

Basis of Preparation Greenhouse Gas Emissions



Financial Year 2024: 1 July 2023 – 30 June 2024

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Approach and Scope

Our Approach to Greenhouse Gas Emissions Reporting

PEXA's Greenhouse Gas Inventory is prepared annually by Pangolin Associates in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and Corporate Value Chain (Scope 3) Standard, Australian/New Zealand Standard Energy Audits AS/NZS 3598, ISO 14064-1:2018, ISO 14064- 3:2019 and with relevant guidelines provided by the Australian Commonwealth Government.

The below principles set out the fundamental components for PEXA's GHG Inventory:

Relevance: Designed to provide information that empowers decision making. The inventory boundaries have been formed with consideration of company characteristics, organisational structure, stakeholder needs, and business context.

Completeness: A thorough, fair, and accurate account of the chosen inventory boundaries. All data sources, estimations, and insufficiencies will be documented and clearly justified.

Consistency: Accounting approaches, inventory boundaries, and calculation methodologies are outlined. Any deviations will be documented, justified and if necessary, the base year will be recalculated.

Transparency: Emissions data will be disclosed in a clear and factual manner to produce reporting which can be interpreted with confidence.

Accuracy: Primary and estimate emissions data sources will be continually refined and improved over time without compromising our ability to produce an inventory which is both accurate and complete.

Scope

This Basis of Preparation includes PEXA's scope 1, 2 and 3 emissions sources accounted from its operations in Australia and the UK for the financial year 1 July 2023 – 30 June 2024. The GHG emission sources for PEXA include: in this inventory have been identified with reference to the GHG protocol and classified under the following categories:

Scope 1 Emissions	Scope 1 emissions are direct GHG emissions that occur from sources that are owned or controlled by the company
Scope 2 Emissions	Scope 2 emissions are indirect GHG emissions from the generation of purchased electricity consumed by the company.

Scope 3 Emissions Scope 3 emissions are other indirect GHG emissions that are a consequence of the activities of the company but occur from sources not owned or controlled by the company, for example, carbon embodied in goods and services consumed by the company.

These emissions occur as a consequence of PEXA’s activities but are derived from sources that are not owned or controlled by PEXA. Scope 3 emissions within this inventory have been reported where there is a clear rationale for inclusion and reliable data available.

Item	Note
Greenhouse gases	All GHG emissions figures are reported in tonnes of carbon dioxide equivalents (tCO ₂ -e).
Organisational boundary	Direct GHG emissions and indirect GHG emissions have been reported using the Operational Control Approach as defined by the GHG Protocol.
Operational boundary	All Scope 1 (direct GHG emissions) and Scope 2 (indirect GHG emissions) have been reported for operations within the organisational boundary. The list of Scope 3 emissions included within the organisational boundary are defined in category reporting.
Geographical scope	GHG emissions that fall within the Australian and international operations of the organisational and operational boundaries have been reported.
Conversion factors	The GHG emissions associated with activities have been determined on the basis of direct measurement, purchase invoices or estimations multiplied by relevant carbon conversion factors using Method 1 of the National Greenhouse and Energy Reporting (NGER) Determination, unless otherwise stated.
Baseline GHG Emissions	Where applicable, the GHG baseline applies to operational boundary emissions and has been prepared in accordance with the GHG reporting policies. The baseline is adjusted when new sources of Scope 3 emissions are reported. The baseline is adjusted to reflect acquisitions and divestments that result in a change to the baseline of more than 5% and for any significant changes in reporting policy.
Prior year restatements	Where information is available, prior year figures have been restated to comply with the reporting policies set for the current year. Where information is not available, estimates are made. The estimates and basis for the estimates are provided in the report. Where significant adjustments have been made a note detailing the adjustments is provided.
Materiality	Emissions from sources that contribute, in aggregate, less than 1% to overall GHG emissions can be excluded. Basis for exclusion is similar to conducting streamline life cycle analysis. The materiality threshold for NGER is different.

Crediting criteria	All directly attributable offset measures (e.g., GreenPower, GreenGas, Flight offsets) are automatically accounted against the respective operational boundary. Any additional voluntary carbon credits are applied on a corporate total basis in a cascade hierarchy of: Scope 1> Scope 2> Scope 3 GHG emissions. This ensures that all direct emissions are treated first, followed by indirect emissions within the organisational boundary. Landfill waste is treated last of any Scope 3 emissions, when applicable.
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Sources for emission factors

Emissions factors have been sourced from the below references:

