PUBLIC DISCLOSURE STATEMENT

LARK DISTILLING CO. LIMITED

ORGANISATION CERTIFICATION
FY2023–24

Australian Government

Climate Active
Public Disclosure Statement

An Australian Government Initiative

NAME OF CERTIFIED ENTITY	Lark Distilling Co. Limited
REPORTING PERIOD	1 July 2023 – 30 June 2024 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.* *Signature here*
	Iain Short Chief Financial Officer Date

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

Version 9.

CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	1,532 tCO_2-e
CARBON OFFSETS USED	100% VCUs
RENEWABLE ELECTRICITY	N/A
CARBON ACCOUNT	Prepared by: Trace Pty Ltd
TECHNICAL ASSESSMENT	Date 31/01/2024 Trace Pty Ltd Next technical assessment due: FY 2026
THIRD PARTY VALIDATION	NA

Contents

CERTIFICATION INFORMATION

Description of organisation certification

This organisation certification is for the business operations of Lark Distilling Co. Limited, ABN 62 104 600 544.

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

- Gin Bar (Level 1, 30 Argyle St, Hobart, TAS 7000)
- Lark Office (Level 1, 91-93 Macquarie Street, Hobart, TAS 7000)
- Lark Distillery (40 Denholms Road, Cambridge, TAS 7170)
- Cellar Door (14 Davey St, Hobart, TAS 7000)
- Brooke St Pier (12 Franklin Wharf, Hobart, TAS 7000)
- The Still (30 Argyle St, Hobart TAS 7000)
- Pontville (76 Shene Road, Pontville, TAS 7030)

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

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

This is a Climate Active Organisation certification which includes emissions from our distillery and office operations as well as the whisky and gin ingredients we use for our products. The certification excludes emissions from customer use, downstream processing or disposal of sold products.

This Public Disclosure Statement includes information for FY2023-24 reporting period.

Organisation description

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

In 2023, two whiskey production facilities ceased operations and gin making had significantly increased production.

The Lark Vision

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

The Reason We Exist

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

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

Lark Distilling Co. is an ASX listed company comprising several wholly owned subsidiaries, largest of which are Lark Distillery and Australian Whisky Holdings Services (an employee services entity). Head office for the group is located in Hobart, at Macquarie Street, with core assets located at 40 Denholms Road, Cambridge and 76 Shene Road, Pontville.

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
- Carbon neutral products and services
- Cleaning and chemicals
- Construction materials and services
- Electricity
- Food
- ICT services and equipment
- Machinery and vehicles
- Professional services
- Office equipment and supplies
- Postage, courier and freight
- Products
- Refrigerants
- Stationary energy and fuels
- Transport (air)
- Transport (land and sea)
- Waste
- Water
- Working from home

Non-quantified

NA

Optionally included

NA

Outside emission boundary

Excluded

Processing of sold products

Use of sold products

End-of-life treatment of sold products

EMISSIONS REDUCTIONS

Emissions reduction strategy

Lark Distilling Co. closed 2 production facilities at the end of FY23. Environmental impact continues to be a key focus for our business activities.

We continue to strive to minimise our carbon footprint per litre of new make spirit (NMS). This is expected to be achieved through Larks plan to align to the latest climate science by submitting net zero targets to be validated by the SBTi. Lark intends to submit Scopes 1, 2 and 3 science-based targets to demonstrate credible action towards decarbonisation.

Emissions reduction actions

FY24 saw a decrease in whiskey production, however gin production restarted which decreased total greenhouse gas emissions, such that we have seen an increase in intensity-based emissions. This is due to reduced production (66% less litres produced), however product sales are constant and therefore emissions related to sales and operations continue.

In FY24, while our carbon footprint per litre produced increased from 7.4 to 14.2 $kgCO_2$-e/L (184%), our absolute carbon footprint decreased from 2,492.6 to 1,531.86 tCO_2-e. (-38%).

