



PUBLIC DISCLOSURE STATEMENT

**THE TRUSTEE FOR PHYTO-THERAPY
UNIT TRUST**

**PRODUCT CERTIFICATION
FY 2021/22 (PROJECTED)**

Australian Government
Climate Active
Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY: The trustee for Phyto-Therapy Unit Trust

REPORTING PERIOD: Financial year 1 July 2021 – 30 June 2022 (projected)

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:

Date: 19th of July 2021

Name of Signatory: Jack Maddock

Position of Signatory: Sustainability Manager



Australian Government
Department of Industry, Science,
Energy and Resources

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1. CARBON NEUTRAL INFORMATION

Description of certification

This certification encompasses all material attributable processes in the production and wholesale of all products sold by Phyto-Therapy Pty Ltd under the trustee for Phyto-Therapy Unit Trust (ABN: 63 611 542 866). Phyto-Therapy has taken a cradle-to-gate approach to this certification, with products categorized as follows; plant-based protein powders, superfood powders, fruit and vegetable powders, fibre and seed powders, mushroom powders, sweeteners and flavours, and Phyto-Blends. Attributable processes for these products have been grouped into three main stages; agricultural stage, manufacturing stage, and responsible entity (Phyto-Therapy) stage. Emissions from warehousing and bulk blending operations for Phyto-Therapy products have also been included in the emissions boundary. As the emissions boundary is cradle-to-gate, with the 'gate' defined as the point of sale, all downstream emissions have been excluded.

The functional unit for this certification is kg CO₂-e/kg of ingredient powders sold (e.g. kg CO₂-e/kg of Organic PhytoPea). Emissions for all Phyto-Therapy products have been aggregated under a single inventory, with a common functional unit used to define all products. Relevant attributable processes have been determined using a combined assessment of emissions intensity and quantity of raw materials purchased. The base year selected for this carbon inventory is FY 2019/2020, as this was the most recent year that full inventory data was available. The carbon inventory is based on ingredient powders purchased from both international and local suppliers, for a typical mix of products sold.