"Conversion factors 2024: full set (for advanced users)" -DEFRA
"Australian National Greenhouse Accounts Factors, Excel spreadsheet" - Department of Climate Change, Energy, the Environment, and Water; 2006 IPCC Guidelines for National Greenhouse Gas Inventories
"Australian National Greenhouse Accounts Factors, Excel spreadsheet" - Department of Climate Change, Energy, the Environment, and Water; "Conversion factors 2024: full set (for advanced users)" -DEFRA
Australian National Greenhouse Accounts Factors, Excel spreadsheet - Department of Climate Change, Energy, the Environment, and Water
Climate Active
Climate Active; "Conversion factors 2024: full set (for advanced users)" -DEFRA
ECE Factors- IELab
EPA Victoria
"Australian National Greenhouse Accounts Factors, Excel spreadsheet" - Department of Climate Change, Energy, the Environment, and Water; Cold Hard Facts 2022: key developments and emerging trends in the refrigeration and air conditioning industry in Australia (taken from Climate Active Inventory); https://w-refrigerant.com/en/technology-en/tables/ , accessed June 9, 2021; "IPCC Sixth Assessment Report, 2021 (AR6)" - IPCC; "Conversion factors 2024: full set (for advanced users)" -DEFRA; https://ww2.arb.ca.gov/resources/documents/high-gwp-refrigerants
"Conversion factors 2024: full set (for advanced users)" -DEFRA; Australian National Greenhouse Accounts Factors, Excel spreadsheet- Department of Climate Change, Energy, the Environment, and Wate
AusLCI published processes, v1.42, CN assumption, released May 2023, https://www.auslci.com.au/index.php/EmissionFactors ; UK Government GHG Conversion Factors for Company Reporting- Department for Energy Security & Net Zero (DESNZ) and Department for Environment, Food & Rural Affairs (DEFRA)
Cornell Hotel Sustainability Benchmarking Index 2021, Hotel Carbon Footprint Per Occupied Room (M3), median, https://ecommons.cornell.edu/handle/1813/109990

Organisational Boundaries

PEXA's organisational boundaries have been established in accordance with the GHG protocol corporate guidance and are based on the operational control consolidation approach.

A company has operational control over an operation if it or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation. Setting the operational boundaries involves identifying emissions associated with its operations, categorising them as direct and indirect emissions, and choosing the scope of accounting and reporting for indirect emissions.

Facilities

PEXA's Operating Facilities across Australia and the UK:

Location	Address	Description
Melbourne, Australia	Tower 4, L16/727 Collins St, Docklands, VIC	Head office, leased area separated from other tenants as a separate floor.
Adelaide, Australia	1/89 Pirie Street, Adelaide, SA	South Australian office, leased area as part of a co-working facility.
Sydney, Australia	41/225 George Street, The Rocks, NSW	New South Wales office, leased as a tenant.
Perth, Australia	1/191 St Georges Terrace, Perth, WA	Western Australia office, leased area as part of a co-working facility.
Brisbane, Australia	13/300 Ann St, Brisbane, QLD	Queensland office, leased area as part of a co-working facility.
London, United Kingdom	MYCO Works First Floor, 85 Great Portland Street	London co-working location, desk space and meeting rooms leased as required.
Smooove	Church Road, Thame, OX9 3AJ, UK,	Office space from acquired business
PEXA UK Office	West Village, 5th Floor, West One, 114 Wellington St, Leeds, UK	Relocated office, Leeds.
Optima Legal United Kingdom	Hepworth House, Claypit Lane, Leeds, LS2 8AE	Office space, Leeds.
.id (Informed Decisions) Australia	10 Easey Street, Collingwood, VIC	Office space for the .id. informed Decisions business.

Responsibilities

PEXA has the responsibility to provide all invoices, sources of emissions reports and documentation for the financial year where available to Pangolin to establish its Greenhouse Gas Inventory.

GHG Reporting Policies Applied

This table summarises the GHG emissions measured by Pangolin Associates from the activity data provided by PEXA. The following assumptions were applied to do the calculations:

Activity	Assumption	Source
Base Building Electricity	Where actual data on kWh consumed could not be provided in the form of electricity bills or a NABERS certificate, share of base building electricity has been estimated according to electricity intensity metrics from 'Commercial Buildings Energy Consumption Baseline Study 2022' (Department of Climate Change, Energy, the Environment and Water).	Commercial Building Baseline Study 2022, Department of Climate Change, Energy, the Environment and Water
Base Building Natural gas	Where actual data on MJ consumed could not be provided in the form of gas bills or a NABERS certificate, share of base building natural gas has been estimated according to electricity intensity metrics from 'Commercial Buildings Energy Consumption Baseline Study 2022' (Department of Climate Change, Energy, the Environment and Water).	Commercial Building Baseline Study 2022, Department of Climate Change, Energy, the Environment and Water

