

PUBLIC DISCLOSURE STATEMENT

3E NET ZERO GROUP PTY LTD

ORGANISATION/PRECINCT CERTIFICATION FY2021–22

Climate Active Public Disclosure Statement







| NAME OF CERTIFIED ENTITY | 3E Net Zero Group Pty Ltd |
|--------------------------|--|
| REPORTING PERIOD | Financial 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. Stability Archibald |
| | Robin Archibald Group Managing Director 3/4/2023 |



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Version March 2022. To be used for FY20/21/CY2021 reporting onwards.



1.CERTIFICATION SUMMARY

| TOTAL EMISSIONS OFFSET | 441 tCO ₂ -e |
|------------------------|---|
| OFFSETS BOUGHT | 100% Gold Standard VERs |
| RENEWABLE ELECTRICITY | Total renewables 19% |
| TECHNICAL ASSESSMENT | 23/2/23 Farhan Mohammed 3E Net Zero Group Pty Ltd Next technical assessment due: 20/02/2026 |
| THIRD PARTY VALIDATION | Type 1 27 March 2023 Dinesh Jayasuriya Susmet |

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2. CARBON NEUTRAL INFORMATION

Description of certification

Our organization certification covers the Australian business operations of 3E Net Zero group Pty Ltd (3E Group), ABN 39 099 777 474.

3E Group specializes in helping organizations accelerate and achieve their Net Zero ambitions through innovative, scalable emission reduction solutions.

Given the nature of our operations and our vision to be a leader in implementing Net Zero Strategies, it is important to us that we set a boundary that will incorporate many of our scope 3 emissions. Therefore, the boundary for our certification includes both office operations and site operations.

Being a leader in accelerating and implementing scalable Net Zero solutions is a core mission of 3E Group. We aim to help many organisations on this journey and achieving Carbon Neutral certification as an organisation is an important step.

The base year assessment has been completed for FY 22.

"Being a leader in accelerating and implementing scalable Net Zero solutions is a core mission of 3E Group. We aim to help many organisations on this journey and being certified Carbon Neutral as an organisation is an important step."

Organisation description

3E Net Zero group Pty Ltd (3E Group), formerly Ecosave Pty Ltd, was created in 2002 by a team of individuals who are passionate

about *imagineering a sustainable future*. For more than two decades, 3E Group have helped thousands of organisations reduce their energy costs and emissions profile.

Our multi-discipline engineering team are dedicated to the mission of accelerating innovative and scalable net zero solutions for motivated organisations to achieve their sustainability targets through cost-effective emissions reduction and energy saving initiatives.

3E Group integrates a wide range of services and technical solutions tailored to our clients' needs, into a single point of contact, end to end offering.

3E Group have a range of products and services, including:

- Energy and sustainability consulting services including Net Zero Roadmaps and Energy, Water &
 Waste Audits
- Design and Installation of energy efficiency upgrades/retrofits and emission reduction solutions through flexible service delivery and funding models including: Guaranteed Energy Saving Projects (GESPs), Energy Performance Contracts (EPCs) and Energy as a Service (EaaS)
- Energy Management, Monitoring, Analytics & Benchmarking Sustainability Performance



- Energy Enterprise Software as a Service (ESaaS)
- Measurement & Verification
- Carbon Accounting & Reporting
- Trade installation and technician services,
- · Engineering design services,
- Power Quality Services
- Smart Building Automation
- Maintenance services,

3E Group's offerings are shown graphically below.



Operations to deliver all these products and services by all business units and functions have been considered for the carbon neutral certification.

Currently 3E group operates at various Australian locations including a Sydney Office, Melbourne Office, Brisbane Office, Central Qld Office and 3E Group controlled work areas within Client Facilities.

All emissions of subsidiaries will be included within certification. 3E Net Zero Group Pty Ltd has subsidiaries:

- Ecosave NZ Limited (ENL) NZBN: 9429041299951
- 3E Power Solutions Pty Ltd (formerly Total Power Solutions Pty Ltd) ABN: 39 099 777 474
- Ecosave Invest Pty Ltd (EIPL) ABN: 28 613 135 434
- Ecosave Services Pty Ltd (ESPL) ABN: 79 601 867 823



Palisade Impact

Palisade Impact is an investor in 3E Group.

Palisade Impact was established in 2021 and is focused on unlisted investments that intentionally target solutions to environmental and social challenges while delivering strong risk-adjusted returns. Palisade Impact provides practical solutions to these issues, by investing in next generation infrastructure and infrastructure-like assets and businesses that provide essential services, supporting the future economy.

