



# **PUBLIC DISCLOSURE STATEMENT**

**LOCAL GOVERNMENT SUPER**

**ORGANISATION  
FY2020**

Australian Government  
**Climate Active**  
**Public Disclosure Statement**



NAME OF CERTIFIED ENTITY: LGSS Pty Ltd trading as Local Government Super

REPORTING PERIOD: 1 July 2019 – 30 June 2020

**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

A handwritten signature in grey ink, appearing to read 'Moya Yip'.

Date: 4 March 2020

Name of Signatory: Moya Yip

Position of Signatory: Head of Responsible Investment



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

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# 1. CARBON NEUTRAL INFORMATION

## Description of certification

This certification includes all staff, head office and regional offices in which LGSS Pty Ltd operates. LGSS Pty Ltd is the trustee for the Local Government Super fund (LGS) and the emissions associated solely with the operation and management of this fund are certified carbon neutral. Any emissions associated with the investment assets themselves are outside of this certification boundary.

## Organisation description

Local Government Super (LGS) was established in 1997 to provide retirement benefits to employees of Local Councils in NSW and is now a public offer fund. LGS manages \$12 billion in superannuation assets and has approximately 90,000 members. LGS is a multi-award winning certified responsible super fund with investments across Australian and International shares, property, infrastructure, private equity, absolute return and fixed interest. LGS manages a \$750 million direct property portfolio (the Portfolio) which comprises eight high quality assets located throughout NSW. The Portfolio helps LGS to achieve long-term stable returns which is key to helping our members build their retirement savings. In April 2019, the Portfolio was the first property portfolio in Australia to be certified carbon neutral by NABERS on behalf of Climate Active.

*“Climate change is considered by LGS as the most significant ESG risk facing our members’ long-term savings. The Climate Active initiative tangibly supports the transition to net zero emissions by 2050”*

# 2. EMISSION BOUNDARY

## Diagram of the certification boundary



### **Non-quantified sources**

Offsite secure document storage, general pest control and water use were not quantified as they were deemed to be immaterial.

### **Data management plan**

n/a

### **Excluded sources (outside of certification boundary)**

n/a

*“Climate Active certification is key to tackling climate change, one of the greatest challenges facing Australia today. It saves energy & costs and drives the market for sustainable, ethical products & services”*

## 3. EMISSIONS SUMMARY

### Emissions reduction strategy

LGS is exploring ways to reduce emissions associated with operational business practices, such as the use of technology like videoconferencing and screen sharing to reduce travel.

LGS also sources GreenPower for its head office and uses Powershop to provide 100% carbon neutral electricity across all of its locations. The Sydney head office is also located in a carbon neutral building, further reducing the emissions associated with utilities. LGS is carbon neutral for all NABERS rated buildings. Additionally, LGS is a signatory to the World Green Building Council's global Net Zero Carbon Buildings Commitment to achieve net zero operating carbon emissions across the LGS direct property portfolio by 2030, as well as advocating for all buildings to be net zero by 2050.

As a result of this inventory, postage has been identified as a significant emissions source. LGS will seek to better understand its emissions through greater dialogue with its postal suppliers and investigate ways to reduce its dependence on postal services, such as through the use of digital documents and sign offs.

Other considerations will also go into increasing flexible working, reducing staff travel to and from work. LGS is also undertaking optimisation of fleet vehicle programmes and offsetting its remaining emissions.

LGS has established a Sustainability Committee comprised of members across different divisions of the fund. This has the support LGS' CEO and Board and is tasked with reducing emissions across the fund's operations ensuring sustainable practices are implemented including supplier and procurement policies. As the fund continues to undergo digital transformation, LGS will look to reducing emissions that occur from postage and printing. The intention is for this Committee to report regularly to the Board of Trustees.

## Emissions over time

Emissions reduced for a combination of reasons predominantly related to COVID-19. The key areas of change are detailed below.

### Postage

Postage volumes increased during the year due to significant event notices related to fees, insurance changes and one-off costs (such as advice regarding LGS’ new Chairman, new CEO and additional Board members). However, the emissions intensity of this activity significantly decreased due to improved data provided by suppliers and also a reduction in the Climate Active emission factor.

