

PUBLIC DISCLOSURE STATEMENT

HONE BUILT PTY LTD

ORGANISATION CERTIFICATION FY2022–23

Australian Government

Climate Active Public Disclosure Statement

HONE BUILT





NAME OF CERTIFIED ENTITY	Hone Built Pty Ltd
REPORTING PERIOD	Financial year 1 July 2022 – 30 June 2023 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.
	Steve Pettitt Director Business & Sustainability



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Version August 2023.



1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	25.29 tCO ₂ -e
OFFSETS USED	100% VCUs
RENEWABLE ELECTRICITY	19%
CARBON ACCOUNT	Prepared by: Rewild Agency
TECHNICAL ASSESSMENT	20/10/2023 Rewild Agency Next technical assessment due: FY 2026
THIRD PARTY VALIDATION	Type 1 01/11/2023 KREA Consulting

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2. CARBON NEUTRAL INFORMATION

Description of certification

This Climate Active Carbon Neutral certification covers the Australian business operations of Hone Built Pty Ltd (ABN 61 635 685 200) and represents the financial year 1 July 2022 to 30 June 2023.

The carbon account has been prepared in accordance with the Climate Active Carbon Neutral Standard for Organisations. This entails using recognised emission factors and methods for carbon accounting published in Australia, such as the National Greenhouse Accounts (NGA) Factors, and the work of the international corporate accounting and reporting standard The Greenhouse Gas Protocol.

The greenhouse gasses included in the carbon account are the seven gasses reported under the Kyoto Protocol: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3). These gasses are expressed in carbon dioxide equivalents (CO2-e), providing the ability to present greenhouse gas emissions as one unit.

Organisation description

Hone Built Pty Ltd (ABN 61 635 685 200) is a sustainability-focused residential construction company based in Melbourne, Victoria. It has been operating out of a single office in Cremorne since January 2023. Hone Built employs permanent, full-time Carpenters and Apprentice Carpenters who work for the company doing both home renovations and new builds. It also works with sub-contractors (electricians, plumbers, plasterers etc), who it co-ordinates throughout the build.

Hone Built is committed to being a net good for society. Part of this commitment involves internalising its negative externalities to more accurately reflect the true cost of its operations. This certification allows for the transparent measurement, reduction and offsetting of the negative externality of CO_2 -e.

Hone built does not have any subsidiaries and does not operate under any other names. The emissions boundary has been defined based on emissions over which Hone Built Pty Ltd has operational control. Embodied emissions of construction materials and services are not included in this certification due to the influence and control of this emission source currently sitting with the architect and client.



3. 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

Electricity

Horticulture and agriculture

ICT services and equipment

Machinery and vehicles

Products

Office equipment and

supplies

Postage, courier and freight

Professional services

Refrigerants

Transport (land and sea)

Office waste

Water

Working from home

Construction waste

Non-quantified

NA

Optionally included

NA

Outside emission boundary

Excluded

Construction materials& services



4.EMISSIONS REDUCTIONS

Emissions reduction strategy

Hone Built is committed to continually reducing its operational emissions, regardless of company growth.

Scope 1

Eliminate Scope 1 emissions by 2030 via the electrification of our vehicles. This is to be achieved via the direct purchases of electric vehicles charged by 100% GreenPower.

Additionally, office workers will continue to be incentivised to commute via active/public transport.

Scope 2

Eliminate Scope 2 emissions by the next reporting period (2023-24) by purchasing 100% GreenPower for its operational electricity requirements.

Scope 3

Scope 3 emissions are to be reduced by 60% by 2028 compared to our FY2023 base year via alignment with Climate Active certified service providers/products. Wherever possible, a certified service provider/product is to be given priority. As the number of certified providers/products increases, it is anticipated that this goal will be achievable, and potentially exceeded, in the coming years.

Overall

Via the methods outlined above, Hone Built is committed to reducing its operational emissions by 90% by 2030 compared to our FY2023 base year.



