PUBLIC DISCLOSURE STATEMENT

VERDECON PTY LTD

ORGANISATION CERTIFICATION
FY2021-22

Australian Government

Climate Active
Public Disclosure Statement

VERDECON

An Australian Government Initiative

Climate Active

NAME OF CERTIFIED ENTITY	Verdecon Pty Ltd
REPORTING PERIOD	1 July 2021 – 30 June 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.*
	Name of signatory Position of signatory Date 21 March 2023
	Dean Ipaviz, Director Matt Baker, Director Michael Correa, Director

Australian Government
Department of Industry, Science, Energy and Resources

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	126 tCO_2-e
OFFSETS BOUGHT	23.8% VERs, 76.2%VCUs
RENEWABLE ELECTRICITY	77.32%
TECHNICAL ASSESSMENT	N/A.
THIRD PARTY VALIDATION	N/A.

Contents

2. CARBON NEUTRAL INFORMATION

Description of certification

This carbon inventory has been prepared for the financial year from 1 July 2021 to 30 June 2022.

The emissions boundary has been defined based on the operational control approach. The boundary comprises the Australian business operations of Verdecon Pty Ltd (ABN 66 609 474 928). All emissions under Verdecon's operational control have been included in the emissions inventory.

Organisation description

Verdecon is a responsible construction company based in Bondi and Byron Bay, NSW. Verdecon does not trade under any other names and has no child companies.

Verdecon is acutely aware that the construction industry is one of the heaviest polluters and biggest contributors to climate change worldwide, with this in mind we have taken the steps to quantify, calculate and offset our companies carbon emissions with gold standard VER's through a verified offsetting platform in an effort to minimise the impact our business is having on the planet.

Verdecon is B-Corp certified making us the benchmark for environmental and social governance within our industry, something we are extremely proud of. We take our environmental responsibility seriously and we will continue to challenge the status quo around material selection and best practice building techniques in an effort to reduce our waste, our impact and ultimately build better performing homes that keep their owners happy and healthy.

"Verdecon recognizes the impact the built environment is having on our planet. As a result, we have taken the steps to start tracking and quantifying the emissions applicable to our day-to-day operations. As part of our longer-term environmental strategy, we believe it is imperative that we accept responsibility for these emissions and begin acknowledging their impact and offsetting them to ensure a stable client for future generations."

3.EMISSIONS BOUNDARY

This is a small organisation certification, which uses the standard Climate Active small organisation emissions boundary. Emission sources can be excluded if they do not occur.