Organisation description

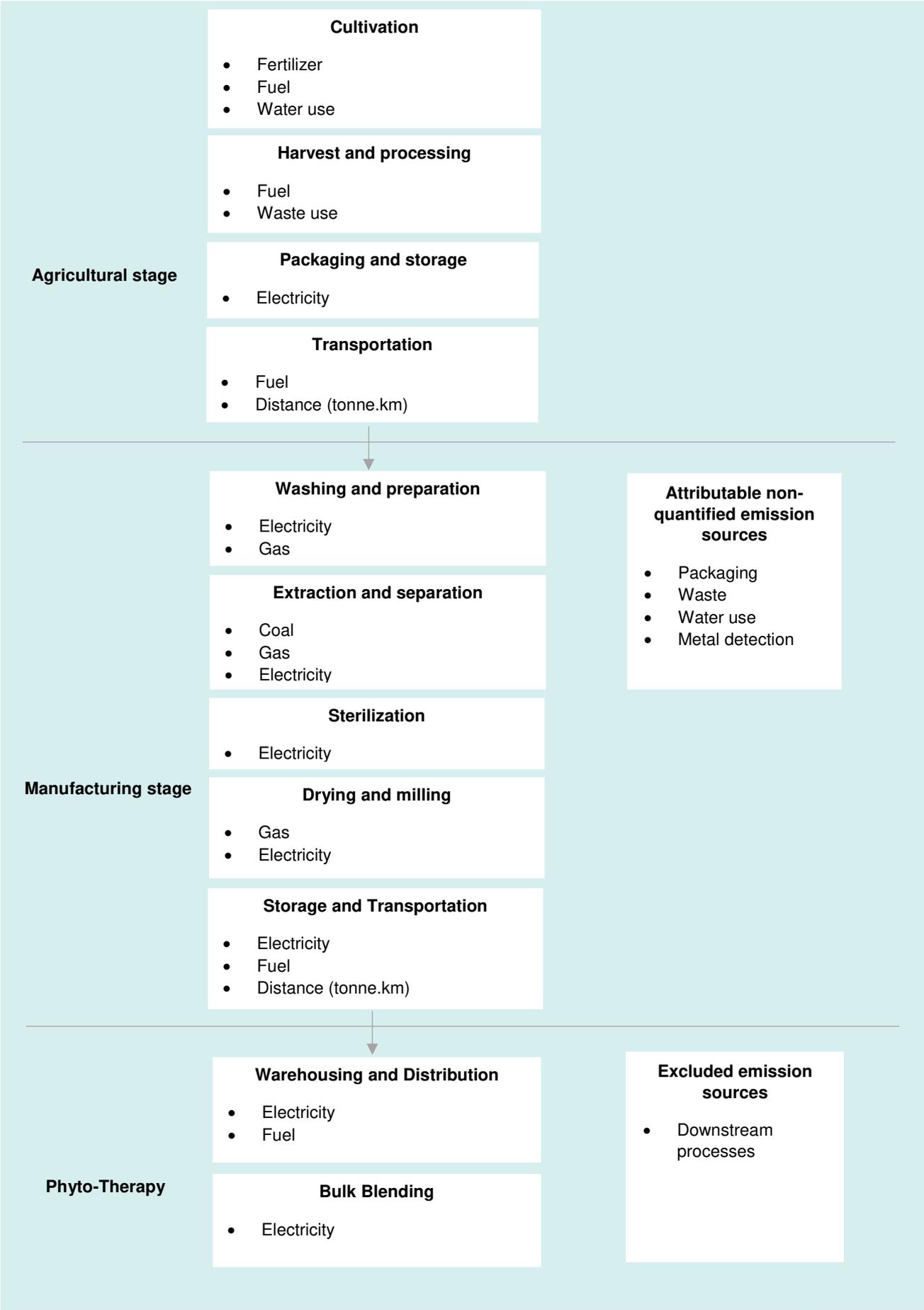
Phyto-Therapy is an organic bulk powder ingredient wholesaler that sources ingredients globally to supply to markets in Australia, New Zealand, and the USA. Phyto-Therapy also facilitates ingredient bulk blending through a contract manufacturer, and provides product formulation consultation as a value-added service.

“All businesses have an obligation to our planet to have a minimal impact on our environment.

Supplying organic ingredients that are carbon neutral meets these goals.”