5.EMISSIONS SUMMARY

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

N/A

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 (t CO2-e)	Sum of Scope 2 (t CO2-e)	Sum of Scope 3 (t CO2-e)	Sum of Total Emissions (t CO2-e)
Electricity	0.00	0.28	0.04	0.32
Horticulture and agriculture	0.00	0.00	0.05	0.05
ICT services and equipment	0.00	0.00	1.30	1.30
Machinery and vehicles	0.00	0.00	6.02	6.02
Postage, courier and freight	0.00	0.00	0.38	0.38
Products	0.00	0.00	0.42	0.42
Professional services	0.00	0.00	4.09	4.09
Refrigerants	0.00	0.00	0.00	0.00
Transport (land and sea)	3.88	0.00	1.38	5.26
Waste	0.00	0.00	5.74	5.74
Water	0.00	0.00	0.01	0.01
Working from home	0.00	0.00	0.67	0.67
Office equipment and supplies	0.00	0.00	1.04	1.04
Total	3.88	0.28	21.13	25.29

Uplift factors

N/A

6.CARBON OFFSETS

Offsets retirement approach

This certification has taken an in-arrears offsetting approach. The total emission to offset is 25.29 t CO_2 -e. The total number of eligible offsets used in this report is 26. Of the total eligible offsets used, 0 were



previously banked and 288 were newly purchased and retired. 262 are remaining and have been banked for future use

Co-benefits

Florestal Santa Maria Project (FSM-REDD Project)

Social and economic benefits

Peace and social development will only be possible by means of creation of formal employment and the legal benefits related to them. This is exactly one of the purposes of Florestal Santa Maria S/A's Sustainable Forest Management Plan, certified by FSC. Creating consistency of the wood supply through all its productive chain (total chain), from census/extraction until the final processing in the plant, this already in the city.

The whole family will have opportunities: the father employed by one position in the productive chain, the mother in non-wood forest products, and the young in professional education courses, which aims at meeting the Market requirements with their certifications. So, the project has the potential to provide its participants with new sources of income, besides stimulating the generation of jobs linked to the forest management, generating a new demand for products originated within the boundaries of the project, and expanding the conditions for improved education and health services to the neighbouring community, with greater access to other development centres thanks to a more adequate transportation structure.

The project will involve several inclusion actions for the neighbouring communities – by means of a partnership to be established with the Colniza Municipal Administration, in order to implement technical education programs, communication media (telephone, internet etc.).

Technical qualification, training in forest management, community development in the form of participative workshops may increase the collective understanding of climate change and the importance of the forest. This understanding is essential for each individual in the process of a collective transformation of cultural relations and of the lifestyle of the local community. The FSM REDD Project is committed to conduct social-environmental activities linked to the preservation of the forest stewardship and maintaining the integrity of the Santa Maria property.

Among the proposed activities is the organization of courses focusing on forestry which intend to train youngsters to apply the knowledge obtained in any sustainable forestry stewardship plan. Furthermore, fire brigade teams will be trained, a biomass inventory will be set up, and new income opportunities will be created in the Municipality of Colniza (both in terms of forest stewardship and in terms of the sustainable exploitation of non-wood products, e.g. fruits and essences). The model proposed by this project includes its replication in areas with a potential to receive REDD projects. The central idea is to multiply preserved areas in the surrounding region adopting sustainable practices, converting the region into a model for sustainable development and with the benefits of the income arising from the reduction in emissions.

5MW Biomass Based Cogeneration Project for Sainsons

1. Social well-being:

The main source for this cogeneration plant will be locally available agriculture waste i.e. renewable biomass. The economy of the local people will be improved by selling biomass to the power plant. Since the <u>project</u> is

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located in a village it will assist in alleviation of poverty to certain extent by generating both direct and indirect employment in the area of skilled/unskilled jobs for regular operation and maintenance of the power plant.

2. Economic well-being:

The biomass-based cogeneration is an alternative to fossil fuel-based cogeneration plants and the decentralized power generation will reduce the transmission and distribution losses. The project shall create new rural income resulting from the sales of biomass fuel like agriculture waste. Increased income levels shall contribute to the economic safety and empowerment of the most vulnerable sections of local society.

3. Environmental well-being:

The project is using biomass for heat/power generation. There is no net GHG emission from this project activity. Combustion of biomass in the proposed project does not result in net increase in GHG emissions of CO2. In the absence of the project activity the biomass would have been decayed in the land and would emit CH4. Hence, the project activity is also reducing CH4 emission in the atmosphere. Thus, the project causes no negative impact on the surrounding environment contributing to environmental well-being.

4. Technological well-being:

The project makes use of efficient environmentally safe technology for heat/power generation with no Green House Gas (GHG) emission. In view of the above, the PP has considered that the project activity profoundly contributes to the sustainable development.