Inside the emissions boundary

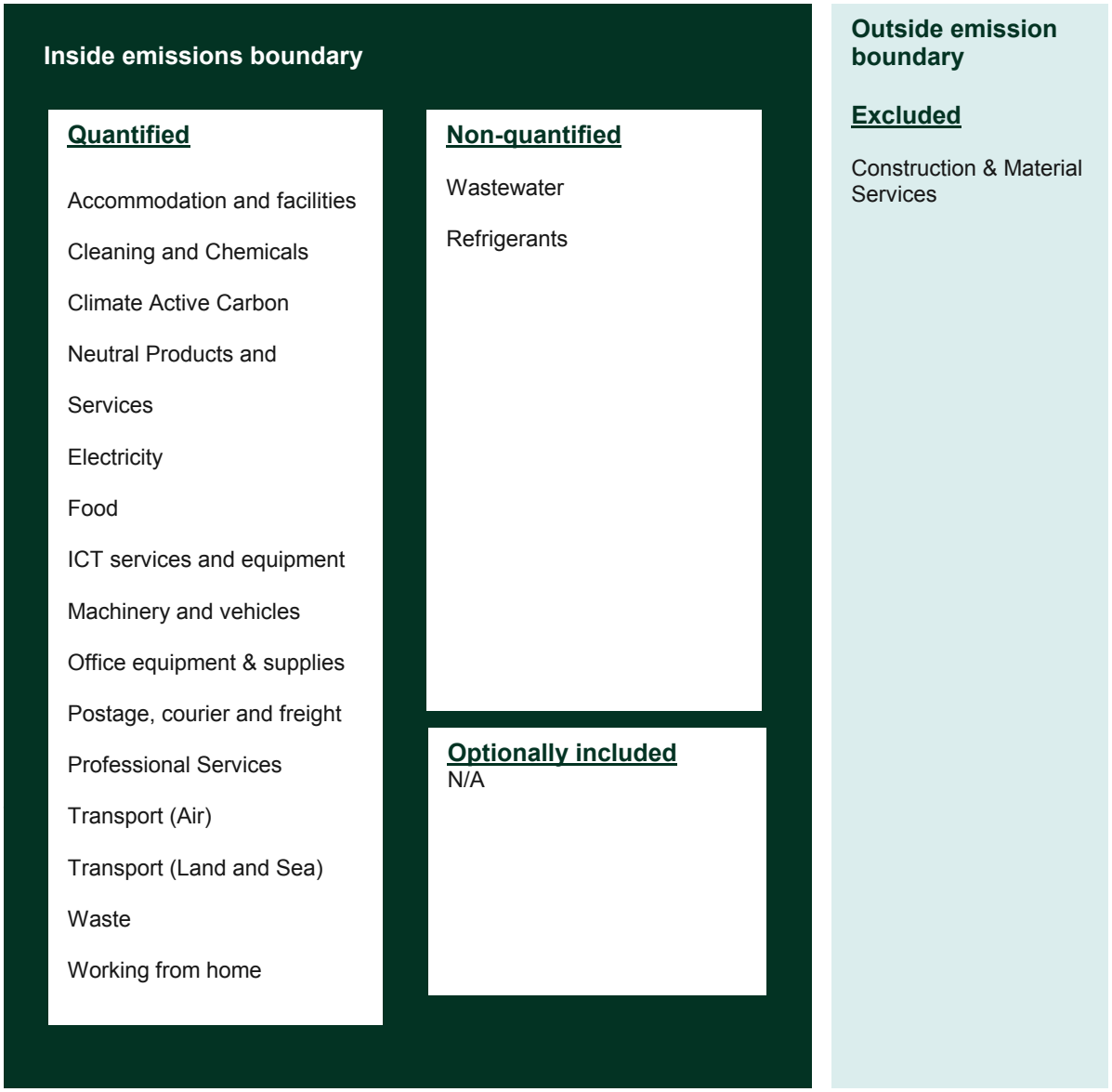
All emission sources listed in the emissions boundary are part of the carbon neutral claim.

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 or precinct'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 and facilities
Cleaning and Chemicals
Climate Active Carbon Neutral Products and Services
Electricity
Food
ICT services and equipment
Machinery and vehicles
Office equipment & supplies
Postage, courier and freight
Professional Services
Transport (Air)
Transport (Land and Sea)
Waste
Working from home
Non-quantified
Wastewater
Refrigerants
Optionally included
N/A
Outside emission boundary
Excluded
Construction & Material Services

4.EMISSIONS REDUCTIONS

Emissions reduction strategy

Verdecon is committed to reducing its carbon footprint to Net Zero by 2030. We are contributing members of the B Corp Climate Collective, the Builders Declare movement and we are continually striving to be the industry leader when it comes to reducing our environmental impact.

We have committed to calculate and offset all business-related energy and waste generated on site. Our power is provided by Enova energy, a green energy provider for both our office locations in Byron & Rose Bay NSW. Our offices are paperless, and we utilize Method Recycling bins to sort our waste streams diverting the maximum amount of waste from landfill. Single use coffee cups are banned from our sites (except during Covid restrictions due to updated hospitality guidelines).

All staff and in house sub-contractors are employed under our Verdecon values employment document that has been formulated to ensure the policies and values that underpin our B Corp certification are entrenched in the fabric of our business. As we gain a deeper understanding of our Scope 3 emissions, we plan to implement further reduction and mitigation initiatives.

Specific initiatives that Verdecon has included in our emission reduction strategy are as follows.

Energy Use:

Reduce Office / Site Energy Use by 50% by 2030

- Install solar panels and battery storage with electric Car charger outlet on Byron office
- Formulate cost effective deal with our landlords in other offices to adopt solar as our major power source during daytime office hours
- Implement solar powered battery charging stations to our sites in lieu of grid connection for all battery tools

Increase solar installation to 90% on all our builds and renovations by 2030

- Create policy to remove builders' margin from all installs to encourage its uptake
- Create a relationship with subcontractors to achieve best technology and warranty
- Continue to research, test, and offer the best technology to homeowners allowing them to future proof their homes
- Thoughtfully steer our clients towards electrified builds and renovations powered by renewable sources (solar, batteries, hydrogen, air source heat pumps, electric boosted solar hot water, LED lighting etc.)

