

Australian Government
Climate Active Public Disclosure Statement

Aēsop®

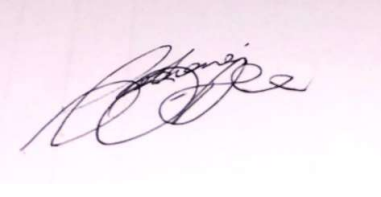


NAME OF CERTIFIED ENTITY: Emeis Holdings TA Aesop

REPORTING PERIOD: 1 January 2018 – 31 December 2018

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 7 August 2020
Name of Signatory Catherine O' Dea	
Position of Signatory General Manager, Strategy and Growth	



Australian Government
**Department of Industry, Science,
Energy and Resources**

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1. Carbon neutral information

Description of certification

The emission inventory in this public disclosure summary covering the 1 January 2018 to 31 December 2018 reporting period has been developed in accordance with the Climate Active Carbon Neutral Standard for Organisations (CACNSO).

The operational boundary has been defined based on an operational control approach. This certification covers Emeis Cosmetics Pty Ltd (ABN: 56 007 409 001) and Aesop Retail Pty Ltd (ABN:83 104 829 576), under Emeis Holdings (ABN:81 097 023 544). Emissions attributed to Aesop New Zealand Limited (NZBN: 9429042203629) were offset and included in this public disclosure statement, although they are not considered part of the Climate Active claim due to trademark licencing.

The following locations and facilities are included in the emissions boundary:

- All retail stores and counters in Australia
- Sydney and Melbourne Offices
- Melbourne 3PL warehouse
- Digital dispatch

Our emissions inventory incorporates the seven greenhouse gases listed under the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). This inventory presents them as carbon dioxide equivalents (CO₂e) and classifies scope 1, 2, and 3 emissions where applicable.

Organisation description

Aesop was established in 1987 and has built a reputation for high-quality products, distinctive service, outstanding retail design and a quietly non-conformist sensibility. We are headquartered in Melbourne, Australia and have more than 240 retail stores and offices across the globe as well as digital and wholesale channels. We offer skin, hair and body care formulations created with meticulous attention to detail, and with efficacy and sensory pleasure in mind.

Our purpose is to provide nourishment through our products, stores, people and conversations. Our approach to sustainability is no different. We are committed to the journey of ever lightening our tread on the planet that sustains us. We seek to continue making positive contributions to our communities while formulating products of the highest quality and efficacy. We are continuously improving our practices with honesty and transparency.

As a company founded on steadfast ethics, we are committed to taking climate action. We are continuing to optimise our operations to reduce emissions intensity and working with our partners to amplify our impact. We commenced our global carbon emissions program in 2015, improving measurement systems to track emissions, reducing intensity and offsetting remaining emissions associated with our global operations. Our Climate Active certification, which covers our Australian head office and retail operations as well as our New Zealand operations, demonstrates our commitment to take climate action.

Emissions reduction strategy

Our interim reduction strategy focuses on intensity reductions for our greatest sources of emissions: energy, freight and corporate travel. We have also implemented further reduction initiatives across other parts of our business including e-commerce, waste, packaging and raw material procurement.

Energy

We are committed to transitioning our Australia and New Zealand operations from 29% renewable energy to 100% by 2021 and global operations by 2023; at the latest.

Table 1. Emission reductions				
Year Completed	Emission Source	Reduction measure and calculation method	Status	Reduced tonnes CO ₂ -e
2017	Electricity	Green energy transition for Australia signature stores. Reduced emission is calculated using Climate Active's residual mix factor.	Completed	152
2016 – 2018	Electricity	Green energy transition for New Zealand signature stores. Reduced emission is calculated using Climate Active's residual mix factor.	Complete	33
Total				185

Freight

We recognise that a significant source of Aesop's emissions is our global supply chain. We have prioritised the implementation of initiatives that optimise our supply chain efficiency including:

- A new demand planning system to improve inventory forecasting. This resulted in a reduced reliance on air freighting and optimisation of container loads.
- An internal target was set for the percentage share of air freight versus sea freight.
- Optimisation of global warehouses and distribution networks.

