



An Australian Government Initiative




Australian Government Carbon Neutral Program public disclosure summary

NAME OF CERTIFIED ENTITY: H.E.S.T. Australia Ltd

REPORTING PERIOD: 2018-2019

Declaration

To the best of my knowledge, the information provided in this Public Disclosure Summary is true and correct and meets the requirements of the National Carbon Offset Standard Carbon Neutral Program.

	Date: 20/12/2019
Name of Signatory: Ms. Debby Blakey	
Position of Signatory: CEO, HESTA	

Carbon neutral certification category	Organisation
Date of most recent external verification/audit	28/8/19
Auditor	Pangolin Associates Pty Ltd
Auditor assurance statement link	Refer Attachment 1



Australian Government
Department of the Environment and Energy

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1. Carbon neutral information

1A. Introduction

The Health Employees Superannuation Trust Australia ('HESTA' or 'Fund') is an industry superannuation fund. HESTA has more than 840,000 members and \$53 billion in assets. The Trustee of the Fund is H.E.S.T. Australia Limited ('Trustee'). The Trustee leases office space in each state and territory throughout Australia, with its national office in Melbourne. Located at the national office are the majority of employees including the investment and supporting administrative teams, whilst the interstate offices contain member engagement and advice teams.

The Trustee as an organisation was certified as carbon neutral in 2019 for the period 2017-2018. This year is the Trustee's second National Carbon Offset (NCOS) public disclosure summary. As part of its corporate responsibility plan, the Trustee is committed to being efficient, socially minded and having carbon neutral operations.

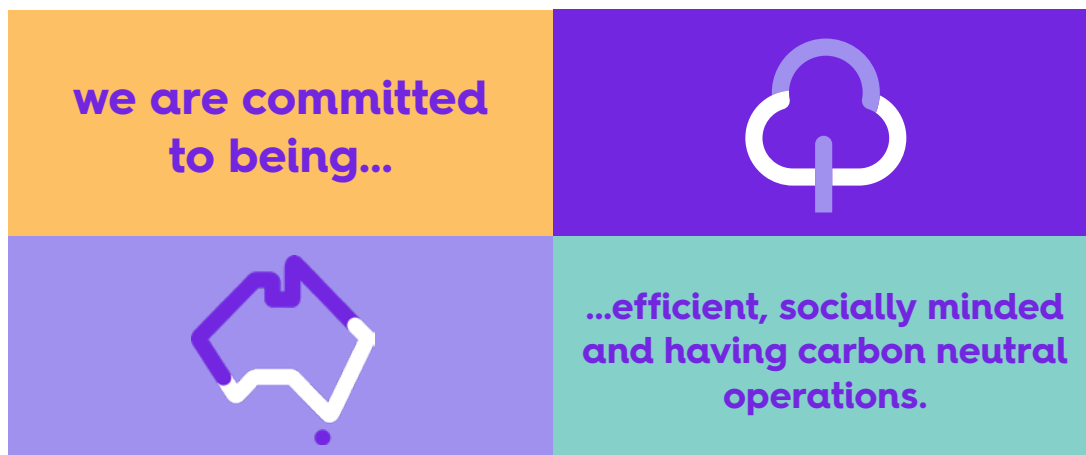


Figure 1. Our approach

This report provides an overview of the Trustee's approach to maintaining NCOS carbon neutral certification and managing its emissions footprint for the period 1 July 2018 - 30 June 2019.

The NCOS certification covers all the Trustee's operations. It does not include HESTA's investments. The Trustee utilises an operational control approach consistent the requirement under the National *Greenhouse and Energy Reporting Act 2007* as well as the Greenhouse Gas Protocol (GHG Protocol). An organisation is considered to have operational control over a facility if they have the authority to introduce and implement any of the following for the facility:

1. operating policies
2. health and safety policies; or
3. environmental policies.

The implementation of the above policies in leased premises, is to a certain extent governed by the policies of the building owners/operators.

