

# 2019 Carbon Neutral Program

## Public Disclosure Summary

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Reporting period: 1 July 2018 – 30 June 2019

Entity: Clean Energy Finance Corporation



## 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.

Name of Signatory: **Ian Learmonth**

Position of Signatory: **CEO**

Signature: 

Date: **15 January 2020**

Carbon neutral certification type: **Organisation**

Date of most recent external verification/audit: **April 2018**

Auditor: **Benjamin Jenkins, GPP Audit Pty Limited**

Auditor assurance statement link: **NA**

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# Clean Energy Finance Corporation

We invest in businesses and projects deploying clean energy technologies which are complying investments, that are solely or mainly Australian-based, across the various sectors of the economy. We are required to ensure that at least half of the funds invested at any time are invested in renewable energy technologies. Accordingly, we have a strong focus on investment in renewable energy technologies and supporting the infrastructure required to facilitate a reliable and secure electricity system as it transitions to lower emissions.

To deliver an orderly transition, we work with private sector proponents, investors and financiers, as well as industry stakeholders, governments and government agencies including the Clean Energy Regulator (CER), the Energy Security Board (ESB), the Australian Energy Market Commission (AEMC), the Australian Energy Market Operator (AEMO), the Australian Energy Regulator (AER) and the Australian Renewable Energy Agency (ARENA).

## Carbon neutral information

### Data collection

The methods used for collating data, performing calculations and presenting the carbon account are in accordance with the following standards:

- National Carbon Offset Standard for Organisations
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- National Greenhouse and Energy Reporting (Measurement) Determination 2008

Where possible, the calculation methodologies and emission factors used in this inventory are derived from the National Greenhouse Accounts (NGA) Factors in accordance with 'Method 1' from the National Greenhouse and Energy Reporting (Measurement) Determination 2008.

### Emissions considered

The greenhouse gases (GHGs) considered in this inventory are those that are commonly reported under the Kyoto Protocol, including carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) and synthetic gases, including hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and Nitrogen Trifluoride (NF<sub>3</sub>). These GHGs are expressed as carbon dioxide equivalents (CO<sub>2</sub>-e) using relative global warming potentials (GWPs).

## Australia's emissions commitment

Australia has committed to reduce emissions by 26 to 28 per cent below 2005 levels by 2030 under the Paris Agreement. The CEFC seeks to contribute to the achievement of Australia's commitments under the Paris Agreement through our investment activities, and through the responsible operation of our business.

## CEFC operational business

This Public Disclosure Summary (PDS) provides an overall approach to our national Carbon Offset Standard (NCOS) carbon neutrality certification. It covers all parts of the CEFC operational business, including scopes 1, 2 and 3. In addition, we have fulfilled the NCOS requirement for an independent audit assurance report to validate our carbon neutrality reporting. Based on an operational consolidation approach, this report covers each of the CEFC's offices:

Table 1

Sydney	Brisbane
Suite 1702, 1 Bligh Street	Level 25, Riparian Plaza, 71 Eagle Street
Melbourne	Perth*
Level 13, 222 Exhibition Street	Level 11, Brookfield Place, 125 St Georges Terrace

**\*Note:** The CEFC had one person permanently based in Perth during the reporting period. The low scale of the associated energy use did not register in the CEFC's overall energy use after rounding.

# CEFC emissions sources within certification boundary

The Certification Boundary for the CEFC carbon inventory is detailed in Table 2. All quantifiable sources of emissions are included.

Table 2

<b>Scope 1</b>  Natural gas	<b>Scope 3</b>  Base building refrigerant Transport fuel – private: Post 2004 gasoline Purchased electricity Electricity – base building Natural gas Telecommunications Water IT equipment Office paper Stationery Office furniture Employee commuting Business flights Cleaning services Postage	Couriers Printing Domestic Hotel Accommodation International Hotel Accommodation Advertising Taxis Trains Bakery Fruit and vegetables Dairy Other Foods Drinks – wine and spirits Drinks – soft drinks Waste – landfill Waste – recycling
<b>Scope 2</b>  Purchased electricity		
<b>Excluded emissions sources</b>  Investments, where CEFC has neither financial control nor significant influence over business-as-usual operational carbon emissions, are excluded from this report.		