Corporate Travel

As a global business with offices in Australia, Europe, Americas and Asia, domestic and international travel is required. In 2018 a key initiative to reduce our travel emissions was the investment in global video conferencing technology. This allowed us to host virtual summits and meetings, reducing the need for travel. Additionally, we demonstrated our commitment by participating in the Qantas Future Planet Program and purchasing carbon offsets for all of our business travel flights in 2018.

2. Emissions Boundary

Diagram of the certification boundary

Aesop includes all direct (Scope 1) and indirect energy (Scope 2) emission sources in its GHG emissions inventory. Indirect (Scope 3) emissions sources that results from operations are also included. Figure 1 represents the emissions sources that have been included in Aesop’s 2018 carbon account.

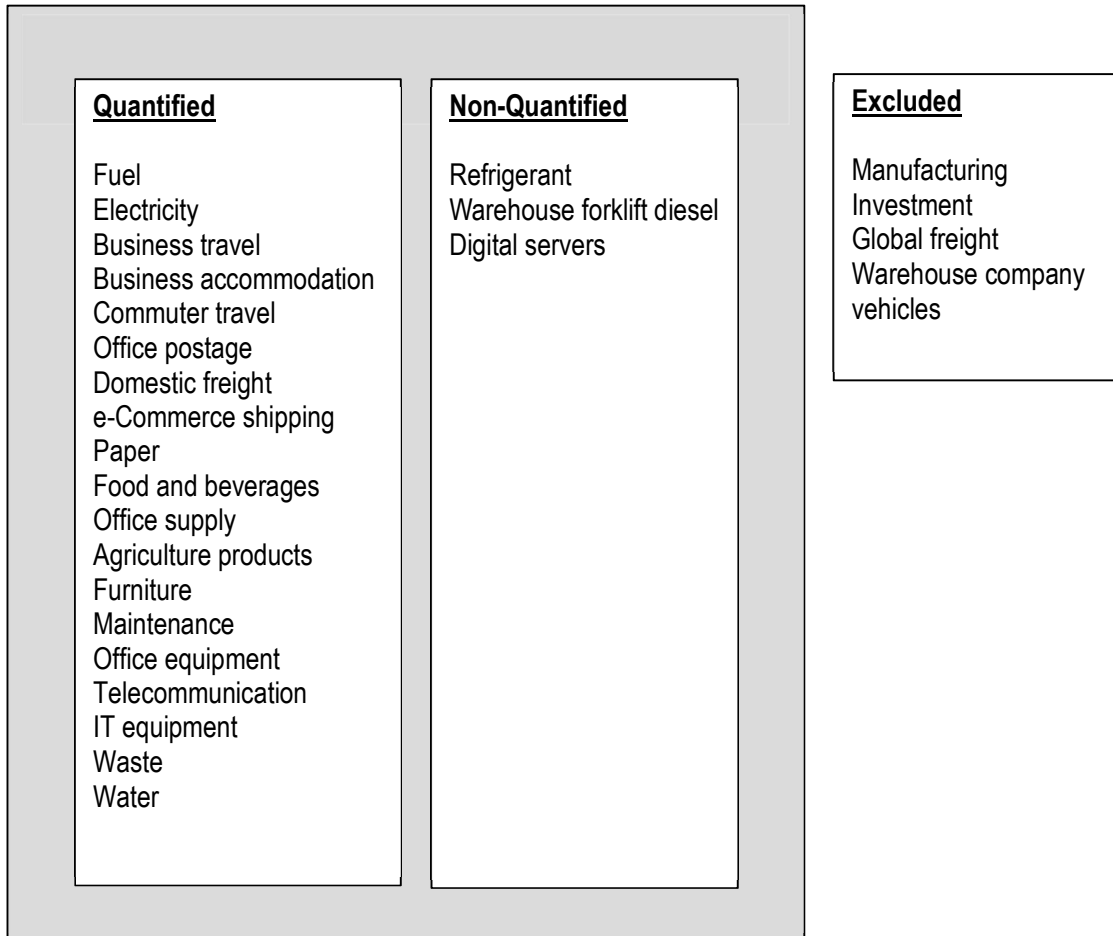


Fig 1. 2018 Emission Sources

Non-quantified sources

The emissions sources on Table 2 have been non-quantified in line with the relevant guidance in the Climate Active Carbon Natural Standard for Organisations (CACNSO).