Palisade Impact takes a cross-sector approach to driving the race to zero: zero emissions, zero waste and zero inequality. These themes, together with changing technology and policy, provide a large opportunity to invest in a greener, smarter, more equitable, connected infrastructure of the future.

The platform builds on Palisade's strong ESG capabilities and framework. It also leverages Palisade's active management and development expertise in the waste management, digital infrastructure and renewable energy industries.



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 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.



Outside emission Inside emissions boundary boundary **Excluded** Quantified Non-quantified N/A Electricity Long Term Contractor Fuel **Telecommunications** Water IT Equipment Paper Printing & stationery Staff commute to work Business flights Hotel accommodation Transport fuels Waste Cleaning services Food & catering Postage & couriers Advertising Working from home Taxi & Uber Refrigerants

Data management plan for non-quantified sources

The data management plan below outlines how more rigorous quantification can be achieved for material (greater than 1%) non-quantified emission sources.

Contractors within the boundary who meet certain requirements to indicate they are Long Term Contractors for the reporting year will have additional data collection requirements in their contract. These types of contractors are those that are engaged by 3E Group to work on our projects for the majority of their work time for an extended period of time. At this stage, contractors engaged in this manner do not have requirement to report on their road travel distance or fuel usage.



The initial step will be to categorize contractors within our system. Long Term Contractors will be defined as those that are planned to complete over 30hrs per week for 3E Group for longer than three consecutive months. If there are plans for this type of engagement, the contract to engage the contractor will include a clause for travel data. These contractors will submit travel data with monthly or milestone invoice.

Project Managers approving the invoice will be accountable for ensuring travel data is submitted and saved in the system.



4.EMISSIONS REDUCTIONS

Emissions reduction strategy

3E Net Zero Group Pty Ltd commits to reduce emissions across the value chain (scopes 1, 2 and 3) by 20% by 2024, from a FY22 base year.

Our strategy involves:

- · Reduction of gross emissions as far as practicable;
- Offset of remaining unavoidable emissions.

Accounting of our emissions in the base year shows that our material emission sources are not from 3E Group office operations, they are for operations of projects and on-site services. As a predominantly project-based company our emissions from these sources may naturally vary from year to year depending on the project work being conducted. However, 3E group are committed to reducing emissions by considering all facets of our operations. Also, an important part of our strategy will include leveraging our internal knowledge to implement opportunities in the operations and to continually improve.

3E Group will achieve our emission reduction target by implementing measurable and verifiable actions. This will include improving internal data management and reporting to engage and encourage all staff to contribute on our Net Zero journey.

Our strategy will include:

Office Electricity Reduction

- Office electricity will be 100% renewable by FY 2024 either by installation of onsite PV generation or purchased renewable energy
- Conduct energy audits annually on offices to identify emission reduction opportunities with annual budget allowance to implement opportunities
- Implementing building management system, submetering and analytics on each office by FY24

Travel and Commuting Reduction

- Continuing policies and technologies to encourage virtual meetings where possible to reduce air and road travel;
- Implementing a Travel Policy in FY24 to reduce emissions where possible from travel and accompanying activities;
- Encouraging employees to adopt sustainable commuting practices.

Motor Vehicles

• Switch to hybrid or Electric Vehicles for company cars over the next 5 years

Waste Management

- · Encouraging suppliers to reduce packaging to minimise waste;
- Conduct waste audits annually on major sites to identify opportunities with annual budget allowance to implement opportunities;
- Tracking emissions by project.



Transport and distribution

- Implement procurement policy during FY 24 for postage and freight to use carbon neutral Service/Product where feasible;
- Implement a policy in FY24 to reduce distribution emissions by optimising route selections for products delivered to site.

Accommodation

 Implement a procurement policy during FY24 to consider carbon emissions while selecting Accommodation

Telecommunications

• Implement procurement policy for Telecommunications during FY24 to use Certified Carbon Neutral Service/Product where feasible.

Purchased Goods

 Implementing procurement policies to reduce embodied emissions of selected purchased goods including IT Hardware and Paper

Encouraging Innovation

 Utilising the vast knowledge of our net zero professionals by adding performance incentives within our system to reward ideas and actions that are converted into verifiable emission reductions for the organisation



5.EMISSIONS SUMMARY

Use of Climate Active carbon neutral products and services

The electricity in the Sydney Office is carbon neutral through Powershop.