# CEFC emissions reduction measures

The CEFC is an organisation dedicated to facilitating Australia’s transition to a clean energy economy. The CEFC’s investments are directed towards emissions reduction and the promotion of renewable energy, energy efficiency and low emissions technologies, and therefore have a positive environmental impact.

Since its inception in 2013, the CEFC has operated with a commitment to minimise its impact on the environment. The CEFC has embedded sustainability as part of its operational and procurement decision-making. Reflecting our unique role in the market, the CEFC also raises awareness about sustainable business practices with its investment counterparties and in its external engagement activities.

To date, the CEFC has demonstrated a strong commitment to reducing the emissions associated with our own business activities.

While emissions related to the procurement of IT equipment, staff commuting and third-party services are material, these activities are a function of normal business operations and are unlikely to offer significant opportunities for improvement.

We have identified two priority areas for action with the potential to reduce emissions: reducing the number of business flights and improving the emissions performance of our utilities.

- We have enabled the following key initiatives to reduce our carbon emissions:
- Established a ‘Green Team’ to facilitate in reducing our emissions and continue to investigate opportunities to reduce our carbon emissions
  - Upgraded video conferencing capabilities in all our offices to reduce the need for interstate travel
  - Provided staff with information about business air travel, energy consumption and the energy consumption of computer monitors not shut down each night.

Table 3

<h3>Transport</h3> <ul style="list-style-type: none"><li>• Provided end-of-trip facilities to encourage other modes of transport (excluding cars), including on floor lockers for staff</li><li>• Upgraded video conferencing capabilities in all our offices to reduce the need for interstate travel</li><li>• Commenced video conferencing etiquette training for staff to maximise their effectiveness for meetings to reduce the need for interstate travel</li></ul>	<h3>Utilities</h3> <ul style="list-style-type: none"><li>• Requested facilities management to undertake a NABERS Tenancy Co-Assess Ratings upon the NABERS Energy Base Building anniversary</li><li>• Supported an energy efficient base building rating of 5 Stars NABERS Energy for all offices</li><li>• Benchmarked our tenancy energy consumption for the Brisbane and Sydney premises</li><li>• Green Power procurement where available</li></ul>	<h3>Waste</h3> <ul style="list-style-type: none"><li>• As a supply chain prerequisite, required external consultants to advise how they are reducing their emissions in light of the Paris Agreement as part of their consultancy services offer</li><li>• Provided Mobile Muster boxes to encourage the recycling phones in the Brisbane and Sydney offices</li><li>• E-waste recycling streams are provided in Brisbane, Sydney and Melbourne</li><li>• An additional organic waste stream was added to the Brisbane office which CEFC requested from facility management</li><li>• Recycling of soft plastic in our Brisbane and Sydney office</li></ul>
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CEFC emissions reduction strategy

Improving our emissions performance is an ongoing commitment. The CEFC established a Green Team which meets periodically to consider emission reducing initiatives for our organisation and investigate emissions saving opportunities on an ongoing basis. Initiatives under consideration are detailed in Table 4.

Table 4

<h3>Transport</h3> <ul style="list-style-type: none"><li>• Continue supporting employees to reduce flight-related emissions through education and communication methods and encourage alternatives where possible</li><li>• Continue to encourage increased use of video conferencing facilities and host VC meetings where possible</li><li>• Encourage employees to utilise public transport where possible on work trips</li></ul>	<h3>Utilities</h3> <ul style="list-style-type: none"><li>• Requested facility management undertake a NABERS Tenancy Co-Assess Ratings upon NABERS Energy Base Building anniversary</li><li>• Develop an educational piece to raise awareness of energy saving initiatives which can be made by employees via behaviour change e.g. promote turning off monitors and PCs overnight</li></ul>	<h3>Waste</h3> <ul style="list-style-type: none"><li>• Continue to encourage employees to use organics and recycling waste streams</li><li>• Encourage use of keep cups for employees where possible</li><li>• Continue to provide recycling of batteries, mobile phones and IT equipment where possible</li></ul>
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## Carbon emissions summary 2019