Table 2. Non-quantified emission sources	
Emissions source	Justification for non-quantification
Refrigerant	The potential emissions from refrigerants are estimated to be less than 1% of the total carbon account (immaterial).
Warehouse forklift diesel	The potential emissions from diesel for warehouse forklifts are estimated to be less than 1% of the total carbon account (immaterial).
Digital server	Emissions associated with digital servers for Aesop and are estimated to be less than 1% of the total carbon account (immaterial).

Data management plan

The non-quantification of refrigerant, forklift diesel, and digital server are due to the emissions being immaterial to the total carbon account. Therefore, a data management plan is not required.

Excluded sources (outside of certification boundary)

The emissions sources on Table 3 have been excluded in line with the provisions of the Climate Active Neutral Standard for Organisations.

Table 3. Excluded emissions sources	
Emissions source	Justification for exclusion
Manufacturing	Emissions associated with Aesop's manufacturing are excluded in line with the provisions and application of the relevance test under the Climate Active Products Certification.
Investment	Emissions associated with investments are excluded in line with the provisions of the relevance test as applied to Aesop's trustee operations.
Global freight	Emissions related to freight from the Melbourne, Australia, warehouse to global regional warehouses and stores are excluded. These emissions are attributed to the destination region and are outside of Aesop ANZ's operations control. Demand planning is supported by Aesop to minimise emissions to these regions (full container loads and reduced reliance on air freight).
Warehouse company vehicles	Emissions associated with outsourced warehouse service provider's company vehicles are outside of Aesop's operational control and are excluded in line with the provisions and application of the relevance test under the CACNSO.

3. Emissions summary

Table 4. Emissions Summary	
Emissions source category	tonnes CO ₂ -e
Fuel	9
Net electricity	1,064
Business travel	1,916
Business accommodation	515
Commuter travel	473
Office postage	94
e-Commerce shipping	35
Freight	411
Paper	2
Food and beverages	242
Office supply	55
Agriculture products	2
Furniture	1
Maintenance	17
Office equipment	1
Telecommunication	76
IT equipment	49
Waste	75
Water	7
Total Net Emissions¹	5,048

¹ Due to rounding, the total net emissions may be slightly different to the summation of each emission sources presented in this table

Uplift factors

Table 5. Uplift factors	
Reason for uplift factor	tonnes CO ₂ -e
n/a	0
Total footprint to offset (uplift factors + net emissions)	0

Carbon Neutral products

Table 6. Climate Active Carbon Neutral Products Used		
Emission source category	Weight (kg)	Avoided emission (tonnes CO ₂ -e)
Paper (Australian Paper)	923	2

Electricity Summary

Electricity was calculated using a Market-based approach.

The Climate Active team are consulting on the use of a market- versus location-based approach for electricity accounting with a view to finalising a policy decision for the carbon neutral certification by July 2020. Given a decision is still pending on the accounting way forward, a summary of emissions using both measures have been provided for full disclosure and to ensure year-on-year comparisons can be made.

Table 7. Market-based approach electricity summary		
Electricity inventory items	kWh	Emissions (tonnes CO ₂ -e)
Electricity renewables	397,981	0
Electricity Carbon Neutral power	0	0
Electricity remaining	984,580	1,064.43
Renewable electricity percentage	29%	
Net emissions (market based approach)		1,064