1B. Emission sources within certification boundary

Quantified sources

Scope 1

- Gasoline in vehicles
- Refrigerant leakage (refrigerators)
- Refrigerant leakage (meeting room air conditioners)

Scope 2

- Electricity

Scope 3

- Long haul air travel (business)
- Medium haul air travel (economy)
- Sustainable staff commuting
- Electricity - base building electricity - non-operational control
- Long haul air travel (premium economy)
- Paper external recycled
- Long haul air travel (economy)
- Paper external FSC
- Data centre electricity
- Taxi travel
- Natural gas - base building use - non-operational control
- Electricity transmission & distribution
- Electricity - base building electricity - non-operational control - transmission & distribution
- Short haul air travel (average)
- Gasoline in vehicles indirect emissions
- Landfill waste
- Data centre electricity - transmission & distribution
- 75% - 100% recycled paper usage
- Water - potable water
- Diesel oil - base building consumption
- 50% - 74% recycled paper usage
- Carbon neutral paper
- Commingled recycling
- Medium haul air travel (average)
- Organic & compost waste
- Paper recycling waste

Non-quantified sources

The following emission sources have been excluded in line with the provisions of the National Carbon Offset Standard for Organisations. The impact of excluding these sources is not expected to materially affect the overall total emissions.

- **IT waste related emissions** – the Trustee recycles the majority of its IT waste. Statistics have been requested.
- **Food and catering related emissions** – the data is not currently available for these activities. However, HESTA recently implemented a new procurement management system. Data from this system is being investigated to determine if food and catering emissions data can be captured.
- **Base building refrigerants** – refrigerant usage in base building chillers has not been estimated due to the difficulty of obtaining data and likely immaterial contribution of this emission source.
- **Emissions associated with HESTA’s investment portfolio** – emissions from investments have not been quantified or estimated due to limiting the reporting to Trustee operations.
- **Hotel stays** – data for hotel stays is not currently captured as it is considered a non-material contributor to the Trustee’s emissions. However, the recent implementation of a new procurement management system has potentially provided access to this data. The Trustee is currently validating data in preparation for the next reporting period.
- **Rental vehicles** – data is captured for the Trustee’s fleet, taxi usage and employee travel to and from work. Data for rental vehicles is not currently captured as it is considered a non-material contributor to the Trustee’s emissions. However, the recent implementation of a new procurement management system has potentially provided access to this data. The Trustee is currently validating data in preparation for the next reporting period.

