



PUBLIC DISCLOSURE STATEMENT

PHYTO-THERAPY PTY LTD

ORGANISATION CERTIFICATION

FY2022–23

Australian Government


Climate Active Public Disclosure Statement

PHYTO THERAPY



An Australian Government Initiative



NAME OF CERTIFIED ENTITY	Phyto-Therapy Pty Ltd
REPORTING PERIOD	financial year 1 July 2022 – 30 June 2023 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>Jack Maddock Sustainability Manager Date:</p>



Australian Government

Department of Climate Change, Energy,
the Environment and Water

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Version August 2023.



1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	243 tCO ₂ -e
OFFSETS USED	5% ACCUs, 95% VCU
RENEWABLE ELECTRICITY	N/A
CARBON ACCOUNT	Prepared by: Phyto-Therapy Pty Ltd
TECHNICAL ASSESSMENT	Next technical assessment due: 31 st of October 2024

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2. CARBON NEUTRAL INFORMATION

Description of certification

This certification encompasses the operations of Phyto-Therapy Pty Ltd (ABN: 18 673 274 309) and its US facing brand, Phyto-Nutrition. The organisational boundary has been defined using the operational control approach and includes all scope 1, 2, and 3 emissions relating to Phyto-Therapy's office and operations, as well as the operations of Phyto-Nutrition. This certification excludes the emissions associated with the production and sale of Phyto-Therapy and Phyto-Nutrition products, warehousing, and bulk blending, as these are listed as attributable-quantified sources under the Phyto-Therapy product certification boundary.

Organisation description

Phyto-Therapy (ABN: 18 673 274 309), along with its US facing brand Phyto-Nutrition, is an organic bulk powder ingredient wholesaler that sources ingredients globally to supply to markets in Australia, New Zealand, and the USA. Phyto-Therapy also facilitates bulk blending through a contract manufacturer and provides product formulation consultation as a value-added service. Both Phyto-Therapy and Phyto-Nutrition's office headquarters are in Elanora Heights, NSW. Phyto-Therapy's third-party warehousing and bulk blending facilities are located both within Sydney. Phyto-Nutrition's warehousing facility is in the process of being established in the USA.

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 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

Accommodation and Facilities

Cleaning and Chemicals

Construction Materials and Services

Electricity

Food

ICT Services and Equipment

Machinery and Vehicles

Office Equipment and Supplies

Postage, Courier, and Freight

Professional Services

Stationary Energy (Gaseous Fuels)

Transport (Air)

Transport (Land and Sea)

Waste

Water

Working from home

Non-quantified

Optionally included

Outside emission boundary

Excluded

Products sold by Phyto-Therapy

Warehousing

Bulk Blending

4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Phyto-Therapy is dedicated to achieving the following emissions reduction targets, which have been separated into two main categories based on their scope and contribution to inventory.

Scope 1 & 2 Emissions Reductions:

Phyto-Therapy aims to achieve a 30% reduction in scope 1 & 2 emissions by 2030 from a FY2021-22 baseline. To meet these reductions, Phyto-Therapy will:

Green energy: Phase in 100% green energy consumption within three years. In 2024, we will start integrating GreenPower through Energy Australia's PureEnergy offering at 50%. In 2025, we will phase up our green energy consumption and in 2026 we aim to achieve 100% green energy.

Employee Engagement: Actively engage our employees in energy-saving initiatives and provide comprehensive training on energy conservation practices, fostering a culture of sustainability. To be conducted throughout 2024.

Renewable Energy: Explore the possibility of entering into a power purchase agreement (PPA) with a renewable energy provider by 2025, with the aim of powering our office operations with clean energy.

Energy Efficiency: Enhance the energy efficiency of our office, we plan to explore installing smart thermostats, motion sensors for lighting, and energy-efficient HVAC systems by 2026.

Electric Vehicles: As part of our transportation emissions reduction strategy, we are actively working to convert more company cars to electric vehicles (EVs) wherever feasible and prioritize the purchase of vehicles with lower emissions ratings and higher fuel efficiency by 2028.

Scope 3 Emissions Reductions:

Phyto-Therapy aims to achieve a 30% reduction in scope 3 emissions by 2030. The key to achieving this objective will be:

Transition to Virtual Meetings: minimise high-intensity emissions sources by promoting virtual meetings and conferences, further reducing business travel emissions by the end of 2023. Additionally, we prioritize train travel over short-distance flights, contributing to emission reduction.

Green Procurement Policy: By 2024, implement a green procurement policy to purchase environmentally friendly office supplies and materials, ensuring our supply chain aligns with our sustainability goals.

Employee Commute: Encouraging employees to use public transport, carpooling, or cycling for daily commuting by 2024 remains a priority in reducing emissions associated with employee travel.