Table 8. Location Based Approach Electricity				
State/ Territory	Electricity Inventory items	kWh	Full Emission factor (Scope 2 +3)	Emissions (tonnes CO ₂ e)
ACT/NSW	Electricity Renewables	67,862	-0.90	-61.08
ACT/NSW	Electricity Carbon Neutral Power	-	-0.90	0.00
ACT/NSW	Netted off (exported on-site generation)	-	-0.81	0.00
ACT/NSW	Electricity Total	283,441	0.90	255.10
SA	Electricity Renewables	10,572	-0.53	-5.60
SA	Electricity Carbon Neutral Power	-	-0.53	0.00
SA	Netted off (exported on-site generation)	-	-0.44	0.00
SA	Electricity Total	19,210	0.53	10.18
Vic	Electricity Renewables	38,457	-1.12	-43.07
Vic	Electricity Carbon Neutral Power	-	-1.12	0.00
Vic	Netted off (exported on-site generation)	-	-1.02	0.00
Vic	Electricity Total	858,868	1.12	961.93
Qld	Electricity Renewables	23,933	-0.93	-22.26
Qld	Electricity Carbon Neutral Power	-	-0.93	0.00
Qld	Netted off (exported on-site generation)	-	-0.81	0.00
Qld	Electricity Total	148,807	0.93	138.39
WA	Electricity Renewables	-	-0.74	0.00
WA	Electricity Carbon Neutral Power	-	-0.74	0.00
WA	Netted off (exported on-site generation)	-	-0.69	0.00
WA	Electricity Total	72,236	0.74	53.45
	Total net electricity emissions (Location based)	-	0.00	1,287.05

4. Carbon offsets

Offset purchasing strategy

Aesop's offsets are purchased in arrears. Please refer to table 9 for a detailed breakdown of carbon offset projects supported by Aesop.

Table 9. Offsets summary									
1. Total offsets required for this report				5,048					
2. Offsets retired in previous reports and used in this report				0					
3. Net offsets required for this report				5,048					
Project description	Eligible offset units type	Registry unit retired in	Date retired	Serial number (including hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO2-e)	Quantity used for previous report	Quantity to be banked for future years	Quantity to be used this report
Kariba Forest Protection, Zimbabwe	VCU	APX	7 August 2019	6187-284084861-284089172-VCU-006-APX-ZW-14-902-01012016-30062016-1	2016	4,312	0	2,541	1,771
Changbin and Taichung Wind Power, Taiwan	VER	GSF	8 September 2017	GS1-1-TW-GS472-12-2016-6014-91971-96282	2016	4,312	0	2,541	1,771
Colodan Great Barrier Reef	KACCU	ANREU	22 August 2019	3,772,258,201 - 3,772,258,282*	2017-2018	82	0	82	0
Colodan Great Barrier Reef	KACCU	ANREU	22 August 2019	3,772,304,893 – 3,777,304,905*	2018-2019	13	0	13	0

Wind Power Project at Anthiyur, Tamil Nadu	VCU	APX	22 August 2019	6875-353359917-353361498- VCU-050-APX-IN-1-682- 01012018-31082018-0*	2018	1,582	0	76	1,506
Wind Power Project at Anthiyur, Tamil Nadu	VCU	APX	22 August 2019	6384-318996510-318996723- VCU-034-APX-IN-1-682- 01012017-31102017-0*	2017	214	0	214	0
51 MW Wind Power Project at Chitradurga	VCU	APX	22 August 2019	6354-297168435-297168469- VCU-050-APX-IN-1-706- 01012018-05062018-0*	2018	35	0	35	0
Total offsets retired this report and used in this report							0	0	5,048
Total offsets retired this report and banked for future reports							0	5,502	0

*A hyperlink to the ANREU and APX registry transaction record is unable to be provided by Qantas Future Planet. Evidence of the offset retirement has been provided to Climate Active.

Co-benefit offsets

Following on from reduction activities, any subsequent emissions impact is offset through a range of certified projects that deliver social, environmental, and economic benefits to our communities. Emissions offsetting projects are selected for their alignment to Aesop's values.

Aesop purchased 4,312 carbon offset credits from the Kariba REDD+ Project, of which 1,771 carbon offset credits were used for this reporting year. Additionally, 4,312 carbon offset credits were purchased from South Pole's dual credit product, EcoAustralia, of which 1,771 were used for this report.