Table 5

Carbon emissions summary		
Scope	Emissions source	tCO <sub>2</sub> -e
1	Natural Gas – NSW	3.4
1	Natural Gas – VIC	1.1
2	Purchased electricity – NSW	48.3
2	Purchased electricity – VIC	10.4
2	Purchased electricity – WA	0.03
2	Purchased electricity – QLD	69.4
3	Base building refrigerant	7.2
3	Transport fuel - private: Post 2004 gasoline	14.5
3	Purchased electricity – NSW	5.4
3	Purchased electricity – VIC	1.0
3	Purchased electricity – WA	0.002
3	Purchased electricity – QLD	10.3
3	Electricity – base building - NSW	51.2
3	Electricity – base building - VIC	17.7
3	Electricity – base building - QLD	91.0
3	Natural Gas – NSW	0.9
3	Natural Gas – VIC	0.1
3	Water – NSW	0.3
3	Water – VIC	0.2
3	Water - WA	0.0
3	Water – QLD	1.6
3	IT Equipment	29.7
3	Office paper	1.6
3	Stationery	6.0
3	Office furniture	9.1
3	Employee commuting	82.5
3	Business flights	652.6
3	Cleaning services	10.9
3	Postage	2.2
3	Couriers	6.4
3	Printing	13.3
3	Advertising	25.6
3	Telecommunications	39.8
3	Taxis	17.1
3	Trains	55.9
3	Domestic Hotel accommodation	32.0
3	International Hotel accommodation	0.7
3	Bakery	0.9
3	Fruit and vegetables	4.5
3	Dairy	2.3
3	Other Foods	23.2
3	Drinks – wine and spirits	3.7
3	Drinks – soft drinks	1.0
3	Waste – landfill	21.7
3	Waste – recycling	3.0
Total gross emissions		1,379.6
Greenpower		-62.4
Total net emissions (tCO <sub>2</sub> -e)		1,317.2

## Carbon offsets

The CEFC has procured offsets from two sources - Landfill Gas Industries (LGI) and Cleanaway.

**Table 6**

Purchased carbon offsets summary					
Offset type	Registry	Vintage	Year retired	Quantity	Serial numbers
ACCUs	Markit	2017-18	2019	62	3,769,004,816 - 3,769,004,877
ACCUs	Markit	2018-19	2019	1256	3,788,365,975 - 3,788,367,230
Total offset units retired tCO <sub>2</sub> -e					1,318
Greenpower offsets tCO <sub>2</sub> -e					62.4
Net emissions after offsetting tCO <sub>2</sub> -e					0
					144
					Serial numbers:
Total offsets banked use for future years (if any)					3,788,367,231 – 3,788,367,374
					Project: Erskine Park Landfill Gas Project

## Offsets purchasing and retirement strategy

CEFC's offsetting approach involves purchasing and retiring offsets at the beginning of each reporting year as follows:

1. The CEFC retires an amount of offsets equal to emissions for the previous year
2. At the end of the reporting year, a further inventory is produced
3. Reconciliation to ensure offsets are in line with actual emissions
4. CEFC again retires an amount of offsets equal to emissions measured for the previous year and the cycle continues. Any remaining offsets will be banked for use in subsequent years.

## Offset projects: co-benefits

**Table 7**

### Context

There are approximately 665 operating landfills in Australia, which receive around 27 million tonnes (Mt) of solid waste each year. Landfills generate methane, a greenhouse gas which has a global warming potential 25 times greater than carbon dioxide. (Landfill Gas Method Crediting Period Review Report 2018)

### Project

CEFC provided a corporate loan to Cleanaway to accelerate best practice sustainable waste management activities.

The CEFC procured offsets that support the Erskine Park Landfill Gas Project which is a Cleanaway facility in Sydney that captures and combusts landfill gas, while producing engineered fuel for the kiln at a neighbouring brickworks.

Separately, CEFC also provided a corporate loan to Landfill Gas Industries (LGI) to facilitate upgrades to landfill gas capture, combustion and electricity generation systems.

The scheme upgrades an existing landfill gas collection system to capture and combust gas generated at the landfill from legacy and non-legacy waste.

Offsets generated by LGI and procured by CEFC were partially financed through LGI's corporate debt facility provided by CEFC.