Paperless Office Transition: We are initiating a transition to a paperless office environment by 2024 through digitizing documentation and encouraging digital communication methods, contributing to our emissions reduction efforts.

Composting Unit: We are actively exploring installing a state of the art composting unit in our facility to address office waste further and reduce its environmental impact. We plan to implement this by 2024.

Emissions reduction actions

Scope 1 & 2: Building on previous successes, we have successfully implemented carbon-neutral and green energy solutions through Energy Australia's GoNeutral plan. We remain committed to further increasing our reliance on renewable energy sources. We also continue participating in the NSW Government's Energy Saving Program by replacing all office lighting with LED downlights, significantly reducing energy consumption.

Scope 3: We have expanded our office recycling program, specifically focusing on the proper segregation of plastic waste components, thereby reducing our contribution to landfills. We are continually improving this program by providing clear guidelines for waste separation and exploring partnerships with recycling companies for proper material disposal. While we aimed to reduce domestic business air travel through virtual meetings, we must note that we experienced increased business travel during this reporting period. This was primarily due to business expansion activities, including overseas trade shows and visits to potential suppliers by management and executives.

5.EMISSIONS SUMMARY

Emissions over time

		Emissions since base year	
		Total tCO ₂ -e (without uplift)	Total tCO ₂ -e (with uplift)
Base year:	2019-20	101.3	106.3
Year 1:	2020–21	107.2	112.5
Year 2:	2021–22	137.4	144.2
Year 3:	2022-23	231.2	242.7

Significant changes in emissions

Emission source name	Previous year emissions (t CO ₂ -e)	Current year emissions (t CO ₂ -e)	Detailed reason for change
Electricity (location-based method, scope 2)	21.1	30.5	Business growth – new additional office space. Base building electricity consumption calculated via area-based estimation method.
Long premium economy class flights (>3,700km)	12.7	60.0	Business expansion activities - overseas trade shows and visits to potential suppliers by management and executives.
Diesel oil post-2004	18.4	24.3	Increase in vehicles classified under the diesel fuel expense category due to business growth.

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

N/A

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 and facilities	0.00	0.00	2.28	2.28
Bespoke	0.00	0.00	0.00	0.00
Cleaning and chemicals	0.00	0.00	0.64	0.64
Construction materials and services	0.00	0.00	13.22	13.22
Electricity	0.00	0.00	2.50	32.95
Food	0.00	30.45	4.19	4.19
ICT services and equipment	0.00	0.00	11.72	11.72
Machinery and vehicles	0.00	0.00	2.98	2.98
Postage, courier and freight	0.00	0.00	4.27	4.27
Professional services	0.00	0.00	28.31	28.31
Stationary energy (gaseous fuels)	1.09	0.00	0.28	1.37
Transport (air)	0.00	0.00	73.68	73.68
Transport (land and sea)	26.90	0.00	18.33	45.23
Waste	0.00	0.00	7.28	7.28
Water	0.00	0.00	0.51	0.51
Working from home	0.00	0.00	0.41	0.41
Office equipment and supplies	0.00	0.00	2.14	2.14
Total emissions	27.99	30.45	172.74	231.18

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
5% uplift for general office expenses	11.60
Total of all uplift factors	11.60
Total emissions footprint to offset <i>(total emissions from summary table + total of all uplift factors)</i>	242.74

6. CARBON OFFSETS

Offsets retirement approach

This certification has taken an in-arrears offsetting approach. The total emission to offset is 243 t CO₂-e. The total number of eligible offsets used in this report is 243. Of the total eligible offsets used, 243 were previously banked and 0 were newly purchased and retired. 0 are remaining and have been banked for future use.

Co-benefits

Phyto-Therapy is committed to offsetting its emissions by supporting a diverse range of projects that contribute to global carbon reduction efforts and bring about positive social and environmental impacts. This year, we are proud to highlight the co-benefits of the various projects we have chosen to support:

Karlantijpa North Savanna Burning Project (Aboriginal Carbon Foundation): This project is situated in the Northern Territory of Australia and focuses on low-rainfall savannah burning. It involves traditional landowners who work collaboratively to conduct controlled burns, reducing late dry season fires' environmental and cultural impacts. The project not only abates carbon emissions but also brings economic, cultural, and social benefits to the community. It empowers local communities, strengthens connections to the land, and provides income for traditional landowners. The project has abated 54,191 tonnes of carbon and contributes to language preservation, economic development, and environmental restoration. (Find out more about Savannah Burning with the Aboriginal Carbon Foundation [here](#).)