Furthermore, Aesop purchased 1,926 carbon offset credits through the Qantas Future Planet Program, of which 1,506 credits were used for this report.

Co-benefits of offsetting projects supported by Aesop are outlined below.

[Kariba Forest Project, Zimbabwe](#)

Since its launch in 2011, the Kariba project, located in northern Zimbabwe near the Zambia border, has protected nearly 785,000 hectares from deforestation and land degradation, preventing more than 18 million tonnes of carbon dioxide emissions being released into the atmosphere. The project supports vulnerable and endangered species by connecting National Parks in the region. In addition to biodiversity benefits, the project supports regional sustainable development and the independence and wellbeing of local communities.

As part of this project Aesop supports the Chikova School Garden initiative in Northern Zimbabwe, providing opportunities for economic empowerment and knowledge sharing. Vegetables grown in the garden are taken home by teachers and students; surplus vegetables are sold at the local market, generating income for the community. Aesop's support of the project since 2017 has afforded us the honour of seeing resilience capacity build over time.

[EcoAustralia](#)

EcoAustralia is an award-winning stapled carbon credit product, provided by South Pole in partnership with Australian biodiversity protection organisation, Cassinia Environmental. The product blends State Government-accredited biodiversity protection with international carbon offset credits.

An Australian Biodiversity Unit, equal to 1.5 m² of government-accredited, permanently protected Australian vegetation is paired with 1 Gold Standard international carbon credit, representing 1 tCO₂e of avoided emissions.

[Myamyn Lowland Forest Conservation, Victoria, Australia – EcoAustralia biodiversity component](#)

Aesop has supported the Myamyn Project since 2018. Located on private land within the Annya State Forest in South-West Victoria, the Myamyn project supports reforestation of land historically subject to illegal logging. By protecting the land against further clearing and replanting with native vegetation the project promotes habitat creation for native vulnerable and threatened species including the Southern Brown Bandicoot, Powerful Owl and Long-Nosed Potoroo.

The following ABUs were retired by Aesop towards their EcoAustralia credits:

Table 10. Australian Biodiversity Unit (ABU) Summary			
Projects supported by ABU purchase	Issuance date	Serial numbers	Quantity
Myamyn (302113)	6 August 2019	BBA-2467-VOL001-9757 to BBA-2467-VOL001-10000	244
Myamyn (302113)	6 August 2019	BBA-2467-VOL002-0001 to BBA-2467-VOL002-4068	4068
Total ABUs Issued			4,312
Total biodiversity-rich land protected (ABU x 1.5 m ² = total biodiversity conservation)			6,468 m ²

[Changbin and Taichung Wind Power, Taiwan – EcoAustralia carbon component](#)

This Gold Standard project is expanding Taiwan's renewables sector and raising environmental awareness. The wind farms consist of 62 wind turbines that generate over 480,000 MWh of clean power on average each year, which is supplied to the local electricity grid. By harnessing the power of prevailing coastal winds to generate clean energy, the Changbin and Taichung wind farms power Taiwanese homes while helping to expand Taiwan's renewable energy industry. The project is helping to boost sustainable development through several local initiatives, such as guided wind farm tours that raise awareness about climate change and pollution, supporting the elderly and a scholarship program.

5. Use of trade mark

Aesop has not yet used the trademark as this is its initial application for certification.

Table 11. Trade mark use	
Description where trademark used	Logo type
Aesop.com	Certified organisation
Retail and digital marketing	Certified organisation
Certificate to be displayed at the company headquarters	Carbon Neutral Organisation Certificate

Appendix 1: Excluded emissions

To be deemed relevant, an emission must meet two of the five relevance criteria. Excluded emissions are detailed below against each of the five criteria.

Table 1. Relevance Test					
Excluded Emission	The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions	The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.	Key stakeholders deem the emissions from a particular source are relevant.	The responsible entity has the potential to influence the reduction of emissions from a particular source.	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.
Manufacturing	o	x	x	x	x
Investment	x	x	x	o	x
Global freight	o	x	x	x	x
Warehouse company vehicles	o	x	x	x	x