

Australian Government
Climate Active Public Disclosure Statement

Aēsop®

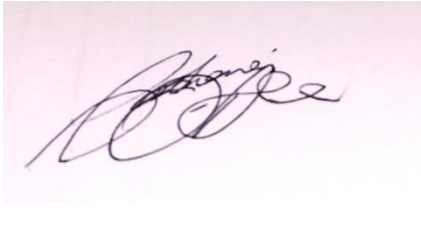


NAME OF CERTIFIED ENTITY: Emeis Holdings TA Aesop

REPORTING PERIOD: 1 January 2019 – 31 December 2019

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 17 th 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**

Public Disclosure Statement documents are prepared by the submitting organisation. The material in Public Disclosure Statement documents represents the views of the organisation and do not necessarily reflect the views of the Commonwealth. The Commonwealth does not guarantee the accuracy of the contents of the Public Disclosure Statement documents and disclaims liability for any loss arising from the use of the document for any purpose.

1. Carbon neutral information

Description of certification

The emission inventory in this public disclosure summary covering the 1 January 2019 to 31 December 2019 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 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 (voluntary), demonstrates our commitment to take climate action.

Emissions reduction strategy

In 2019 business growth lead to an increase in absolute emissions. Our interim reduction strategy focuses on intensity reductions for significant 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.

In July 2019 as part of Natura & Co, Aesop committed to the UN Global Compact—Our Only Future pledge. We are committed to setting a science-based emission reduction target, aligned to 1.5°C above pre-industrial levels warming scenario. Further to this we are committed to reaching net-zero emissions by no later than 2050.

Energy

Purchasing green energy creates demand for renewable energy and a future free from fossil fuels. To help create this

sustainable future we are committed to transitioning our Australia and New Zealand stores and offices to 100% renewable energy by 2021 and global operations by 2023 at the latest.

We increased renewable energy in Australia and New Zealand from 31% in 2018 to 46% in 2019 (including jurisdiction RE targets). Table 1 below displays the emission reduction measures implemented by Aesop from 2016 to 2019 and the resulting reduced emissions.

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
2019	Electricity	Green energy transition for Australia head office locations	Ongoing	165
Total				350

Freight

Freight is a significant source of emissions and is an area of our operations that presents opportunities for reduction. In 2019 we continued to improve measurement and implement initiatives that reduce emission intensity including:

- Completed roll out of new demand planning system to improve inventory forecasting for regional shipments. Leading to a reduced reliance on air freight and optimisation of shipping container loads.
- Improved data collection adding inbound freight to our CY19 Climate Active inventory.
- Light weighting of packaging: Our transition to recycled PET in 2019 for 50ml deodorant and 500ml bottles lead to a reduction in material and associated freight weight. Other light weighting projects initiated in late 2019, expected to enter the supply chain in 2020.

Overall, absolute freight emissions increased from CY18 to CY19 due to:

- broadening of global head office operational boundary to include inbound freight, and
- increase in global head office air freight due to new product launches.

Freight is a continued area of focus for our emissions reduction strategy.

Corporate Travel

As a global business with offices in Australia, Europe, Americas and Asia, domestic and international travel is required. However, this presents a significant area of opportunity to reduce our impact.

- We continued our investment in video conferencing technology allowing for some previously face-to-face meetings to be held virtually, including quarterly general management summits.
- Our Travel Policy was updated to encourage the use of this technology and to discourage higher emitting fare classes. While total flying activity decreased 7% in CY19 emissions factor changes saw an increase in emissions of 10%.
- In late 2019 we worked with our travel management company to implement a carbon emission estimator for all trip bookings, allowing staff to compare the impact of modes and routes.
- We also reviewed the format of our Annual Town Hall event (held in January 2019). To reduce our impact in 2020 we created digital content for this event which meant that a smaller number of attendees would be required face-to-face.

Outside of reduction initiatives, emissions associated with Corporate Travel will significantly decrease in 2020 due to Covid-19 travel bans beginning in January 2020.

e-Commerce

In 2019 we commenced work with our Digital team to measure and reduce the impact of the last mile transportation of products in Australia. This included discussions with our shipping partner to identify ways we could reduce our Scope 3 e-commerce emissions. We determined our emission profile is largely dependent on reduction initiatives owned by our shipping partner, except for shipping type. Therefore, we looked into ways to reduce our reliance on air freight. To mitigate future emission increases driven by e-commerce growth, we established a multifulfillment center in Western Australia, reducing our reliance on express post (air). Two additional multi-fulfillment locations were identified and planned for 2020.

Waste

In 2019 we completed a waste audit of our retail and office spaces that identified that over 85% of our retail sites having recycling capabilities.