FY24 emissions were significantly impacted by improvements in data collection and the following emission reduction actions as follows:

- Monitoring consumption data on a weekly basis for fuel, water, waste and energy.
- Implementation of a single corporate travel booking supplier to improve tracking of direct and indirect travel emissions.
- Contracted a freight specialist partner to find more sustainable freight routes and more accurate distance tracking for international freight for shipments over 250kg. The freight provider also provides carbon neutral shipping through the use of offsets.
- Continuation of a maintenance planning software aiming to reduce maintenance call outs and breakdowns, and as a result reducing costs and associated emissions
- Continuation of RfiD technology to improve cask tracking and therefore reduce paperwork and trips to bond stores.
- Continuing to provide all our spent grain and yeast to local farmers.
- Continuing to repack our finished goods into the same cardboard shippers in which we receive packaging materials, reducing our overall cardboard consumption. For paper and cardboard that cannot be reused in this manner, we shred them and repurpose them as cushioning material for our eCommerce shipments, further minimising waste.
- Continuing to reuse sampling and defective bottles to minimise glass waste.
- Continuing to have all gin primary packaging recyclable.

EMISSIONS SUMMARY

Emissions over time

Emissions since base year			
		Total tCO_2-e (without uplift)	**Total tCO_2-e** (with uplift)
Base year/Year 1:	2019-20	1,469.7	N/A
Year 2:	2020–21	2,613.0	N/A
Year 3:	2021–22	2,646.7	N/A
Year 4:	2022-23	2,492.57	N/A
Year 5:	2023-24	1,531.86	N/A

Significant changes in emissions

Overall, GHG emissions have decreased compared to the previous financial year, primarily due to improvements in data collection and GHG calculations, as well as a significant reduction in production volumes and increased production efficiencies, as outlined above. See below for details on emission sources that accounted for more than 10% of our inventory and experienced a year-on-year change of over 10%.

Significant changes in emissions			
Emission source	**Previous year emissions** (t CO_2-e)	**Current year emissions** (t CO_2-e)	**Reason for change**
Advertising services	332.94	271.39	Reduction in advertising and an update to emissions factor.
Liquefied petroleum gas	348.11	211.46	Reduction in production volumes means less LPG used

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

Certified brand name	Product/Service/Building/Precinct used
Zilch Forwarding	Carbon neutral shipping

Emissions summary

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

Emission category	Scope 1 emissions (tCO_2-e)	Scope 2 emissions (tCO_2-e)	Scope 3 emissions (tCO_2-e)	Total emissions (t CO_2-e)
Accommodation and facilities	0.00	0.00	19.82	19.82
Cleaning and chemicals	0.00	0.00	16.70	16.70
Climate Active carbon neutral products and services	0.00	0.00	0.00	0.00
Construction materials and services	0.00	0.00	44.73	44.73
Electricity	0.00	60.46	5.04	65.50
Food	0.00	0.00	90.09	90.09
Horticulture and agriculture	0.00	0.00	0.00	0.00
ICT services and equipment	0.00	0.00	143.36	143.36
Machinery and vehicles	0.00	0.00	78.50	78.50
Office equipment and supplies	0.00	0.00	33.20	33.20
Postage, courier and freight	0.00	0.00	27.70	27.70
Products	0.00	0.00	97.12	97.12
Professional services	0.00	0.00	376.59	376.59
Refrigerants	0.57	0.00	0.00	0.57
Roads and landscape	0.00	0.00	0.00	0.00
Stationary energy (gaseous fuels)	9.76	0.00	0.89	10.65
Stationary energy (liquid fuels)	158.63	0.00	52.86	211.49
Stationary energy (solid fuels)	50.25	0.00	0.00	50.25
Transport (air)	0.00	0.00	98.88	98.88
Transport (land and sea)	0.00	0.00	123.09	123.09
Waste	0.00	0.00	29.74	29.74
Water	0.00	0.00	6.39	6.39
Working from home	0.00	0.00	7.47	7.47
Grand Total	**219.22**	**60.46**	**1252.18**	**1531.86**