Material selection

- Partnering with Holcim and implementing the use of Geo Polymer Concrete on all our sites
- Encouraging clients to adopt wood fibre insulation due to its positive environmental footprint in lieu of standard insulations
- Adopt passive house principles for airtightness and the general building envelope to ensure our homes are more efficient
- Prioritize materials with a higher recycled content in lieu of virgin materials
- Select and use material that can be recycled at their end of life in lieu of synthetic single use alternatives

Fuel Consumption

50% Reduction in Company Owned Vehicle Fuel Consumption 2030 by:

- Acquiring electric or hybrid vehicles for our company fleet, at least one by 2023
- Procuring a fleet of electric bikes for commuting to meetings and jobs for shorter journeys
- Restore and upcycle vintage work Utes in lieu of new combustion engine purchases
- Encourage carpooling and ridesharing opportunities
- Encourage staff to ride to work

Value Chain Emissions

- Offer client offsetting option for complete builds or renovations
- Work with Pathzero to calculate offsetting option for clients wanting to offset total emissions on their Projects
- Open the conversation with architects and engineers to select more sustainable materials and products for construction and builds.

Supply Chain

- Increase partnerships with B Corp and carbon neutral companies by 50% by 2030
- Increase carbon offset/neutral material selection by 50% by 2030
-

Staff Involvement

- Add KPI's for staff involvement in environmental policies, compliance by 2025
- Add one annual paid leave day for environmental volunteering opportunity by 2025

Emissions reduction actions

During the financial year 2021-2022 we achieved the following in line with our emissions reduction strategy.

Energy Use:

We have received strata approval for the installation of solar panels on our Byron Bay office and proceeded to obtain a quote for solar panels and installation costs with the intention installing the solar array by mid 2023. We are engaging in discussions with our office landlord in Sydney to facilitate the installation of solar on the entire building. We also established a relationship with a supplier in which we were able to test a solar powered charging station to power our tools at a job site. This trial was successful, and it is our intention to purchase one station for Byron and one station for Sydney by the end of 2023. We have created a company policy in which we will remove the builders' margin on renewable energy technology for all our clients to encourage their uptake. During the estimating and business development phase we are actively engaging in conversations about electrifying our finished products (induction cooking, LED lighting, hot water heat pumps, etc) and requesting our clients to adopt green power supply throughout the build.

Material Selection:

We have prioritised the use of Geo Polymer Concrete on all our sites and have created educational content in partnership with Holcim to be delivered to interested construction companies in an event called the Trade Up. We have commenced the use of wood fibre for two projects this year and we will continue to expand the use of the product as we become more familiar with its benefits. We have prioritised the use of ProClima on all of our projects which is a giant leap forward for air tightness, energy efficiency when sealing new homes and renovations.

Fuel Consumption:

We have been researching the best Electric Vehicle options for our fleet. As the market is drastically changing, we are waiting to see what becomes available in the coming months/years to meet our needs. We intend to have at least one EV by the end of 2023 to reduce our company owned vehicle fuel consumption. We have been using our Electric bikes for office use to run to sites or meetings with clients.

Value Chain Emissions:

We have had a few discussions with clients about carbon neutral builds with no success. We have created educational content to be delivered to architects to emphasize the climate emergency and highlight the need to select more sustainable materials and products for design and builds. We intend to deliver this content in the 2023 calendar year. Our hope is this presentation will be eligible for CPD points.

Supply Chain:

We are tracking our relationships with other B Corps and carbon neutral companies to ensure we are actively supporting like-minded businesses as the federally initiated reductions targets are rolled out and more companies become certified, we are confident we will meet our target.

Staff Involvement:

We added environmental requirements into our staff's performance review process so they must score on their personalised duties in order to achieve their annual bonus. We have added a policy to our employee handbook to advise that one annual paid leave day for environmental volunteering.

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year		
		Total tCO_2-e
Base year/ Year 1:	FY2020-21	123
Year 2:	FY2021-22	126

Significant changes in emissions

Significant changes in the total emissions for FY2021-22 have been due to changes in activity data and emissions factors, organic growth, as well as inclusion of additional relevant emissions sources. Significant changes in relevant emissions sources are explained in the table below.

