PUBLIC DISCLOSURE STATEMENT

CLIMATE FRIENDLY PTY LTD

ORGANISATION CERTIFICATION
CY2022

Australian Government

Climate Active
Public Disclosure Statement

An Australian Government Initiative

NAME OF CERTIFIED ENTITY	Climate Friendly Pty Ltd
REPORTING PERIOD	Calendar year 1 January 2022 – 31 December 2022 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.*
	Skye Glenday Co-Chief Executive Officer 28 June 2024

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

Version March 2023.

1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	559 tCO_2-e
OFFSETS USED	100% ACCUs
RENEWABLE ELECTRICITY	20.29%
CARBON ACCOUNT	Prepared by: Climate Friendly Pty Ltd
TECHNICAL ASSESSMENT	21 June 2024 ERM Australia Consultants Pty Ltd Next technical assessment due: CY2025

Contents

2. CARBON NEUTRAL INFORMATION

Description of certification

This certification covers the Australian business operations of the Climate Friendly Group for 2022. The main office and core asset is located in Sydney. NSW. The Climate Friendly Group includes eight companies, namely Eagle Holdco Pty Ltd (ABN 52 646 612 928), and wholly owned subsidiaries Eagle ALM Midco Pty Ltd (ABN 35 647 663 438), Eagle Midco Pty Ltd (ABN 41 646 613 630), Eagle Bidco Pty Ltd (ABN 30 646 614 897), Climate Friendly Holdings Pty Ltd (ABN 51 630 141 034), Climate Friendly Pty Ltd (ABN 65 107 201 025), Climate Friendly Financial Solutions Pty Ltd (ABN 91 161 023 276), and Kurrajong Partners Pty Ltd (ABN 93 615 043 260).

Additionally, private equity firm Adamantem Capital (Adamantem) joined the Climate Friendly Group as a majority strategic investor in March 2021. Adamantem's involvement supports Climate Friendly's growth and assists us in achieving our vision for a productive, sustainable land sector that contributes to a zero net emission Australia by 2050. Adamantem is also Climate Active certified.

Organisation description

Climate Friendly (ABN 65 107 201 025) was established in 2003.

Our head office is located at:

Suite 3 Level 24, 60 Margaret Street
Sydney, NSW 2000

Other office locations:

Canberra	Level 4, 490 Northbourne Avenue, Dickson, ACT 2602

As a best practice carbon farming service provider, we work with land managers to reduce greenhouse gas emissions, regenerate land, improve biodiversity and enhance drought resilience. We aim to establish partnerships by 2025 that will store 150MT of carbon while repairing nature, supporting reconciliation, and contributing to zero net emissions and nature-positive Australia by 2050. We use the latest science and technology to verify our results.

The Climate Friendly Group provides a full range of carbon farming project services from assessment, through to managing project registration and compliance, reporting on project implementation, measuring tree growth and collating accurate data, carbon credit issuance and trading. We have nationwide reach and a network of project managers regionally and in rural communities. Our carbon farming partners' projects either remove carbon from the atmosphere and store it in the land or prevent greenhouse gases from entering the atmosphere through the implementation of sustainable land management practices.

The income earned by Australian land managers from their projects to regenerate the land supports the livelihoods of families and local communities. Sustainability of our own business practices is an essential long-term part of our work and company culture. We have maintained carbon neutral business operations for many years. This includes an established employee Sustainability Working Group that monitors performance, reviews our internal policies, and implements new initiatives to reduce our environmental footprint. Climate Friendly supports widespread adoption of appropriate, evidence-based national standards such as Climate Active. Consistent with our environmental commitment, we are pleased to certify our carbon neutral status with Climate Active.

The following subsidiaries are included within this certification:

Legal entity name	ABN	ACN
Eagle Holdco Pty Ltd	ABN 52 646 612 928	646 612 928
Eagle ALM Midco Pty Ltd	ABN 35 647 663 438	647 663 438
Eagle Midco Pty Ltd	ABN 41 646 613 630	646 613 630
Eagle Bidco Pty Ltd	ABN 30 646 614 897	646 614 897
Climate Friendly Holdings Pty Ltd	ABN 51 630 141 034	630 141 034
Climate Friendly Pty Ltd	ABN 65 107 201 025	107 201 025
Climate Friendly Financial Solutions Pty Ltd	ABN 91 161 023 276	161 023 276
Kurrajong Partners Pty Ltd	ABN 93 615 043 260	615 043 260

For this reporting period, Climate Friendly has taken an operational control approach for assessing our boundary. We do not have international operations.

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 details are available in Appendix D.