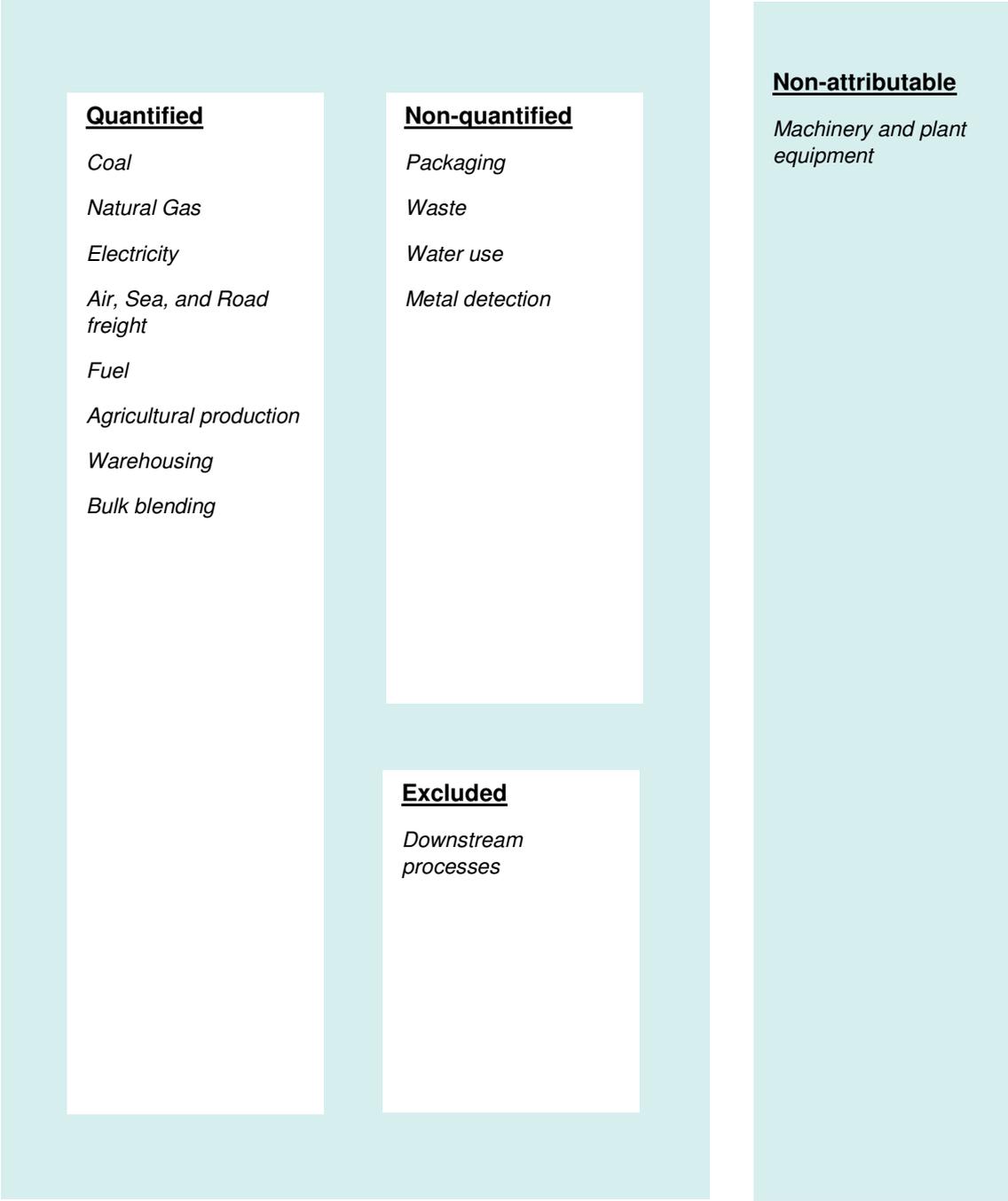
Product/service process diagram

The following diagram is cradle to gate. For this certification, a partial life cycle has been defined for Phyto-Therapy products up to the point of sale. All emissions from downstream processes have been excluded due to significant barriers to data collection, and have been categorized as excluded sources within the emissions boundary. All products sold by Phyto-Therapy are Australian Certified Organic (excluding flavours) and the processes listed below are reflective of organic practices.



2. EMISSION BOUNDARY

Diagram of the certification boundary



Attributable non-quantified sources

Sources that have been non-quantified include those relating to upstream processes where significant barriers to data acquisition exist. Specifically, packaging, water use, waste, and metal detection were all unable to at this stage be quantified and were deemed to be small relative to other significant emissions sources. Hence, a 5% uplift factor has been applied to account for these sources. An additional 5% uplift has been applied due to the uncertainty surrounding the differential of emissions intensity between organic and conventional agricultural practices. Due to the limited availability of published life-cycle research on representative organic agricultural processes for Phyto-Therapy's ingredients, conventional agricultural emissions factors have been used to represent these processes as a proxy.

“Similar to the Australian Certified Organic certification program, Climate Active guarantees to stakeholders that our ingredients have been verified as carbon neutral under a legitimate certification standard.”

Data management plan

Phyto-Therapy plans to introduce several measures to further improve the quality of the carbon inventory over time. Firstly, Phyto-Therapy aims to receive direct activity data from suppliers to account for emissions from agricultural production. Secondly, Phyto-Therapy aims to increase the number of agricultural phase emissions accounted for with granular emissions factors. As further life-cycle assessment studies on agricultural production are published, Phyto-Therapy will look to update current emissions factors, and replace input-output estimations. Thirdly, Phyto-Therapy will continue to encourage suppliers to measure their carbon inventory and supply direct activity data on their manufacturing processes.