1C. Diagram of the certification boundary

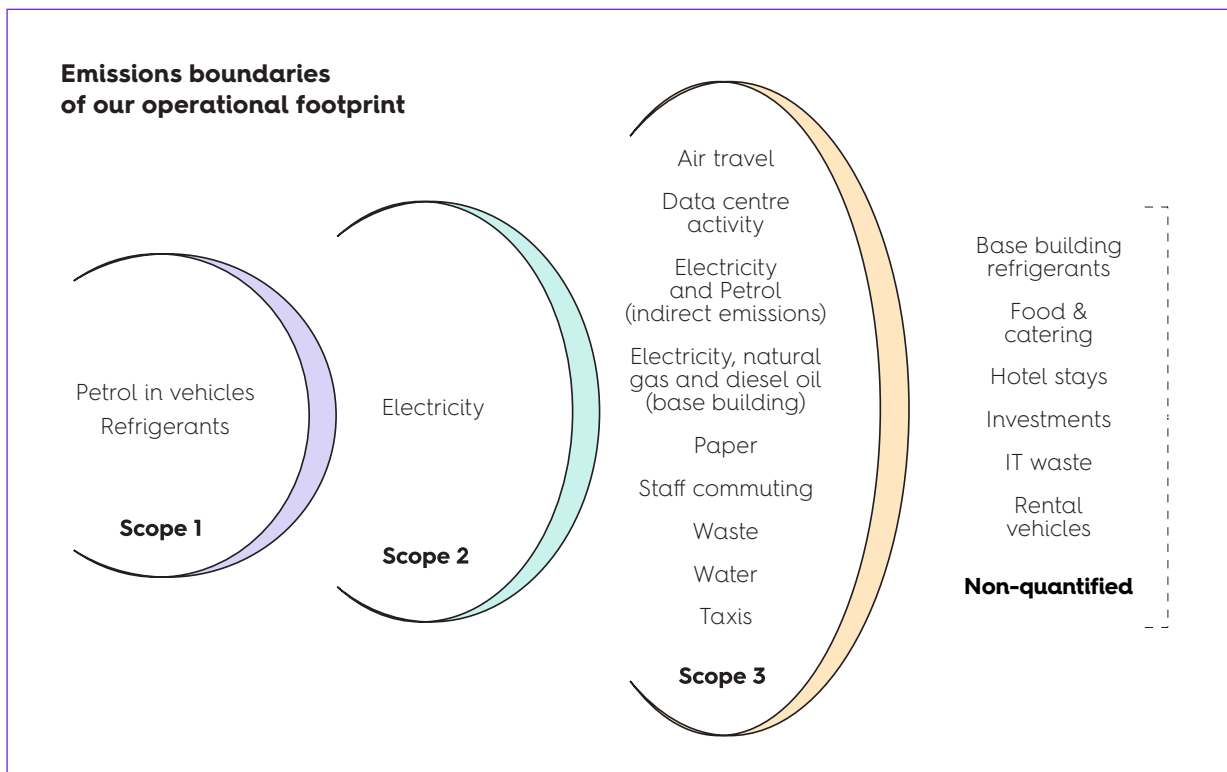


Figure 2. Emissions boundaries

HESTA’s certification boundary as shown in Figure 2. Certification Boundary, includes the Trustee’s business operation, activities within the HESTA leased office spaces across Australia and IT data centres.

2. Emissions reduction measures

2A. Emissions over time

The period 1 July 2017–30 June 2018 is the baseline for future reporting years. The Trustee’s global carbon emissions for the financial year 2019 was 1,795.54 tCO₂-e.

The following sources of emissions contribute to the Trustee’s carbon footprint.

	Emissions since base year	2018 base year	Current year 2019	Percentage change
Scope	Total Emissions per scope	tCO ₂ -e	tCO ₂ -e	
Scope 1	Gasoline in vehicles and refrigerants	119.07	119.26	0.16%
Scope 2	Electricity - tenancy light and power	158.29	149.56	-5.50%
Scope 3	Non-operational control	1,167.73	1,526.71	30.74%
Net emissions	Emissions since base year	1,445.23	1,795.54	24.24%

Table 1. Emissions over time

The Trustee’s total emissions have risen by 24.24% as shown in Table 1. Emissions over time. This is mainly due to the 25.77% growth in headcount over the same period. Additionally, HESTA has improved its data collection methodology with respect to air travel by replacing the reliance on staff to enter air travel into a spreadsheet with a procurement management system.

2B. Emissions reduction strategy

HESTA’s emissions reduction strategy covers waste, water and energy management, and the examination and re-engineering of the Trustee’s business processes to ensure these processes are sustainable.

2C. Emissions reduction actions

The Trustee is always working to reduce its impact on the environment and is currently working to transition the business operation functions to be more sustainable, for example, by replacing its hybrid fleet with electric vehicles, implementing video conferencing and re-engineering its procurement processes.

Below is a list of initiatives completed or underway for the FY2019 period.

Reduction measure / activity	Emission source & scope	Status	Expected annual reduction (tCO ₂ -e)
Office Fit out Design Guidelines – a large part of the emission reduction strategy is to design efficient and productive offices. Another intent of the design is to provide the framework for employees to be sustainable. This has an objective of employees adapting their behaviour to the office environment.	Electricity, Scope 2 Waste, Scope 3	Implemented	10
Perth, Brisbane and Hobart office upgrades	Electricity Scope 2, Waste, Scope 3	Implemented	10
Lighting controls	Electricity, Scope 2	Implemented	10
Energy education program	Electricity, Scope 2 & 3	implemented	20
Labelling and signage	Waste	Implemented	5

Table 2. Reduction Measures

3. Emissions summary

Scope	Emission source	tCO ₂ -e
Scope 1	Gasoline in vehicles	116.88
	Refrigerant - R410A	2.24
	Refrigerant - R134A	0.14
Scope 2	Electricity - tenancy light and power	149.56
Scope 3	Long haul air travel (business)	550.87
	Medium haul air travel (economy)	237.14
	Sustainable staff commuting	203.22
	Electricity - base building electricity - non-operational control	139.19
	Long haul air travel (premium economy)	89.94
	Paper external recycled	69.44
	Long haul air travel (economy)	59.41
	Paper external FSC	47.84
	Data centre electricity	33.69
	Taxi travel	18.35
	Natural gas - base building use - non-operational control	17.02
	Electricity transmission & distribution	15.84
	Electricity - base building electricity - non-operational control - transmission & distribution	15.40
	Short haul air travel (average)	8.47
	Gasoline in vehicles indirect emissions	6.22
	Landfill waste	4.24
	Data centre electricity - transmission & distribution	4.11
	75% - 100% recycled paper usage	3.44
	Water - potable water	2.58
	Diesel oil - base building consumption	0.26
	50% - 74% recycled paper usage	0.04
	Carbon neutral paper	0.00
	Commingled recycling	0.00
Medium haul air travel (average)	0.00	
Organic & compost waste	0.00	
Paper recycling waste	0.00	
Total gross emissions		1,795.54
GreenPower or retired LGCs		-6.06
Total net emissions		1,789.47

