
|---|---|---|---|---|
| Accommodation and facilities | 0.00 | 0.00 | 0.45 | 0.45 |
| Cleaning and chemicals | 0.00 | 0.00 | 0.00 | 0.00 |
| Electricity | 0.00 | 0.00 | 0.00 | 0.00 |
| Food | 0.00 | 0.00 | 0.00 | 0.00 |
| ICT services and equipment | 0.00 | 0.00 | 0.00 | 0.00 |
| Machinery and vehicles | 0.00 | 0.00 | 7.96 | 7.96 |
| Office equipment and supplies | 0.00 | 0.00 | 0.03 | 0.03 |
| Postage, courier and freight | 0.00 | 0.00 | 4.26 | 4.26 |
| Refrigerants | 0.00 | 0.00 | 0.00 | 0.00 |
| Stationary energy (liquid fuels) | 13.85 | 0.00 | 4.39 | 18.24 |
| Transport (air) | 0.00 | 0.00 | 15.76 | 15.76 |
| Transport (land and sea) | 1.29 | 0.00 | 0.38 | 1.66 |
| Waste | 0.00 | 0.00 | 0.00 | 0.00 |
| Water | 0.00 | 0.00 | 0.00 | 0.00 |
| Whiskey Product | 0.00 | 0.00 | 7.11 | 7.11 |
| **Total** | **15.14** | **0.00** | **40.34** | **55.47** |

## Uplift factors

N/A – due the emissions from the organisation and product certifications overlapping by 100%. This is consistent with the certifications in previous years, where no uplift had been applied.

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.

# 6. CARBON OFFSETS

## Offsets retirement approach

This certification has taken an in-arrears offsetting approach. The total emissions to offset are 56 t $CO_2$-e. The total number of eligible offsets used in this report is 56. Of the total eligible offsets used, 0 were previously banked and 56 were newly purchased and retired. Zero are remaining and have been banked for future use.

## Co-benefits

The projects have brought employment opportunity at the village level. Many villagers have got employment - either as security guards, drivers, etc. This has made it possible for them to earn a living at a place closer to their home rather than going far away into the cities. Apart from this, contracts for civil work have also been given to local villagers. Other work pertaining to these projects have helped the local villagers also such as hiring of transport services, civil contracts, couriers, office automation facilities such as photocopying/printing/fax services etc.

## Eligible offsets retirement summary

All carbon offsets are shared between the organisation and product certifications, as their emissions boundaries overlap by 100%.

| Offsets retired for Climate Active 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 (%)** |
| 9.5 MW wind energy based power generation by Interocean Group | CER | CDM | 25th October 2023 | Start serial number: IN-5-314337715-2-2-0-10262<br>End serial number: IN-5-314337770-2-2-0-10262<br>https://offset.climateneutralnow.org/vchistory/details?orderId=30240 | CP2 | - | 56 | 0 | 0 | 56 | 100% |
| | | | | | | | | | **Total eligible offsets retired and used for this report** | **56** | |
| | | | | | | | | | **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 |
|---|---|---|
| Certified Emissions Reductions (CERs) | 56 | 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 | 583 | 0 | 100% |
| **Total non-grid electricity** | **583** | **0** | **100%** |
| 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 | 0 | 0 | 0% |
| **Total renewable electricity (grid + non grid)** | **583** | **0** | **100%** |
| **Total grid electricity** | **0** | **0** | **0%** |
| **Total electricity (grid + non grid)** | **583** | **0** | **100%** |
| Percentage of residual electricity consumption under operational control | 100% | | |
| **Residual electricity consumption under operational control** | **0** | **0** | |
| Scope 2 | 0 | 0 | |
| Scope 3 (includes T&D emissions from consumption under operational control) | 0 | 0 | |
| **Residual electricity consumption not under operational control** | **0** | **0** | |
| Scope 3 | 0 | 0 | . |

| | |
|---|---|
| **Total renewables (grid and non-grid)** | **100.00%** |
| **Mandatory** | **0.00%** |
| **Voluntary** | **0.00%** |
| **Behind the meter** | **0.00%** |
| **Residual scope 2 emissions (t $CO_2$-e)** | **0.00** |
| **Residual scope 3 emissions (t $CO_2$-e)** | **0.00** |
| **Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t $CO_2$-e)** | **0.00** |
| **Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t $CO_2$-e)** | **0.00** |
| **Total emissions liability (t $CO_2$-e)** | **0.00** |

*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)** |
| VIC | 0 | 0 | 0 | 0 | 0 | 0 |
| **Grid electricity (scope 2 and 3)** | **0** | **0** | **0** | **0** | **0** | **0** |
| VIC | 583 | 583 | 0 | 0 | | |
| **Non-grid electricity (behind the meter)** | **583** | **583** | **0** | **0** | | |
| **Total electricity (grid + non grid)** | **583** | | | | | |

| | |
|---|---|
| **Residual scope 2 emissions (t $CO_2$-e)** | **0.00** |
| **Residual scope 3 emissions (t $CO_2$-e)** | **0.00** |
| **Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t $CO_2$-e)** | **0.00** |
| **Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t $CO_2$-e)** | **0.00** |
| **Total emissions liability** | **0.00** |

## 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

## Non-quantified emission sources

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 | 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

## Excluded emissions sources summary

| Emission sources tested for relevance | Size | Influence | Risk | Stakeholders | Outsourcing | Justification |
|---|---|---|---|---|---|---|
| Customer storage | N | N | N | N | N | Given whiskey is likely stored in non-temperature-controlled conditions there is minimal if any emissions likely associated with its storage. It therefore is not relevant to Kinglake's carbon footprint |

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