Excluded sources (within certification boundary)

Excluded emissions sources solely consist of downstream processes that occur after the products have left Phyto-Therapy's organisational gate. These processes include; filling and packing of finished goods, wholesale, retail, distribution, consumer end-use, and disposal of finished goods. Significant barriers exist to data collection, and at this time, Phyto-Therapy is unable to extrapolate proxy data for these processes. Phyto-Therapy estimates these processes to be material relative to the total product inventory, and endeavors to attain Climate Active certification for all of its bulk blend clients.

Non attributable sources (outside certification boundary)

Both machinery and plant equipment have been deemed non-attributable to the product inventory. This is in line with industry-standard LCAs for ingredient powder manufacturing (see [‘Life Cycle Assessment of Apple Powders Produced by a Drum Drying Process’](#) by De Marco et al. 2015).

3. EMISSIONS SUMMARY

Emissions reduction strategy

As a wholesaler of organic ingredient powders, Phyto-Therapy’s ability to influence the carbon emissions relating to its products is somewhat restricted as a majority of the attributable processes are outside its operational control. Phyto-Therapy’s ability to influence its emissions inventory comes down to two main choices; the suppliers it chooses to purchase raw materials from, and the shipping methods it chooses to transport these raw materials. Phyto-Therapy will look to implement the following strategies to reduce its emissions in these two areas. Firstly, Phyto-Therapy will look to work with carbon-neutral suppliers, showing preference to suppliers that are both transparent about their resource consumption and conscious of their environmental impact. Secondly, Phyto-Therapy will look to minimize air freight of raw material purchases, as this has been identified as the largest single item emissions source of the carbon inventory.

Emissions over time

Since this public disclosure represents the base year for Phyto-Therapy’s Climate Active certification, it is not yet possible to compare emissions over time. Future Public Disclosure Statements will report the emissions intensity for Phyto-Therapy’s products and compare changes over time.

Functional units

Table 2

	Number of functional units
<i>a) Number of functional units sold this period</i>	896,691
<i>b) Number of functional units to be forward offset demonstrating commitment to carbon neutrality (true-up to be conducted at the end of the reporting period)</i>	896,691

Emissions summary (inventory)

Table 3

Emission source category	tonnes CO ₂ -e
Agricultural cultivation	1,159.7
Manufacturing - Coal	267.7
Manufacturing - Gas	203.0
Manufacturing - Electricity	145.7
Shipping – air	162.9
Shipping - road	131.6
Shipping - sea	79.7
Warehousing/blending – Electricity	10.1
Manufacturing – drying processes	6.2
1. Total inventory emissions	2,166.7
<i>a. Number of functional units represented by the inventory emissions</i>	<i>508,861</i>
2. Emissions per functional unit (based on the number of functional units represented by the inventory) Total tCO ₂ -e divided by the number of functional units in 1a.	0.004258
3. Carbon footprint (Emissions per functional unit (2)* number of functional units (a or b from table 2))	3818.1

Uplift factors

Table 4

Reason for uplift factor	tonnes CO ₂ -e
Uplift of 5% - applied to account for manufacturing processes (packaging, waste, water use, metal detection)	190.9
Uplift of 5% - applied to account for organic processes	190.9
<i>Total uplift factors</i>	<i>381.8</i>
Total to offset (Carbon footprint + total uplift factors)	4,200.0

Carbon neutral products

None.

4. CARBON OFFSETS

Offset purchasing strategy: forward purchasing

Phyto-Therapy has chosen to apply a forward purchasing strategy. By this strategy, Phyto-Therapy estimates the sales volume for the upcoming reporting period and then purchases and retires offset units accordingly. Phyto-Therapy then performs a true-up process in the following year's report to ensure that the number of cancelled offset units equals the actual emissions for that period.

Table 5

Forward purchasing summary	
1. Total offsets previously forward purchased for this reporting period	0
2. Total offsets required for this reporting period	0
3. Net offset balance for this reporting period	0
4. Total offsets to be forward purchased for next reporting period	4,200.0

The total offsets required for this reporting period are zero since Phyto-Therapy wishes to offset for FY2021/22. Phyto-Therapy has used the sales total from FY2020/21 to obtain a forecast for FY2021/22 and has retired offsets for emissions corresponding to this forecast. Phyto-Therapy will then perform a true-up of the carbon inventory at the end of FY2021/22 to ensure that the number of cancelled offset units equals the actual emissions. FY2021/22 will be the first year certified as Climate Active Carbon Neutral since this is the first year against which carbon offsets have been retired. Phyto-Therapy products will be carbon neutral for FY2021/22 by the time of this report, through the forward purchase and retirement of the estimated emissions for that year.