4. Carbon offsets

4a. Offsets summary

The Trustee purchases and retires offsets upon completion of its annual carbon account. In the reporting period green power was purchased to the equivalent of 6.06 tCO₂-e which reduced the carbon footprint to 1,789.47 tCO₂-e

Projects supported by offset purchase	Eligible offset units	Registry	Cancellation date	Serial numbers (inc. hyperlink to registry transaction record)	Vintage	Quantity
Kimberley Savannah Burning (WALFA)	ACCU	Tasman Environmental Market	11/11/2019	3,769,460,486 - 3,769,460,990	2017-18	505
Curranyalpa Human-Induced Regen Project	ACCU	Tasman Environmental Market	11/11/2019	3,749,706,723 - 3,749,707,183	2016-17	461
Curranyalpa Human-Induced Regen Project	ACCU	Tasman Environmental Market	11/11/2019	3,749,715,684 - 3,749,716,301	2016-17	618
Berrangabah Human-Induced Regen Project	ACCU	Tasman Environmental Market	11/11/2019	3,749,598,015 - 3,749,598,226	2016-17	212
Total offsets cancelled						1796
Total offsets banked for use future years:						0

4b. Offsets purchasing and retirement strategy

HESTA has partnered with QANTAS under the QANTAS Future Planet program to procure offsets. This is three-year agreement, commencing in 2019. HESTA will review its strategy within the next two years.

4c. Offset projects (co-benefits)

HESTA selected specific projects that provide co-benefits from those available under the Future Planet program. Specifically, HESTA selected savannah burning in the Kimberley as shown in the image below. This project connects local indigenous communities back with the land and provides employment opportunities, which breaks generational unemployment. It also helps to develop new social norms and provides environmental benefits in addition to carbon abatement.



Figure 3. Cool burning at Mitchell Plateau on Wunambal Gaambera country, courtesy of Qantas Airways Limited

5. Use of trade mark

As HESTA was certified as being carbon neutral in September 2019, HESTA is yet to use the trade mark.

6. Have you done more?

HESTA wants to contribute to a better world to work in and to retire into. As such, HESTA developed HESTA Impact, a holistic framework that coordinates activities across the organisation. HESTA Impact consists of Responsible Investing, Advocacy and Corporate Responsibility.

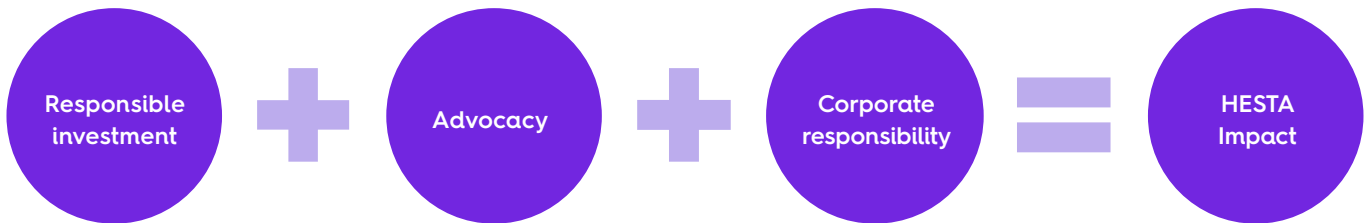


Figure 4. HESTA Impact

In terms of specific achievements HESTA has:

- invested in solar farms;
- invested in social housing in the form of the Nightingale project in Brunswick Melbourne;
- offset emission from HESTA events;
- adopted the United Nations Sustainable Development Goals and mapped seven of goals to help us frame our investments and advocacy;
- develop responsible procurement guidelines;
- engaged Social Traders;
- implemented a sustainability committee;
- engaged and educated staff; and
- developed guidelines for tender evaluation and office fit-outs.

7. Auditors statement for FY 17/18 – Attached

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