Rimba Raya Biodiversity Reserve Project (Ecosphere+/Abatable): Located on the southern coast of Borneo, this is the world's largest REDD+ project, conserving critically threatened peatland rainforest and preventing its conversion to palm oil plantations. The project safeguards habitat for more than 100 IUCN Red Listed endangered and threatened species, including orangutans and jaguars. Additionally, it supports livelihood opportunities and delivers positive impacts across all 17 Sustainable Development Goals (SDGs), substantially contributing to climate change mitigation and biodiversity conservation. (Find out more about the Rimba Raya Biodiversity Reserve Project [here](#).)

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 (%)
Rimba Raya Biodiversity Reserve Project	VCU	Verra	9 Nov 2023	6979-362350960-362351191-VCU-016-MER-ID-14-674-01012014-30062014-1	2014	-	232	0	0	232	95%
The Karantijpa North Savanna Burning Project	ACCU	ANREU	2 Nov 2023	8,333,301,855 – 8,333,301,865	2021-22	-	11	0	0	11	5%
Total eligible offsets retired and used for this report										243	
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 (ACCU)		11				5%					
Verified Carbon Units (VCUs)		232				95%					

Overlap between product and organisation certifications surrounding the electricity warehousing and bulk blending activity. These have been quantified under the product certification due to its larger relative size.

For more information, please see Phyto-Therapy's Climate Active profile [here](#).

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	0	0	0%
Total renewable electricity (grid + non grid)	7,842	0	19%
Total grid electricity	41,714	32,348	19%
Total electricity (grid + non grid)	41,714	32,348	19%
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	33,872	32,348	
Scope 2	29,913	28,567	
Scope 3 (includes T&D emissions from consumption under operational control)	3,959	3,781	
Residual electricity consumption not under operational control	0	0	
Scope 3	0	0	.

Total renewables (grid and non-grid)	18.80%
Mandatory	18.80%
Voluntary	0.00%
Behind the meter	0.00%
Residual scope 2 emissions (t CO₂-e)	28.57
Residual scope 3 emissions (t CO₂-e)	3.78
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	28.57
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	3.78
Total emissions liability (t CO₂-e)	32.35

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	41,714	41,714	30,451	2,503	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	0	0	0	0	0	0
TAS	0	0	0	0	0	0
Grid electricity (scope 2 and 3)	41,714	41,714	30,451	2,503	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)	41,714					

Residual scope 2 emissions (t CO ₂ -e)	30.45
Residual scope 3 emissions (t CO ₂ -e)	2.50
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	30.45
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	2.50
Total emissions liability	32.95

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)
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)
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.

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 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 or precincts.

Excluded emissions sources summary

The following items have been excluded from this inventory as they are included under the Phyto-Therapy's product certification boundary; emissions from warehousing, electricity from bulk blending/contract manufacturing, and emissions from products sold by Phyto-Therapy.

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Warehousing	Y	N	N	N	N	<p>Size: Warehousing emissions are significant compared to the total emissions from electricity, stationary energy, and fuel emissions.</p> <p>Influence: We do not have the potential to influence the emissions associated with warehousing, as it is external to our organization's control.</p> <p>Risk: Warehousing emissions do not significantly contribute to our greenhouse gas risk exposure, and there are no specific regulations or laws that apply to limit these emissions.</p> <p>Stakeholders: Key stakeholders, including the public, do not perceive warehousing emissions as a relevant source of emissions for our business.</p> <p>Outsourcing: Warehousing is not within our operational control and is typically considered within our emissions boundary for comparable organisations.</p>
Bulk Blending	Y	N	N	N	N	<p>Size: Bulk blending emissions are significant compared to the total emissions from electricity, stationary energy, and fuel emissions.</p> <p>Influence: We do not have the potential to influence the emissions associated with bulk blending, as it is external to our organization's control.</p> <p>Risk: Bulk blending emissions do not significantly contribute to our greenhouse gas risk exposure, and there are no specific regulations or laws that apply to limit these emissions.</p> <p>Stakeholders: Key stakeholders, including the public, do not perceive bulk blending emissions as a relevant source of emissions for our business.</p> <p>Outsourcing: Bulk blending is not within our operational control and is typically considered within our emissions boundary for comparable organisations.</p>

Products sold by Phyto-Therapy

Y N N N N

Size: The emissions from 'Products sold by Phyto-Therapy' are significant when compared to the total emissions from electricity, stationary energy, and fuel emissions within our organization.

Influence: We do not have the potential to influence the emissions associated with 'Products sold by Phyto-Therapy' as they are outside our organisation's operational control.

Risk: Emissions from 'Products sold by Phyto-Therapy' do not significantly contribute to our greenhouse gas risk exposure, and there are no specific regulations or laws that apply to limit these emissions.

Stakeholders: Key stakeholders, including the public, do not perceive emissions from 'Products sold by Phyto-Therapy' as a relevant source of emissions for our business.

Outsourcing: Emissions from 'Products sold by Phyto-Therapy' are outside the scope of our operations and are typically not considered within our emissions boundary for comparable organisations.



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