Eligible offsets retirement summary

Offsets retired 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 retired (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 (%)
Florestal Santa Maria Project (FSM-REDD Project)	VCU	Verra	18 Jul 2023	11418-326879816-326879915- VCS-VCU-261-VER-BR-14-875- 01012018-31122018-1	2018	-	100	0	74	26	100%
5MW Biomass Based Cogeneration Project at Sainsons	VCU	Verra	18 Jul 2023	13647-519831170-519831356- VCS-VCU-842-VER-IN-1-1547- 01012021-31122021-0	2021	-	187	0	187	0	0%
5MW Biomass Based Cogeneration Project at Sainsons	VCU	Verra	18 Jul 2023	13647-519829151-519829151- VCS-VCU-842-VER-IN-1-1547- 01012021-31122021-0	2021	-	1	0	1	0	0%
Total eligible offsets retired and o								ets retired and us	sed for this report	26	
	Total eligible offsets retired this report and banked for use in future reports								262		

Type of offset units	Eligible quantity (used for this reporting period)	Percentage of total
Verified Carbon Units (VCUs)	26	100%



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7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A



APPENDIX A: ADDITIONAL INFORMATION





Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 18 Jul 2023, 100 Verified Carbon Units (VCUs) were retired on behalf of:

Hone Built Pty Ltd

Project Name FLORESTAL SANTA MARIA PROJECT

VCU Serial Number 11418-326879816-326879915-VCS-VCU-261-VER-BR-14-875-01012018-31122018-1

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VERRA



Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 18 Jul 2023, 187 Verified Carbon Units (VCUs) were retired on behalf of:

Project Name

5MW Biomass Based Cogeneration Project at Sainsons

VCU Serial Number 13647-519831170-519831356-VCS-VCU-842-VER-IN-1-1547-01012021-31122021-0

Additional Certifications

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VERRA



Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 18 Jul 2023, 1 Verified Carbon Units (VCUs) were retired on behalf of:

Hone Built Pty Ltd

Project Name
5MW Biomass Based Cogeneration Project at Sainsons

VCU Serial Number

13647-519829151-519829151-VCS-VCU-842-VER-IN-1-1547-01012021-31122021-0

Additional Certifications

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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 market-based approach.

Market Based Approach Summary			
Market Based Approach	Activity Data (kWh)	Emissions (kg CO2-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)	77	0	19%



Residual Electricity	333	318	0%
Total renewable electricity (grid + non grid)	77	0	19%
Total grid electricity	410	318	19%
Total electricity (grid + non grid)	410	318	19%
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	333	318	
Scope 2	294	281	
Scope 3 (includes T&D emissions from consumption under operational control)	39	37	
Residual electricity consumption not under operational control	0	0	
Scope 3	0	0	

Total renewables (grid and non-grid)	18.80%
Mandatory	18.80%
Voluntary	0.00%
Behind the meter	0.00%
Residual scope 2 emissions (t CO2-e)	0.28
Residual scope 3 emissions (t CO2-e)	0.04
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	0.28
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	0.04
Total emissions liability (t CO2-e)	0.32
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 (kg CO2-e)	Scope 3 Emissions (kg CO2-e)	(kWh)	Scope 3 Emissions (kg CO2-e)	
ACT	0	0	0	0	0	0	
NSW	0	0	0	0	0	0	
SA	0	0	0	0	0	0	
VIC	410	410	348	29	0	0	
QLD	0	0	0	0	0	0	
NT	0	0	0	0	0	0	
WA	0	0	0	0	0	0	
TAS Grid electricity (scope 2 and 3)	0 410	0 410	0 348	0 29	0 0	0	



ACT	0	0	0	0	
NSW	0	0	0	0	
14044	0	U	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)	410				

Residual scope 2 emissions (t CO2-e)	0.35
Residual scope 3 emissions (t CO2-e)	0.03
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	0.35
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	0.03
Total emissions liability (t CO2-e)	0.38



APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following emissions sources have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. They have been non-quantified due to <u>one</u> of the following reasons:

- 1. <u>Immaterial</u> <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. <u>Data unavailable</u> 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	Justification reason
NA	NA

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:

- <u>Size</u> The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.
- 2. <u>Influence</u> The responsible entity has the potential to influence the reduction of emissions from a particular source.
- 3. <u>Risk</u> 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.
- 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.



Excluded emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
						Size: It is likely the size of these emissions will be significant compared with our scope 1 and scope 2 emissions within the Organisational boundary. Influence: Whilst Hone Built strives to work with architects and clients who want to reduce embodied emissions, construction materials and services are largely outside of the company's influence or control.
Construction materials and services	Y	N	N	N	N	Risk: Deemed as low risk from a regulatory and reputational perspective due to the level of influence/control of Hone Built, the size of the business, and the architects and clients worked with. Stakeholders: Hone Built is of the view that this emission source is primarily the responsibility of the architect and client, due to the degree of influence/control they have over it. Outsourcing: Does not meet this criteria.