Emission source name	Current year tCO_2-e	Previous year tCO_2-e	Detailed reason for change
Waste generated from employees working in an office	7.33	5.73	Increase in waste generated from employees working in an office was due to growth in our number of employees working in the office.
Diesel oil post-2004	27.43	37.04	Changes in emissions factor and activity data. FY2021 activity data included non-company owned vehicles for business and staff commuting purposes. For FY2022, non-company owned vehicles used for business and staff commuting purposes were included in 'Diesel : Medium Car emissions'. Total fuel consumption falls in line with company growth.
Petrol / Gasoline post-2004	7.20	10.89	Changes in emissions factor and activity data. FY2021 activity data included non-company owned vehicles for business and staff commuting purposes. For FY2022, non-company owned vehicles used

			for business and staff commuting purposes were included in 'Petrol : Medium Car emissions'. Total fuel consumption falls in line with company growth.
Diesel: Medium Car	16.60	N/A	Changes in emissions factor and activity data. For FY2021, non-company owned vehicles for business and staff commuting activity data was included in 'Diesel oil post-2004'. For FY2022, non-company owned vehicles used for business and staff commuting purposes were included in 'Diesel : Medium Car emissions'. Total fuel consumption falls in line with company growth.
Construction and demolition waste	14.63	11.04	Increase in waste was due to the growth of our activities onsite.

Use of Climate Active carbon neutral products and services

Verdecon used the following Climate Active carbon neutral services.

Certified brand name	Product or Service used
Virgin Australia	Flights
Qantas	Flights

Organisation emissions summary

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

Emission category	Sum of Scope 1 (tCO_2-e)	Sum of Scope 2 (tCO_2-e)	Sum of Scope 3 (tCO_2-e)	Sum of total emissions (tCO_2-e)
Accommodation and facilities	0.00	0.00	0.95	0.95
Cleaning and Chemicals	0.00	0.00	0.71	0.71
Climate Active Carbon Neutral Products and Services	0.00	0.00	0.00	0.00
Electricity	0.00	2.36	0.00	2.36
Food	0.00	0.00	5.89	5.89
ICT services and equipment	0.00	0.00	7.92	7.92
Machinery and vehicles	0.00	0.00	4.48	4.48
Office equipment & supplies	0.00	0.00	2.14	2.14
Postage, courier and freight	0.00	0.00	4.71	4.71
Professional Services	0.00	0.00	10.75	10.75
Transport (Air)	0.00	0.00	0.84	0.84
Transport (Land and Sea)	32.93	0.00	23.98	56.91
Waste	0.00	0.00	21.96	21.96
Working from home	0.00	0.00	0.31	0.31
Grand Total	**32.93**	**2.36**	**84.64**	**119.93**

Uplift factors

An uplift factor is an upwards adjustment to the total carbon inventory to account for relevant emissions, which can't be reasonably quantified or estimated. This conservative accounting approach helps ensure the integrity of the carbon neutral claim.

Reason for uplift factor	tCO_2-e
Compulsory additional 5% of the total to be added for small organisations	5.99
Total of all uplift factors	5.99
Total footprint to offset *(total net emissions from summary table + total uplifts)*	126

6.CARBON OFFSETS

Offsets retirement approach

In arrears		
1.	Total number of eligible offsets banked from last year's report	0
2.	Total emissions footprint to offset for this report	126
3.	Total eligible offsets required for this report	126
4.	Total eligible offsets purchased and retired for this report	126
5.	Total eligible offsets banked to use toward next year's report	0

Co-benefits

NIHT Topaiyo Redd Project

The NIHT Topaiyo Redd Project is located in the forested areas of New Ireland and East New Britain in Papua New Guinea. NIHT Inc. has partnered with the traditional landowners to put an end to deforestation initiated by industrial logging in the region. It began as a traditional timber operation that was recognised as an opportunity with enormous carbon sequestering potential and has evolved into a forest protection project that will provide substantial economic benefits to the people of Papua New Guinea. Through the avoidance of carrying out exploitative industrial commercial timber harvesting in the project area, the project expects to generate nearly 60 million tons of CO2 emissions reductions across the 30 year project lifetime.

EcoAustralia Mount Sandy Conservation

The EcoAustralia Mount Sandy Conservation is located between the Coorong National Park and Lake Albert in South Australia. Mount Sandy protects one of the largest pockets of bush and wetlands in the region. The project unites non-Indigenous and Indigenous Australians by fostering land conservation utilising strategies used for millenia by the Ngarrindjeri people, Australia's Traditional Custodians.

The 200-hectare project site features a unique mix of coastal shrublands and saline swamplands that provide strategic habitat for iconic native wildlife, such as short-beaked echidna, purple-gaped honeyeater and elegant parrot. Project management itself is made possible through close collaboration with Ngarrindjeri Elders, Clyde and Rose Rigney, who oversee the ongoing management and conservation of vegetation at the Mount Sandy site. Together with its Traditional Owners, the Mount Sandy initiative secures long-term conservation for a vitally significant area of biologically diverse land. Local native plants for revegetation will be provided by the local nursery at Raukkan Aboriginal Community, a self-governing Indigenous community 30 kilometres north-west of the project site. Local birds, animals, and plants thrive undisturbed in the area. Additionally, Raukkan community members are hired for on-site tasks like pest and disease control, fencing, and vegetation monitoring and mapping.