Organisation emissions summary

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

| Row Labels | Sum of Scope 1 (t CO2-e) | Sum of Scope 2 (t CO2- e) | Sum of Scope 3 (t CO2-e) | Total (t CO2-e) |
|--|--------------------------------|------------------------------------|--------------------------|--------------------|
| Accommodation and facilities | 0.0 | 0.0 | 24.5 | 24.5 |
| Cleaning and Chemicals | 0.0 | 0.0 | 4.3 | 4.3 |
| Climate Active Carbon Neutral Products and Services | 0.0 | 0.0 | 0.0 | 0.0 |
| Electricity | 0.0 | 40.7 | 0.0 | 40.7 |
| Food | 0.0 | 0.0 | 0.3 | 0.3 |
| ICT services and equipment | 0.0 | 0.0 | 55.7 | 55.7 |
| Office equipment & supplies | 0.0 | 0.0 | 0.2 | 0.2 |
| Postage, courier and freight | 0.0 | 0.0 | 89.3 | 89.3 |
| Professional Services | 0.0 | 0.0 | 24.0 | 24.0 |
| Refrigerants | 2.2 | 0.0 | 0.0 | 2.2 |
| Transport (Air) | 0.0 | 0.0 | 18.6 | 18.6 |
| Transport (Land and Sea) | 63.2 | 0.0 | 104.8 | 168.1 |
| Waste | 0.0 | 0.0 | 35.6 | 35.6 |
| Water | 0.0 | 0.0 | 1.3 | 1.3 |
| Working from home | 0.0 | 0.0 | -31.0 | -31.0 |
| Grand Total | 65.4 | 40.7 | 327.6 | 433.8 |



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.

An uplift factor has been applied for Long Term Contractor fuels. These are contractors that are completing work that may be completed by employees in a similar company. Data is not available in the reporting year, however a data management plan will be put in place to collect this data for future years.

| Reason for uplift factor | tCO₂-e |
|--|---------|
| Uplift to account for non-quantified Contractor fuel | 6.67 |
| Total of all uplift factors | 6.67 |
| Total footprint to offset (total net emissions from summary table + total uplifts) | 440.455 |



6.CARBON OFFSETS

Offsets retirement approach

| In a | rrears | |
|------|--|-----|
| 1. | Total emissions footprint to offset for this report | 441 |
| 2. | Total eligible offsets purchased and retired for this report | 500 |
| 3. | Total eligible offsets banked to use toward next year's report | 59 |

Co-benefits

The co-benefits of the project selected are outlined below.

Nigeria - Improved (domestic & commercial) charcoal cook stoves

The project activity involves the replacement of the existing inefficient cookstoves that are currently being used by the majority of the Nigerian population with highly efficient alternative cookstoves. The project will help thousands of families, small and medium commercial entities in Nigeria and will reduce the Green House Gas emissions.



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 (%) |
| Gold Standard VER Nigeria – Improved (domestic & commercial) charcoal cook stoves | VERs | GSR | 13 March 2023 | <u>GS1-1-NG-GS7312-16-</u> <u>2020-22146-501672-</u> <u>502171</u> | 2020 | | 500 | 0 | 59 | 441 | 100% |
| Total offsets retired this report and used in this repo | | | | | | sed in this report | 441 | | | | |
| Total offsets retired this report and banked for future reports 500 | | | | | | | | | | | |

| Type of offset units | Quantity (used for this reporting period claim) | Percentage of total |
|--------------------------------------|---|---------------------|
| Verified Emissions Reductions (VERs) | 441 | 100% |



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

| Market Based Approach | Activity Data (kWh) | Emissions (kgCO2e) | Renewable Percentage of total |
|--|---------------------|-----------------------|-------------------------------|
| Behind the meter consumption of electricity | | | |
| generated | 0 | 0 | 0% |
| Γotal non-grid electricity | 0 | 0 | 0% |
| LGC Purchased and retired (kWh) (including PPAs & | | | |
| Precinct LGCs) | 0 | 0 | 0% |
| GreenPower | 0 | 0 | 0% |
| Jurisdictional renewables (LGCs retired) | 0 | 0 | 0% |
| Jurisdictional renewables (LRET) (applied to ACT | 0 | 0 | 0% |
| grid electricity) _arge Scale Renewable Energy Target (applied to | 0 | 0 | 0% |
| grid electricity only) | 9,352 | 0 | 19% |
| Residual Electricity | 40,953 | 40,747 | 0% |
| Fotal grid electricity | 50,305 | 40,747 | 19% |
| Total Electricity Consumed (grid + non grid) | 50,305 | 40,747 | 19% |
| Electricity renewables | 9,352 | 0 | |
| Residual Electricity | 40,953 | 40,747 | |
| Exported on-site generated electricity | 0 | 0 | |
| Emissions (kgCO2e) | | 40.747 | |