Electricity	<ul style="list-style-type: none"> • Only 10 months of tenancy electricity data was provided for Collins Square (Melbourne) and Grosvenor Place (Sydney). The average for each of the 10 months was calculated and applied to the missing two months for each state (May 2024 and June 2024). • The tenancy electricity was not provide for Ann Street (Brisbane). The tenancy consumption (kWh) from FY2023 was applied and apportioned based on FTE numbers in FY2024 for the Ann Street office. • No tenancy electricity data was provided for The Hub (Adelaide) or MYCO Works (UK). The average consumption intensity per m2 for Melbourne, Sydney, and Brisbane (38.19 kWh/m2) was applied to both locations using the their respective tenancy area. • No tenancy or base building electricity was provided for West Village (UK) or Masters Court (UK). To estimate the electricity consumption for both location, the known tenancy area was applied the electricity consumption for a office building in Victoria, Australia according to the 'Commercial Buildings Energy Consumption Baseline Study 2022' • No base building electricity consumption data was provided for Hepworth House (UK). To estimate the electricity consumption for Hepworth House, the known tenancy area was applied the electricity consumption for a office building in Victoria, Australia according to the 'Commercial Buildings Energy Consumption Baseline Study 2022' 	Pangolin Associates
Employee Commute	<p>A comprehensive survey of all staff was conducted in FY2024 to determine normal commuting behaviour and working from home habits. Respondents answered questions asking them to characterise a typical working week, including the days worked from home, and the mode and distance travelled when working from the office. An adjustment factor was applied to account for reduced commuting due to mandated working from home periods. The key survey details are: Number of FTE = 1177.82697471988 Response rate (%) = 13 Average Emissions Intensity = 0.1 kgCO2-e/km (total emissions/total kilometres).</p>	PEXA Group Limited Employee Commuting and Working From Home Survey
Expenses	<p>Expenditure based activities were calculated using the input/output method and may be an overestimation of actual emissions from third-party services and equipment usage. As a top-down approach, these emission factors are inherently</p>	Pangolin Associates

	less accurate than a process based co-efficient, however do provide for a conservative and more accessible methodology.	
Facility	PEXA has moved out of The Hub Adelaide office at the end of May 2024. Where estimations were required for utility data (electricity, water, natural gas, waste, synthetic gases), the total consumption was adjusted to only account for 11 months of occupancy.	Pangolin Associates
Facility	The West Village location was only occupied for 66% of the year, the Masters Court location was only occupied for 74% of the year, and Hepworth House was only occupied for 92% of the year. Any estimations made for these two locations were apportioned based on these occupancy percentages to ensure estimates were limited to the occupancy dates instead of the full reporting year.	Pangolin Associates
Flights	Flights are reported by distance category. These are Very Short (under 400km), Short (between 400 and 3,700km), and Long (longer than 3,700km). An 8% uplift factor is incorporated into the emission factors to take into account non-direct routes (i.e. not along the straight line great circle distances between destinations) and delays/circling.	DEFRA
Flights	A travel report was provided by PEXA. Flights were filtered by 'Active' and 'Ticket Count'. Only flights with an 'Active' and a ticket count greater than 1 were included in the emission calculations as the rest were considered to be cancellations or rescheduled flights. This was done to remove an instances of double counting.	Pangolin Associates
Natural Gas	No natural gas consumption data was provided for West Village or Masters Court. Natural gas consumption for both locations was estimated by calculating the MJ/FTE intensity from other locations (3,393.5 MJ/FTE) and applying it to their FTE. Occupancy dates were applied to both locations.	Pangolin Associates
Synthetic GHG's	To calculate the emissions associated with refrigeration and HVAC use, global warming values from the Intercontinental Panel on Climate Change's (IPCC) Assessment Report 6 (AR6) have been used. These are a more up-to-date dataset of GWP's that supersede, and differ slightly from, those listed in the IPCC AR4 and A5.	IPCC AR6, Supplementary Materials Chapter 7, Table 7.SM.7
Synthetic GHG's	Assumed leakage rates are based on classes of unit types (depending on function and size) and the commensurate average refrigerant leakage recorded for each by the DCCEEW in the yearly National Greenhouse Accounts and in	DCCEEW

	the research paper "Cold Hard Facts 2022 – Key developments and emerging trends in the refrigeration and air conditioning industry in Australia".	
Transport Fuels	Transport Fuel data provided as dollar-spend has been transformed to an estimate of litres according to the Australian Institute of Petroleum's annual price data	AIP Annual Price Data
Transport Fuels	Transport Fuel data provided as a measure of kilometres travelled has been transformed to an estimate of litres according to assumed average consumption efficiency rates of small, medium, and large vehicles of various fuel types, according to the Australian Bureau of Statistics	ABS Survey of Motor Vehicle Use (Table 6)
Transport Fuels	Uber reports were provided for Australia, India, NZ and the UK. The reports provided the total km travelled but not the size of vehicle or the fuel type. It was there for assumed that all uber vehicles were medium petrol vehicles.	Pangolin Associates
Waste	Where actual data on tonnes of waste could not be provided, waste tonnes were estimated based on bin size, the estimated number of collections in a year, and the average fullness. This volume estimate was then converted to tonnes using the volume to weight conversion factors in table 34 in the National Greenhouse Accounts Factors (2019).	Pangolin Associates
Waste	Waste data was only provide for the Melbourne location. The intensity of waste was calculated (Landfill: 0.004; Recycling: 0.005) and applied to FTE for all other locations. Occupancy dates were also accounted for in these estimates.	Pangolin Associates
Water	No water consumption data was provided for West Village or Masters Court. Water consumption for both location was estimated by calculating the kL/FTE intensity from other location (1.42kL/FTE) and applying it to their FTE. Occupancy dates were applied to both locations.	Pangolin Associates
Working From Home	In order to calculate emissions associated with working from home, the following assumptions have been made: <ul style="list-style-type: none"> • a typical working day consists of 7.6 hours • a typical year consists of 230 working days, accounting for both federally mandated public holidays as well as an additional of 10 leave days 	Pangolin Associates