Hebei Yingxin Glass Group Co. Ltd. Glass Furnace Flue Gas Waste Heat To Energy Project

This project uses waste heat from the exhaust gas of four glass production lines for power generation. This initiative has environmental advantages related to the displacement of carbon-intensive operations.

Additionally, this project contributes to SDG 7 Affordable and Clean Energy, SDG 8 Decent Work and Economic Growth and SDG 13 Climate Action.

Eligible offsets retirement summary

Offsets cancelled 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 (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 (%)**
NIHT Topaiyo REDD +	VCUs	Verra	13 Nov 2022	9895-156962500-156962595-VCS-VCU-466-VER-PG-14-2293-01062017-31122019-0	2019		96	0	0	96	76.2%
Mount Sandy Conservation Stapled to Hebei Yingxin Glass Group Co. Ltd. Glass Furnace Flue Gas Waste Heat To Energy Project	Australian Biodiversity Offset VERs	 Gold standard	Jun 08, 2022 Jun 08, 2022	 GS1-1-CN-GS750-15-2014-5919-42309-46041 (Bulk retirement for Pathzero 3,733t, Monthly purchases for Verdecon Pty Ltd with a total of 30t)	2014 2014	30	- 30	- 0	- 0	- 30	- 23.8%
									Total offsets retired this report and used in this report	126	100%
									Total offsets retired this report and banked for future reports	0	

Type of offset units	Quantity (used for this reporting period claim)	Percentage of total
Verified Emissions Reductions (VERs)	30	23.8%
Verified Carbon Units (VCUs)	96	76.2%

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A.

APPENDIX A: ADDITIONAL INFORMATION

N/A.

APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a market-based approach.

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.

Market Based Approach Summary

Market Based Approach	Activity Data (kWh)	Emissions (kgCO2e)	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 & Precinct LGCs)	0	0	0%
GreenPower	6,141	0	59%
Jurisdictional renewables (LGCs retired)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	1,944	0	19%
Residual Electricity	2,371	2,359	0%
Total grid electricity	**10,456**	**2,359**	**77%**
Total Electricity Consumed (grid + non grid)	**10,456**	**2,359**	**77%**
Electricity renewables	8,085	0	
Residual Electricity	2,371	2,359	
Exported on-site generated electricity	**0**	**0**	
Emissions (kgCO2e)		2,359	

Total renewables (grid and non-grid)	**77.32%**
Mandatory	**18.59%**
Voluntary	**58.73%**
Behind the meter	**0.00%**
Residual Electricity Emission Footprint (TCO2e)	**2**

Figures may not sum due to rounding. Renewable percentage can be above 100%

Location Based Approach Summary

Location Based Approach	Activity Data (kWh)	Scope 2 Emissions (kgCO2e)	Scope 3 Emissions (kgCO2e)
ACT	0	0	0
NSW	10,456	8,155	732
SA	0	0	0
Vic	0	0	0
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
Grid electricity (scope 2 and 3)	**10,456**	**8,155**	**732**
ACT	0	0	0
NSW	0	0	0
SA	0	0	0
Vic	0	0	0
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
Non-grid electricity (Behind the meter)	**0**	**0**	**0**
Total Electricity Consumed	**10,456**	**8,155**	**732**

Emission Footprint (TCO2e)	**9**
Scope 2 Emissions (TCO2e)	8
Scope 3 Emissions (TCO2e)	1

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following sources emissions have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. These emissions are accounted for through an uplift factor. They have been non-quantified due to one of the following reasons:

1. **Immaterial** <1% for individual items and no more than 5% collectively
2. **Cost effective** Quantification is not cost effective relative to the size of the emission but uplift applied.
3. **Data unavailable** Data is unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.
4. **Maintenance** Initial emissions non-quantified but repairs and replacements quantified.

Relevant-non-quantified emission sources	(1) Immaterial	(2) Cost effective (but uplift applied)	(3) Data unavailable (but uplift applied & data plan in place)	(4) Maintenance
Wastewater	Yes	No	No	No
Refrigerants	Yes	No	No	No

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to an organisation's or precinct'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.

Emission sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
Construction and material services	Yes	No	No	No	No	No

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