We also implemented several waste reduction activities across our retail, e-commerce and office spaces including;

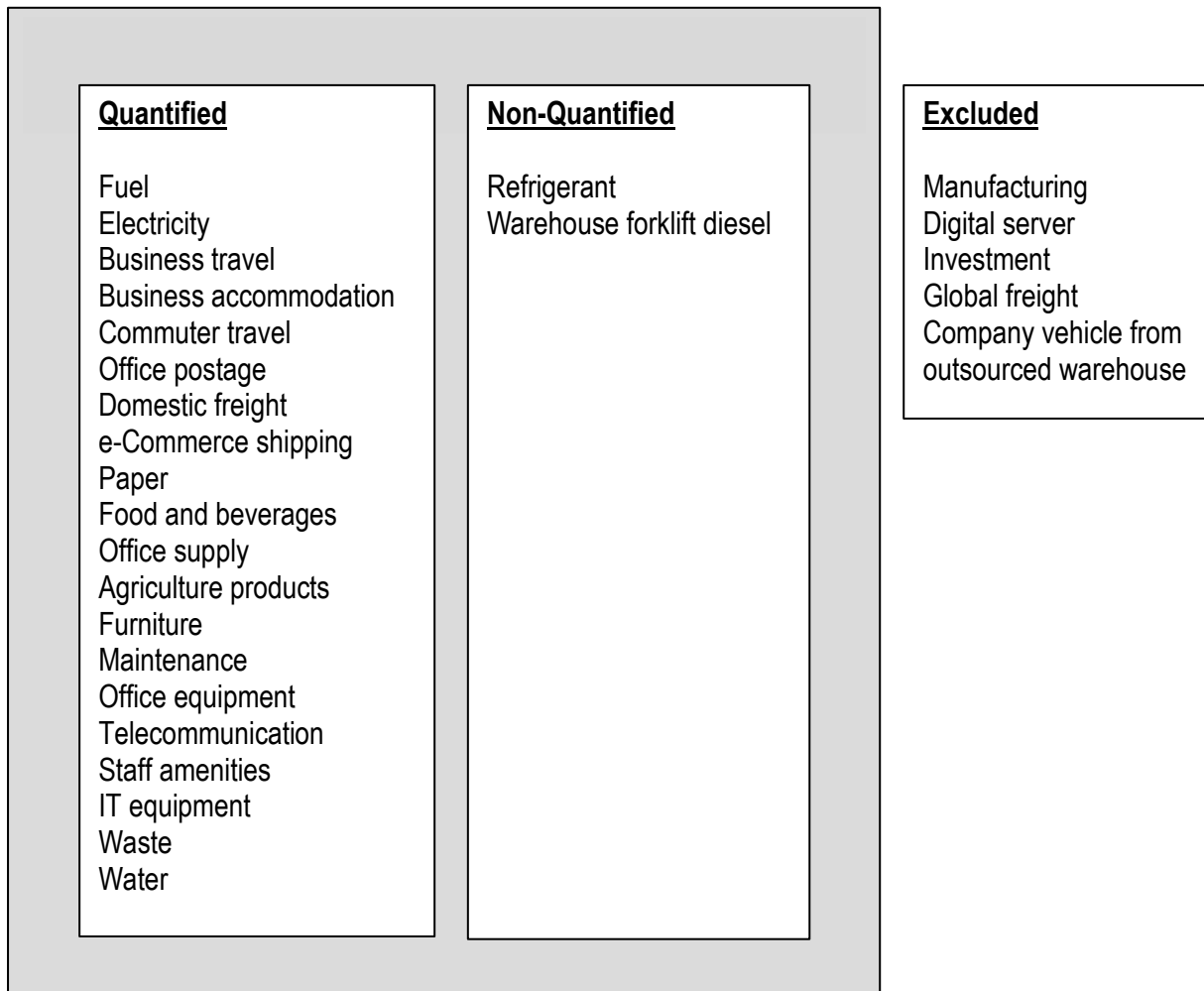
- Our retail spaces phased out single-use timber depressors used in hand consultations and replaced with a re-useable stainless-steel option.
- Plastic bubble wrapped was removed from our operations and replaced with a recyclable cushion paper.
- Soft plastic recycling was expanded in retail and our office locations.
- Composting was also introduced into all Australian offices, along with staff education on responsible disposal of waste.
- E-commerce operations reduced excess gift wrapping by no longer wrapping individual items and using the existing shipping box or re-useable cotton bag.

Designing out waste from our packaging was also a focus. In 2019 we commenced multiple projects to light weight, increase recycled content materials, along with their recyclability and reduced tertiary packaging.