Uplift factors

N/A

CARBON OFFSETS

Eligible offsets retirement summary

Offsets retired for Climate Active certification

Type of offset unit	Quantity used for this reporting period	Percentage of total units used
Verified Carbon Units (VCUs)	1532	100.00%

Project name	Type of offset unit	Registry	Date retired	Serial number	Vintage	Total quantity retired	Quantity used in previous reporting periods	Quantity banked for future reporting periods	Quantity used for this reporting period	Percentage of total used this reporting period
April Salumei Rainforest Rescue (REDD) Project	VCU	Verra	18/3/2024	16203-749141847-749144346-VCS-VCU-352-VER-PG-14-1122-01012013-31122013-0	2013	2500	2493	0	7	0.46%
April Salumei Rainforest Rescue (REDD) Project	VCU	Verra	18/3/2024	16022-734995415-734997914-VCS-VCU-352-VER-PG-14-1122-01012015-31122015-0	2015	2500	0	975	1525	99.54%

Co-benefits

Within the East Sepik Province of Papua New Guinea is the April Salumei REDD Project (the project). A combined area of 603,712 h.a. the landscape is defined by forested land on mineral and peat soils. The project area is thriving with both traditional culture and extraordinary levels of biodiversity. Located within a Forest Management Area (FMA) designated for timber production by the Papua New Guinean Forest Authority, the project area was facing a material threat of deforestation. The carbon finance attracted through verified carbon unit (VCU) revenues provides Indigenous landowners a form of income based on the carbon and ecosystem services provided by the forest. The project aims to improve access to education, affordable and clean energy, improve economic outcomes through employment while preserving the rich cultural traditions and customs of the Indigenous land holders.

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)	94,316	0	19%
Residual Electricity	409,510	372,654	0%
Total renewable electricity (grid + non grid)	**94,316**	**0**	**19%**
Total grid electricity	**503,827**	**372,654**	**19%**
Total electricity (grid + non grid)	**503,827**	**372,654**	**19%**
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	**409,510**	**372,654**	
Scope 2	364,509	331,703	
Scope 3 (includes T&D emissions from consumption under operational control)	45,001	40,951	
Residual electricity consumption not under operational control	**0**	**0**	
Scope 3	0	0	

Total renewables (grid and non-grid)	**18.72%**
Mandatory	**18.72%**
Voluntary	**0.00%**
Behind the meter	**0.00%**
Residual scope 2 emissions (t CO_2-e)	**331.70**
Residual scope 3 emissions (t CO_2-e)	**40.95**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**331.70**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**40.95**
Total emissions liability (t CO_2-e)	**372.65**

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	0	0	0	0	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	503,827	503,827	60,459	5,038	0	0
Grid electricity (scope 2 and 3)	**503,827**	**503,827**	**60,459**	**5,038**	**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)	**503,827**					

Residual scope 2 emissions (t CO_2-e)	**60.46**
Residual scope 3 emissions (t CO_2-e)	**5.04**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**60.46**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**5.04**
Total emissions liability	**65.50**

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 electricity 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

N/A – no non-quantified emission sources.

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 organisation.

Excluded emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Processing of sold products	N	N	N	N	N	**Size:** The emissions source is likely to be immaterial and therefore is not likely to be large compared to the total emissions from electricity, stationary energy and fuel emissions. **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. **Risk:** There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest. **Stakeholders:** Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business. **Outsourcing:** We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.
Use of sold products	N	N	N	N	N	**Size:** The emissions source is likely to be immaterial and therefore is not likely to be large compared to the total emissions from electricity, stationary energy and fuel emissions. **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. **Risk:** There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest. **Stakeholders:** Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business. **Outsourcing:** We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
End-of-life treatment of sold products	N	N	N	N	N	**Size:** The emissions source is likely to be immaterial, and therefore is not likely to be large compared to the total emissions from electricity, stationary energy and fuel emissions. **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. **Risk:** There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest. **Stakeholders:** Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business. **Outsourcing:** We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.

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