Inside emissions boundary

Quantified

Stationary energy

Electricity

Accommodation

Carbon neutral products and services

Food

ICT services and equipment

Professional services

Office equipment and supplies

Postage, courier, and freight

Transport (air)

Transport (land and sea)

Waste

Water

Machinery and vehicles

Non-quantified

Electricity for offices in Canberra and Brisbane

Optionally included

Products

Work from home

Outside emission boundary

Excluded

Cleaning and chemicals

4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Climate Friendly has a long-term commitment to reduce our operational emissions, which is overseen by a dedicated employee Sustainability Working Group. The group monitors implementation and develops proposals to further improve our sustainability practices, covering the full range of reduce, reuse, recycle.

Climate Friendly commits to a 30% reduction in our emissions intensity per staff member by 2030, relative to a baseline of 2022. This will include the following actions:

Scope 1 emissions will be reduced by:

Using hybrid vehicles where possible. By 2025, we will undertake a procurement assessment into hybrid Hilux vehicles and if feasible, will consider investing in them to enable us to replace our traditional fleet vehicles.

Scope 2 emissions will be reduced by:

Assessing electricity use at Climate Friendly. We use modelled data to determine energy consumption. To ensure that accurate information is gathered, our sustainability working group research how to report on the energy consumption of each employee's home office set-up, and over the next two years we will engage with Climate Friendly's employees to report on the sustainable nature of their home office. Following this, in mid-2023 we will explore and plan how we can help promote additional sustainability within employees' home offices and assist employees to incorporate Sustainable practices. Climate Friendly sees the importance of this strategy as many of our employees work remotely on an occasional or permanent basis. We do not yet have data regarding emissions attributed to Climate Friendly related work within employee's home workspaces. However, we always look at modelled data to ensure potential emissions are captured.

Scope 3 emissions will be reduced by:

Updating Climate Friendly's procurement policy to obtain services (where possible) from companies who are Climate Active certified or are climate neutral.

Emissions reduction actions

The actions which we took over the 2022 Calendar Year are in line with our commitments since registering with Climate Active. Over the period our organisation has grown significantly, while maintaining a modest emissions output.

Our ongoing increase in emissions is mainly attributed to an ongoing increase to our staff, along with the company's requirements for professional services and short haul flights. Professional services and ICT services and equipment are our largest contributors to emissions as well as to change from the 2021 year. These changes may be attributed to:

1. An uplift in our IT infrastructure for security enhancement and streamlining of service provision involved significant external services.
2. An increase in data acquisition is significant but aligned to business growth.
3. Increase in costs associated with expansion in cloud IT infrastructure for computer resources, data back up and storage aligned to business growth as well as expanding technical capabilities to meet this growth. We note that data acquisition and access to data storage will be an ongoing increasing cost.

Over the same period, Climate Friendly's emissions from short haul flights have increased by 172%, in addition to increased travel by car. This is due to:

- Business growth resulting in an increase in staff numbers and increased flexibility to travel for site visits with COVID restrictions easing as well as general travel for inductions, training, and company all staff retreats.
- Expanding growth targets leading to increased staff travel into the field for face-to-face meetings with landholders.
- A reduction in Covid-19 restrictions.
- Over 2022 there has been an increased requirement for auditors to go out into the field for site visits, which has led to our audit team travelling into the field more than before.

Beyond this, electricity is our largest contributor to our total emissions in CY2022.

For the 2022 reporting year data, we reviewed all suppliers to see whether they were certified carbon neutral. Emissions associated with suppliers who are certified carbon neutral were accounted for as zero in our inventory to avoid double-counting since these emissions will be reported and offset by the respective supplier. Going forward, Climate Friendly will continue to preferentially engage with professional service firms who are Climate Active certified and are committed to reducing their emissions.

Furthermore, we will continue with current actions, which include:

1. Office recycling system, with staff sorting rubbish into multiple categories including paper, organics, soft plastics and mixed waste
2. E-waste recycling a minimum of once annually (including computer hardware and batteries)
3. Purchase of green power for our Sydney office
4. Regular sustainability training to promote sustainable practices in regional offices and at home
5. Sustainability roadmap for the company to ensure all procedures and processes are undertaken with the utmost integrity towards sustainability
6. Staff competition for lowest emission travel to annual staff catch up
7. Use of reusable coffee cups at our Sydney office by employees and guests
8. Event catering using environmentally sustainable food and reusable or recyclable cups, containers and utensils

9. Use of video conferencing facilities where appropriate and able to reduce travel
10. Sustainable fit out of Sydney office, including reused furniture, energy efficient lighting and low emissions floor cover
11. Regional travel using low emissions transport (i.e. public transport, hybrid or electric cars) wherever possible
12. Modelling Climate Friendly's growth in advance to plan what additional sustainability standards we can implement to reduce emissions earlier
13. Given the large work from home emissions source this will include engaging with staff on their home office set-ups.