Offsets summary

Table 6

1. Total offsets required for this report				4,200					
2. Offsets retired in previous reports and used in this report				0					
3. Net offsets required for this report				4,200					
Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO2-e)	Quantity used in previous report	Quantity banked for future years	Quantity used in this report
REDD+ Tambopata-Bahuaja Biodiversity Reserve project	VCUs	Verra	27 May 2021	7443-399232430-399235200-VCU-019-MER-PE-14-1067-01012018-31122018-1	2018	2,771	0	0	2,771
REDD+ Tambopata-Bahuaja Biodiversity Reserve project	VCUs	Verra	16 July 2021	7443-399278738-399279162-VCU-019-MER-PE-14-1067-01012018-31122018-1	2018	425	0	0	425

REDD+ Tambopata-Bahuaja Biodiversity Reserve project	VCUs	Verra	16 July 2021	9625-112829702-112830614-VCS-VCU-261-VER-PE-14-1067-01072017-31122017-1	2017	913	0	0	913	
REDD+ Tambopata-Bahuaja Biodiversity Reserve project	VCUs	Verra	16 July 2021	10718-244294703-244294793-VCS-VCU-261-VER-PE-14-1067-01072017-31122017-1	2017	91	0	0	91	
<i>Total offsets retired this report and used in this report</i>								4,200		
<i>Total offsets retired this report and banked for future reports</i>								0		

Offsets retired before reporting period had been finalised.

Co-benefits

Phyto-Therapy has offset its emissions by purchasing VCUs generated by rainforest preservation activities in the Madre de Dios region of the Peruvian Amazon. The Tambopata-Bahuaja Biodiversity Reserve project, funded by Mirova Natural Capital and administered in partnership with Peruvian NGO, AIDER, conserves 591,951 hectares of threatened tropical rainforest by integrating conservation activities with sustainable economic development. One of the project's main focuses is to help farmers transition to sustainable cacao production in the margins of the protected area. This, in turn, restores degraded land and reduces deforestation pressures, whilst also providing local communities with forest-friendly and sustainable livelihoods. Phyto-Therapy purchases 100 per cent of its offset units from this project. (See [Ecosphere+](#) website for more details.)

5. USE OF TRADE MARK

Table 7

Description where trademark used	Logo type
Website	Certified product
Product information sheets	Certified product
Price list	Certified product
Delivery notes	Certified product
Invoices	Certified product
Tradeshow	Certified product
Newsletters	Certified product

6. ADDITIONAL INFORMATION

APPENDIX 1

Non-attributable emissions for products and services

To be deemed attributable an emission must meet two of the five relevance criteria. Non-attributable emissions are detailed below against each of the five criteria.

Table 8

Relevance test					
Non-attributable emission	<i>The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions</i>	<i>The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.</i>	<i>Key stakeholders deem the emissions from a particular source are relevant.</i>	<i>The responsible entity has the potential to influence the reduction of emissions from a particular source.</i>	<i>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.</i>
Machinery and plant equipment	No	No	No	No	No

APPENDIX 2

Non-quantified emissions for products/services

Please advise which of the reasons applies to each of your non-quantified emissions. You may add rows if required.

Table 9

Non-quantification test				
Relevant-non-quantified emission sources	<i>Immaterial <1% for individual items and no more than 5% collectively</i>	<i>Quantification is not cost effective relative to the size of the emission but uplift applied.</i>	<i>Data unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.</i>	<i>Initial emissions non-quantified but repairs and replacements quantified</i>
Waste	Yes	Yes	Yes	No
Packaging	Yes	Yes	Yes	No
Water use	No	Yes	Yes	No
Metal detection	Yes	Yes	Yes	No