2. Emission Boundary

Diagram of the certification boundary

Aesop includes all direct (Scope 1) and indirect energy (Scope 2) emission sources in its GHG emissions inventory. It also includes indirect (Scope 3) emissions sources that results from the operations of its business. Figure 1 represents the emissions sources that have been included in our 2019 carbon account. New emission sources in the 2019 carbon account include: cleaning, staff amenities, and waste services (included in the Waste category), which accounts for <2% of our total emissions.



Non-quantified sources

The emission 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	
Emission 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).

Data management Plan

The non-quantification of refrigerant and forklift diesel 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 emission sources on Table 3 have been excluded in line with the provisions of the Climate Active Neutral Standard for Organisations.

Table 3. Excluded emission sources	
Emission 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 CACNSO.
Digital server	Emissions associated with digital servers for Aesop are estimated to be less than 1% of the total carbon account (immaterial).
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 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 operational control. Demand planning is supported by Aesop global to minimize emissions to these regions (full container loads and reduced reliance on air freight).
Company vehicle from outsourced warehouse services	Emissions associated with warehouse service provider's company vehicles are outside of Aesop ANZ's operations 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	
Emission source category	tonnes CO ₂ -e
Fuel	10
Net electricity	754
Business travel	2,119
Business accommodation	371
Commuter travel	459
Office postage	134
e-Commerce shipping	87
Freight	673
Paper	1
Food and beverages	331
Office supply	104
Agriculture products	2
Furniture	0
Maintenance	85
Office equipment	3
Cleaning	66
Telecommunication	75
Staff amenities	21
IT equipment	100
Waste	143
Water	9
Total Net Emissions¹	5,548

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)	610	1

Electricity Summary

Electricity was calculated using a Market-based approach.

The Climate Active team are consulting on the use of a market vs 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 has 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	587,185	0
Electricity Carbon Neutral power	0	0
Electricity remaining	695,714	752.14
Renewable electricity percentage	46%	
Net emissions (Market based approach)		752

Table 8. Location based approach electricity summary

State/ Territory	Electricity Inventory items	kWh	Full Emission factor (Scope 2 +3)	Emissions (tonnes CO2e)
ACT/NSW	Electricity Renewables	109,144	-0.90	-98.23
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	300,987	0.90	270.89
SA	Electricity Renewables	12,774	-0.53	-6.77
SA	Electricity Carbon Neutral Power	-	-0.53	0.00
SA	Netted off (exported on-site generation)	-	-0.44	0.00
SA	Electricity Total	17,738	0.53	9.40
Vic	Electricity Renewables	206,193	-1.12	-230.94
Vic	Electricity Carbon Neutral Power	-	-1.12	0.00
Vic	Netted off (exported on-site generation)	-	-1.02	0.00
Vic	Electricity Total	772,621	1.12	865.34
Qld	Electricity Renewables	20,455	-0.93	-19.02
Qld	Electricity Carbon Neutral Power	-	-0.93	0.00
Qld	Netted off (exported on-site generation)	-	-0.81	0.00
Qld	Electricity Total	142,456	0.93	132.48
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	49,096	0.74	36.33
	Total net electricity emissions (Location based)		0.00	959.48

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					5,548				
2. Offsets retired in previous reports and used in this report					0				
3. Net offsets required for this report					5,548				
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	1,771	0	2,541
Kariba Forest Protection, Zimbabwe	VCU	APX	2 June 2020	6813-345453798-345454297-VCU-006-APX-ZW-14-902-01012013-31122013-1	2013	500	0	454	46
Changbin and Taichung Wind Power, Taiwan	VER	GSF	8 September 2017	GS1-1-TW-GS472-12-2016-6014-91971-96282	2016	4,312	1,771	0	2,541
Colodan Great Barrier Reef	KACCU	ANREU*	22 August 2019	3,772,258,201 – 3,772,258,282	2017-2018	82	0	0	82

Colodan Great Barrier Reef	KACCU	ANREU*	22 August 2019	3,777,304,893 – 3,777,304,905	2018-2019	13	0	0	13
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	1,506	0	76
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	0	214
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	0	35
Total offsets retired this report and used in this report									5,548
Total offsets retired this report and banked for future reports								454	

*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-benefits

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 and vintage.

Aesop purchased 4,812 carbon offset credits from the Kariba REDD+ Project, of which 2,587 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 2,541 were used for this report.

Furthermore, Aesop purchased 1,926 carbon offset credits through the Qantas Future Planet Program, of which 420 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 project 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. Our support of the project since 2017 has afford us the honour of seeing this project develop overtime.

[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

Table 10. Australian Biodiversity Unit (ABU) Summary			
Projects supported by ABU purchase	Issuance date	Serial numbers	Quantity
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 (ABUs 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 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.

View the factsheet for the Changbin and Taichung Wind Project:

5. Use of trade mark

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
Digital server	x	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