Continuation of Climate Active certification

During the 2022 reporting process we have reviewed the emissions boundary, identified several areas for improvement as well as provided some re-categoristion of reporting items. As a result, we have committed to reviewing prior reports to ensure consistency and alignment with these changes.

To date Climate Friendly's Sustainability Working Group has taken carriage of this report and activity monitoring but going forward we are seeking to embed the objectives of the program within mainstream operational functions of the organization. We will be seeking to proactively improve systems to streamline reporting as well as to be able staff to more actively engage with the data to ensure objectives are being realized.

5. EMISSIONS SUMMARY

Emissions over time

Emissions since base year			
		Total tCO_2-e (without uplift)	Total tCO_2-e (with uplift)[1]
Base year:	2019	221	221
Year 1:	2020	120	120
Year 2:	2021	236	236
Year 3:	2022	559	559

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
ICT services and equipment	4.9	124.2	Change includes a large IT project undertaken during 2022 as well as update to classification from items previously included under 'Professional Services' including cloud infrastructure and IT support services.
Professional Services	147.6	183.94788378	Accounting for the re-categorization of emissions in this category shows an increase relative to business growth, driven primarily from our substantive data acquisition program
Transport (Air) and Transport (Land and Sea)	46.8	150.7	General expansion in business operations aligned within an increased flexibility to travel post COVID Relative increase in travel visits to clients not seen face to face in previous year(s) Large increase in staff numbers, Increasing number of staff traveling to site for face-to-face meetings with landholders. An increased requirement for auditors to conduct site visits Increases field and reporting staff travel

[1] Please note that the baseline and Year 1 had minimal uplifts attached to the emissions boundary. The uplifts were 0.22 t CO2e and 0.24 t CO2e, respectively. Due to the minute nature of the uplift, there was no change in total emissions. Furthermore, please note that there was no uplift associate with Year 2 and Year 3.

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

Certified brand name	Product/Service/Building/Precinct used
Power Shop	Product (electricity)

Emissions summary

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

Emission category	Scope 1 (t CO_2-e)	Scope 2 (t CO_2-e)	Scope 3 (t CO_2-e)	Total Emissions (t CO_2-e)
Accommodation and facilities	0.00	0.00	21.60	21.60
Climate Active Carbon Neutral Products and Services	0.00	0.00	0.00	0.00
Electricity	0.00	21.34	2.82	24.17
Food	0.00	0.00	14.71	14.71
ICT services and equipment	0.00	0.00	124.21	124.21
Machinery and vehicles	0.00	0.00	10.41	10.41
Office equipment & supplies	0.00	0.00	8.24	8.24
Postage, courier and freight	0.00	0.00	0.55	0.55
Products	0.00	0.00	0.00	0.00
Professional Services	0.00	0.00	183.94	183.94
Stationary Energy	0.00	0.00	0.00	0.00
Transport (Air)	0.00	0.00	62.89	62.89
Transport (Land and Sea)	57.35	0.00	30.48	87.82
Waste	0.00	0.00	6.08	6.08
Water	0.00	0.00	0.56	0.56
Working from home	0.00	0.00	13.04	13.04
Total	**57.35**	**21.34**	**479.52**	**558.21**

Uplift factors

Not applicable.

6. CARBON OFFSETS

Offsets retirement approach

This certification has taken an in-arrears offsetting approach. The total emission to offset is 559 t CO_2-e. The total number of eligible offsets used in this report is 559. Of the total eligible offsets used, 0 were previously banked and 559 were newly purchased and retired. 3 are remaining and have been banked for future use.

Co-benefits

Climate Friendly purchased 556 Australian Carbon Credit Units, the equivalent to 556 tonnes of CO_2 for this reporting period from the *Kilcowera and Zenonie Forest Regeneration Project*. This was an intentional purchase and retirement of credits, to provide additional co-benefits to the offsetting of Climate Friendly's carbon emissions. This is in line with our commitment to the Traditional Custodians of the land, outlined in our Reconciliation Action Plan.

Climate Friendly alongside the landholder at Kilcowera Station have established a constructive partnership with The Budjiti and Kullilli Bulloo River Aboriginal Corporations, holders of Native Title rights over the land. This partnership guarantees that a share of the revenue from the credit sales is distributed, thereby directly supporting local communities and upholding the rights of Traditional Owners. This arrangement not only fosters community development but also exemplifies a model of sustainable and inclusive environmental stewardship.