### IT Equipment

IT equipment emissions increased significantly as brand new leased laptops were provided to all staff.

### Flights, Hotels and Transport Fuels

All travel was significantly impacted by COVID-19 which resulted in a decrease in business flights, hotels and transport fuels.

Table 1

| Emissions since base year |                      |                         |
|---------------------------|----------------------|-------------------------|
|                           | Base year:<br>FY2019 | Current year:<br>FY2020 |
| <i>Total tCO2e</i>        | <i>1,359.537</i>     | <i>768.417</i>          |

## Emissions reduction actions

During the FY2020 period LGS has enhanced video conferencing capability and whilst this was partly due to COVID-19, this will remain in order to reduce travel emissions.

While working from home, staff were also printing less and requiring less stationery, working digitally rather than paper based. Growing staff awareness of only printing when necessary helped to decrease these emissions further.

## Emissions summary (inventory)

Table 2

| Emission source category      | tonnes CO <sub>2</sub> -e |
|-------------------------------|---------------------------|
| Accommodation and facilities  | 18.488                    |
| Air Transport (km)            | 27.156                    |
| Cleaning and Chemicals        | 3.156                     |
| Electricity                   | 0.000                     |
| Food                          | 17.482                    |
| ICT services and equipment    | 155.294                   |
| Land and Sea Transport (fuel) | 71.907                    |
| Land and Sea Transport (km)   | 44.504                    |
| Office equipment & supplies   | 139.034                   |
| Postage, courier and freight  | 211.819                   |
| Professional Services         | 44.645                    |
| Refrigerants                  | 0.027                     |
| Waste                         | 2.581                     |
| Products                      | 22.852                    |
| Taxi and Uber                 | 0.775                     |
| Working from home             | 8.696                     |
| <i>Total Net Emissions</i>    | <b>768.417</b>            |

## Uplift factors

Table 3

| Reason for uplift factor  | tonnes CO <sub>2</sub> -e |
|---|---------------------------|
| n/a   | n/a                       |
| <i>Total footprint to offset (uplift factors + net emissions)</i> | <b>768.417</b>            |

## Carbon neutral products

Carbon neutral paper from Winc and Australia Post carbon neutral card products were used.

## Electricity summary

Electricity was calculated using a Location-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.

### Market-based approach electricity summary

Table 4

| Electricity inventory items                  | kWh     | Emissions (tonnes CO <sub>2</sub> e) |
|--|---------|--------------------------------------|
| Electricity Renewables                       | 117,084 | 0.000                                |
| Electricity Carbon Neutral Power             | 156,625 | -169.326                             |
| Electricity Remaining                        | 39,541  | 42.748                               |
| Renewable electricity percentage             | 75%     |                                      |
| <i>Net emissions (Market based approach)</i> |         | <i>0.000</i>                         |

### Location-based summary

Table 5

| State/<br>Territory | Electricity Inventory items                             | kWh    | Full<br>Emission<br>factor<br>(Scope 2 +3) | Emissions<br>(tonnes<br>CO <sub>2</sub> e) |
|---------------------|---|--------|--|--|
| ACT/NSW             | Electricity Renewables                                  | 87,952 | -0.90                                      | -79.157                                    |
| ACT/NSW             | Electricity Carbon Neutral Power                        | 156,62 | -0.90                                      | -140.963                                   |
| ACT/NSW             | Netted off (exported on-site generation)                | -      | -0.81                                      | 0.000                                      |
| ACT/NSW             | Electricity Total                                       | 156,62 | 0.90                                       | 140.963                                    |
|                     | <i>Total net electricity emissions (Location based)</i> |        | <i>0.00</i>                                | <i>0.000</i>                               |