| Total renewables (grid and non-grid) | 18.59% |
|---|-------------------------|
| Mandatory | 18.59% |
| Voluntary | 0.00% |
| Behind the meter | 0.00% |
| Residual Electricity Emission Footprint (TCO2e) | 41 |
| Figures may not sum due to rounding. Renewable percer | ntage 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 | 0 | 0 | 0 |
| SA | 0 | 0 | 0 |
| Vic | 2,053 | 1,868 | 205 |
| Qld | 8,097 | 6,478 | 972 |
| NT | 0 | 0 | 0 |
| WA | 40,155 | 26,904 | 402 |
| Tas Grid electricity (scope 2 and 3) | 0 50,305 | 0 35,250 | 0 1,578 |
| 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 Non-grid electricity (Behind the meter) | 0 0 | 0 0 | 0 0 |
| Total Electricity Consumed | 50,305 | 35,250 | 1,578 |

| Emission Footprint (TCO2e) | 37 |
|----------------------------|----|
| Scope 2 Emissions (TCO2e) | 35 |
| Scope 3 Emissions (TCO2e) | 2 |

Climate Active Carbon Neutral Electricity summary

| Carbon Neutral electricity offset by Climate Active Product | Activity Data (kWh) | Emissions (kgCO2e) |
|---|---------------------|-----------------------|
| Sydney office - Powershop Electricity | 7,134 | 0 |

Climate Active carbon neutral electricity is not renewable electricity. The emissions have been offset by another Climate Active member through their Product certification.



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 <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 | (1) Immaterial | (2) Cost effective (but uplift applied) | (3) Data unavailable (but uplift applied & data plan in place) | (4) Maintenance |
|---|----------------|--|--|-----------------|
| Long Term Contractor Fuel | No | No | Yes | 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:

- <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.

3E group have extensively reviewed operations and considered many emission sources that have been excluded based on the relevance test.

| Emission Source | Justification for non-quantification & overall implications for inventory |
|---|--|
| Purchased goods and services – Office furniture | Emission source has been excluded as it has been assessed as not relevant according to the relevance test. |
| | The emissions source is expected to be immaterial. |
| Business Travel – Contractor fuel | Emission source has been excluded as it has been assessed as not relevant according to the relevance test. |
| | Although it is expected that the business travel of contractor fuels will be material, it has not been deemed relevant based on the other criteria. |
| | It should be noted that contractor engagements will be assessed and some contractors that do meet the criteria of relevance will be included in the boundary as per section 3. |
| Capital goods - Vehicles | Emission source has been excluded as it has been assessed as not relevant according to the relevance test. |
| | Immaterial in 3E group operations - No vehicles purchased in reporting year. |
| Capital goods – Field equipment | Emission source has been excluded as it has been assessed as not relevant according to the relevance test. |
| | The emissions source is expected to be immaterial. |



| | Field equipment is purchased on an ad hoc basis, with very little influence or control as equipment specifications may be unique to project requirements. |
|--|--|
| Processing of sold products – Construction | Emission source has been excluded as it has been assessed as not relevant according to the relevance test. |
| | The emissions source is expected to be immaterial. and accurate data collection is not practical due to the number of projects. |
| Use of sold products – Lights, HVAC | Emission source has been excluded as it has been assessed as not relevant according to the relevance test. |
| | Although it is expected that the use of sold products such as Lighting and HVAC Equipment will be material, it has not been deemed relevant based on the other criteria. |
| | It is also important to note, the data would be difficult to collect due to the number and complexity of projects. 3E Group install products on site that are aimed to reduce emissions for organisation. It would be complex data to manage to account for emissions used by the equipment. |
| End-of-life treatment of sold products | Emission source has been excluded as it has been assessed as not relevant according to the relevance test. |
| | 3E group does see risk involved with the end-of-life treatment of sold products. As a sustainability organisation we are concerned that products we install may be processed at end of life in a way that is a large source of emissions. However, based on the climate active framework this has not been included within the boundary. |
| Investments | Immaterial |
| | No investments made in reporting year. |

The relevance test for considered emission sources that have not been included in the boundary are provided in the table provided below.

| Emission sources tested for relevance | (1) Size | (2) Influence | (3) Risk | (4) Stakeholders | (5) Outsourcing | Included in boundary? |
|--|-------------|------------------|-------------|---------------------|--------------------|-----------------------|
| Purchased goods and services – Office supplies | No | No | No | No | No | No |
| Business Travel – Contractor fuel | No | No | Yes | No | No | No |
| Capital goods - Vehicles | No | No | Yes | No | No | No |
| Capital goods – Field equipment | No | No | No | No | No | No |
| Processing of sold products – Construction | No | No | Yes | No | No | No |
| Use of sold products – Lights, HVAC | Yes | No | No | No | No | No |
| End-of-life treatment of sold products | No | No | Yes | No | No | No |
| Investments | No | No | No | No | No | No |