After a review and correction of the inventory, the total emissions for 2022 were adjusted from 553 t CO2-e to 559 t CO2-e. Accordingly, an additional 6 ACCUs were retired in April 2025. The additional 6 ACCUs were purchased from the *Australian Forests For A Cleaner Climate #1 Plantation Forestry Project*. This project sequesters carbon by converting an existing short rotation plantation forest to a long rotation plantation forest for commercial harvesting of wood products.

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 (%)**
Kilcowera and Zenonie Forest Regeneration Project	ACCUs	ANREU	4 July 2024	8,346,605,083 – 8,346,605,638	2022-23	0	556	0	3	553	99%
Australian Forests For A Cleaner Climate #1	KACCU	ANREU	8 April 2025	9,000,137,220 - 9,000,137,225	2023-24	0	6	0	0	6	1%
Total eligible offsets retired and used for this report										559	
Total eligible offsets retired this report and banked for use in future reports									3		

Type of offset units	Eligible quantity (used for this reporting period)	Percentage of total
Australian Carbon Credit Units (ACCUs)	559	100%

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

Not applicable.

APPENDIX A: ADDITIONAL INFORMATION

Not applicable.

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 **market-based approach**.

Market Based Approach Summary

Market Based Approach	Activity Data (kWh)	Emissions (kg CO2-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)	655	0	2%
Electricity products (LRET)	2,073	0	5%
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)	5,798	0	14%
Residual Electricity	33,489	31,982	0%
Total renewable electricity (grid + non grid)	**5,798**	**0**	**20%**
Total grid electricity	**42,015**	**34,587**	**20%**
Total electricity (grid + non grid)	**42,015**	**34,587**	**20%**
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	33,489	31,982	
Scope 2	29,575	28,244	
Scope 3 (includes T&D emissions from consumption under operational control)	3,914	3,738	
Residual electricity consumption not under operational control	**0**	**0**	
Scope 3	0	0	.

Total renewables (grid and non-grid)	20.29%
Mandatory	18.73%
Voluntary	1.56%
Behind the meter	0.00%
Residual scope 2 emissions (t CO2-e)	28.24
Residual scope 3 emissions (t CO2-e)	3.74
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	21.34
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	2.82
Total emissions liability (t CO2-e)	24.17

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 (kg CO2-e)	Scope 3 Emissions (kg CO2-e)	(kWh)	Scope 3 Emissions (kg CO2-e)
ACT	0	0	0	0	0	0
NSW	42,015	42,015	30,671	2,521	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)	42,015	42,015	30,671	2,521	**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)	**42,015**					

Residual scope 2 emissions (t CO2-e)	30.67
Residual scope 3 emissions (t CO2-e)	2.52
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	22.70
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	1.87
Total emissions liability (t CO2-e)	24.57

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 CO2-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 CO2-e)
PowerShop	**10,912**	**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

For CY 2022, we have not reported the electricity consumption for our Canberra office. As per our staff list and WFH survey for 2022, the only office locations in use were Sydney and Canberra. The results of our WFH survey show that on average, 1.2 FTE per month was present in the Canberra office. This amounts to 1.9 - 2.6 % of the total Climate Friendly FTEs for the year. We therefore consider the associated electricity consumption of those 1.2 FTEs as immaterial (below the 5% reporting threshold) and have not accounted for this. As our business and satellite offices continue to grow, we will endeavour to account accurately for all material emissions associated with those offices.

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[2]

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Cleaning and Chemicals	N	N	N	N	N	**Size:** The emissions source is likely to be minimal, as the cleaning service used would be divided by the number of offices within the building. Additionally, we had ad hoc access to cleaners in the Sydney office. Therefore, emissions would be minute in comparison to the emissions boundary. **Influence:** We do not have the potential to influence the emissions from this source, including by shifting to a different lower-emissions supplier for our business, as this emission is controlled by our building manager. **Risk:** The source does not create supply chain risks, and it is unlikely to be of significant public interest. **Stakeholders:** Key stakeholders are unlikely to consider this a relevant source of emissions for our business. This source of emissions is included with our building manager. **Outsourcing:** We have not previously undertaken this activity within our emissions boundary.

[2] Please note that in previous years we included natural gases as excluded emissions sources, however, we have been advised by our technical assessor that as it does not make up part of our emissions boundary (doesn't exist within the company BAU activities), we are not required to report on it/ include it in our excluded section.

An Australian Government Initiative

Climate Active