## 4. CARBON OFFSETS

**Offset purchasing strategy:** in arrears

## Offsets summary

Table 7

| <b>1. Total offsets required for this report</b>                       |                      |          |              | 769   |         |                         |                                  |                                  |                              |
|--|----------------------|----------|--------------|---|---------|-------------------------|----------------------------------|----------------------------------|------------------------------|
| <b>2. Offsets retired in previous reports and used in this report</b>  |                      |          |              | 0   |         |                         |                                  |                                  |                              |
| <b>3. Net offsets required for this report</b>                         |                      |          |              | 769   |         |                         |                                  |                                  |                              |
| Project description  | Type of offset units | Registry | Date retired | Serial number (and hyperlink to registry transaction record)                          | Vintage | Quantity (tonnes CO2-e) | Quantity used in previous report | Quantity banked for future years | Quantity used in this report |
| Chyulu Hills REDD+ Project   | VCUs                 | Verra    | 11 Jan 2021  | <a href="#">8544-29873078-29873577-VCS-VCU-263-VER-KE-14-1408-01012014-31122014-1</a> | 2014    | 500                     | 0                                | 0                                | 500                          |
| Rimba Raya Biodiversity Reserve Project                                | VCUs                 | Verra    | 11 Jan 2021  | <a href="#">5816-261749130-261749398-VCU-016-MER-ID-14-674-01072013-31122013-1</a>    | 2013    | 269                     | 0                                | 0                                | 269                          |
| <i>Total offsets retired this report and used in this report</i>       |                      |          |              |   |         |                         |                                  |                                  | 769                          |
| <i>Total offsets retired this report and banked for future reports</i> |                      |          |              |   |         |                         |                                  |                                  | 0                            |

## Co-benefits

LGS invests in Chyulu Hills Project, a multi partner community led initiative paving the way for eco system scale conservation in Kenya. The area is part of a critical wildlife corridor between Tsavo and Amboseli National Parks. It is also home to both Maasai pastoralists and Kamba agriculturalists. The landscape offers important ecosystem benefits to communities including water provision, carbon sequestration & storage, ethnomedicinal plants, cultural heritage, and biodiversity as well as climate regulation.

LGS invests in Rimba Raya Biodiversity Reserve in Kalimantan Indonesia. The project is a climate change mitigation, conservation and biodiversity initiative. Rimba Raya supports surrounding villages whilst protecting and giving sanctuary to endangered species of flora and fauna. Some of these include wild orangutans, monkeys, bears and pangolins. The project also provides employment and educational opportunities to the local population. Rimba Raya meets all 17 United Nations Sustainable Development Goals.

## 5. USE OF TRADE MARK

**Table 8**

| Description where trademark used | Logo type                   |
|----------------------------------|-----------------------------|
| LGS Website                      | Climate Active Organisation |

## 6. ADDITIONAL INFORMATION

LGS is “whole of fund” RI certified by RIAA (Responsible Investment Association of Australasia), has a 4 star GRESB Assessment rating and a 5 star Green Building Council of Australia Green Star rating for the direct property portfolio.

LGS is committed to ensuring that responsible management practices are in place to minimise the environmental impact of our properties and that we are making a positive contribution to society. The Local Government Property Fund is Climate Bond Certified. LGS has achieved carbon neutral certification by the Australian Government for all NABERS rated buildings in its direct property portfolio. LGS is a signatory to the World Green Building Council's global Net Zero Carbon Buildings Commitment to achieve net zero operating carbon emissions across the LGS direct property portfolio by 2030, as well as advocating for all buildings to be net zero by 2050. LGS aims to continuously improve our sustainability performance and play a leadership role in the industry.

# 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 9**

| Relevance test            |   |  |   |   |  |
|---------------------------|---|--|---|---|--|
| Excluded emission sources | <i>The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions</i> | <i>The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.</i> | <i>Key stakeholders deem the emissions from a particular source are relevant.</i> | <i>The responsible entity has the potential to influence the reduction of emissions from a particular source.</i> | <i>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.</i> |
| n/a                       | n/a   | n/a  | n/a   | n/a   | n/a  |

## APPENDIX 2

### Non-quantified emissions for organisations

Table 10

| Non-quantification test                  |  |  |   |   |
|--|--|--|---|---|
| Relevant-non-quantified emission sources | <i>Immaterial &lt;1% for individual items and no more than 5% collectively</i> | <i>Quantification is not cost effective relative to the size of the emission but uplift applied.</i> | <i>Data unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.</i> | <i>Initial emissions non-quantified but repairs and replacements quantified</i> |
| Offsite secure document storage          | Yes  | No   | No  | No  |
| General pest control                     | Yes  | No   | No  | No  |
| Water                                    | Yes  | No   | No  | No  |