### Benefits

Landfill emissions can be reduced by capturing and combusting landfill gas before it escapes to the atmosphere. While landfills generated a total of 16.5 Mt CO<sub>2</sub>-e emissions in Australia in 2015, they also captured and combusted methane equivalent to 8.1 Mt CO<sub>2</sub>-e, reducing emissions to the atmosphere by half (net emissions 8.4 Mt CO<sub>2</sub>-e) (Landfill Gas Method Crediting Period Review Report 2018).

## Have you done more?

The CEFC has a unique role as a catalyst for change. The organisation invests to lead the market, putting CEFC capital to work in new areas, building investor confidence and accelerating solutions to difficult problems. In the period covered in this report, CEFC investment priorities were focused on opportunities with strong potential to accelerate the decarbonisation of the Australian economy, contributing to Australia's commitments under the Paris Agreement to reduce its 2005 carbon emissions by 26-28 per cent by 2030. This targeted approach, working alongside investors and project proponents, saw a substantial increase in anticipated carbon abatement associated with CEFC finance in FY2018-19.

The CEFC portfolio of investment commitments reached almost \$6.2 billion as at 30 June 2019, after allowing for revocable commitments, repayments and amortisation on almost \$7.2 billion in total CEFC commitments since inception.

**Table 8**

CEFC performance		
CEFC commitments	2018-19	Lifetime
CEFC commitments	\$1.46b	\$7.2b
Transactions financed	30	~140
Transaction value	\$6.3b	\$24.0b
Leverage	>\$3:\$1	>\$2:\$1
Est lifetime emissions (tCO <sub>2</sub> -e)	64m	260m
Finance deployed	\$1.3b	~\$5.0b
Finance repaid/returned	~\$321m	~\$718m

**Table 9**

Additional emissions reduction measures	
Energy efficiency	Waste reduction
<ul style="list-style-type: none"> <li>Open plan offices, allowing easier control of air conditioning</li> <li>Centralised printing facilities, allowing for fewer high capacity multi-function devices (which have energy saving modes when not in use)</li> <li>Energy efficient computer monitors and laptops, which employees are encouraged to turn off each evening</li> <li>Sensor and LED lighting in our Sydney and Brisbane offices, which have a 5-star NABERS energy rating. Our Melbourne office lease is targeting 5 Star NABERS Energy Rating for the base building post refurbishment and is currently tracking at 4 Stars.</li> <li>Offsets of all energy purchased, including carbon offsetting all employee flights and reducing the number of inter-office flights by using video conferencing facilities</li> <li>There are no car parks associated with CEFC office leases and employees are encouraged to walk, run or cycle to work and to use public transport. In addition, no corporate car parks or corporate vehicles are provided to employees</li> </ul>	<ul style="list-style-type: none"> <li>CEFC office furniture has been selected for its high recycled/recyclable content</li> <li>A 'follow me' printing system in the Brisbane office to reduce paper consumption, with default printing set to double sided, black and white.</li> </ul>

## CEFC emissions over time

The CEFC continues to grow as an organisation and this is reflected in changes to activity data over time. Where possible, emission reduction measures have implemented so that emissions intensities are either stable or going down.

**Table 10**

Emissions since base year (tCO <sub>2</sub> -e)			
	2016-17	2017-18	2018-19
Scope 1	4.2	8.4	4.5
Scope 2	86.7	121.7	128.1
Scope 3	1,013.7	1,054.0	1,247.0
Greenpower	-54.2	-44.4	-62.4
<b>Total</b>	<b>1,050.4</b>	<b>1,139.7</b>	<b>1,317.2</b>
tCO <sub>2</sub> -e/FTE	12.07	12.12	13.22

## Use of trademark

**Table 11**

Trademark register	
Where used	Logo type
2017-18 Public Disclosure Summary	Certified organisation
2016-17 Public Disclosure Summary	Certified organisation





## About the CEFC

The CEFC has a unique role to increase investment in Australia's transition to lower emissions. We invest to lead the market, operating with commercial rigour to address some of Australia's toughest emissions challenges – in agriculture, bioenergy, energy generation and storage, infrastructure, property, transport and waste. We're also proud to back Australia's cleantech entrepreneurs through the Clean Energy Innovation Fund. In investing \$10 billion on behalf of the Australian Government, we work to deliver a positive return for taxpayers across our portfolio.