



## Carbon Inventory Report:



HealthPost Ltd

Measurement Period: 01<sup>st</sup> April 2019 – 31<sup>st</sup> March 2020

Unverified Inventory



Date: 3<sup>rd</sup> September 2021

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## 1 Summary

This carbon inventory was prepared for HealthPost Ltd for the 2020 financial year.

<b>Organisation background</b>	Name: HealthPost Ltd Contact person: Lucy Butler Contact email: <a href="mailto:lucy.butler@healthpost.co.nz">lucy.butler@healthpost.co.nz</a> Area of business: Health Supplement distribution Full Time Equivalents (FTEs): 69.83  HealthPost Ltd provides national and international health supplement distribution and e commerce services.
<b>Report period</b>	01.04.2019 – 31.03.2020
<b>Organisational boundary</b>	This measurement covers the following sites:  30 Orion Street, Collingwood  3047 Great North Road, New Lynn
<b>Reporting boundary</b>	Business operations direct and indirect emissions resulting from: <ul style="list-style-type: none"><li>• Scope 1<ul style="list-style-type: none"><li>◦ Company Vehicles</li></ul></li><li>• Scope 2<ul style="list-style-type: none"><li>◦ Electricity From External Sources</li></ul></li><li>• Scope 3<ul style="list-style-type: none"><li>◦ Business Travel</li><li>◦ Transmission and Distribution Line Losses</li><li>◦ Business Freight</li><li>◦ Waste</li></ul></li></ul>
<b>Omissions</b>	<ul style="list-style-type: none"><li>◦ Inward Freight coming from domestic suppliers</li></ul>
<b>Emissions</b>	Total emissions: 587.07tCO <sub>2</sub> e excluding radiative forcing
<b>Offsets</b>	Total offsets: 587.07tCO <sub>2</sub> e excluding radiative forcing

HealthPost Ltd has elected to offset 100% of these emissions with New Zealand Carbon Units (NZUs) produced in the Kānuka Hill Native Regeneration Project in Golden Bay, New Zealand and in HealthPost Ltd's registered indigenous forest carbon project located in Golden Bay, New Zealand. Through this measurement and offsetting, HealthPost Ltd has qualified for Zero Carbon Business Operations certification for the 2020 financial year period and has been issued certificate number 40000490.

## 2 Background

This report is the first annual greenhouse gas (GHG) emissions inventory, prepared for HealthPost Ltd. It was prepared in accordance with the requirements of ISO 14064-1 (2006) and covers the period 01.04.2019 – 31.03.2020.

### 2.1 Communication and dissemination

This inventory was prepared as a management tool for HealthPost Ltd to:

- Assist it in managing its response to climate change and its reduction of GHG emissions.

- Be a communication tool that demonstrates to stakeholders that HealthPost Ltd has identified its emissions profile, is aware of the significant issues related to climate change and is taking action to mitigate these issues, including offsetting unavoidable emissions.

The users of this report will include, but are not limited to, the staff, manager and Board of HealthPost Ltd, its shareholders and members. The summary of this inventory will be made available to all stakeholders on request. A copy of the summary report will also be available from Ekos' website.

## 2.2 Reporting period and base year

This inventory is for the 2020 financial year period. The 2020 financial year will be the base year for HealthPost Ltd. The 2021 financial year measurement and subsequent inventories will be compared to the 2020 financial year base year.

## 2.3 Data included

The data included in this inventory has been compiled from HealthPost Ltd's business operations and covers scope 1, scope 2 and scope 3 emissions which result from use of:

- Scope 1:
  - Company Vehicles
- Scope 2
  - Electricity From External Sources
- Scope 3
  - Transmission and Distribution Line Losses
  - Business Travel
  - Business Freight
  - Waste to Landfill

## 2.4 Verification and Compliance with Standard

This inventory has been prepared in compliance with the International Standards Organisation's process for calculating and reporting GHG emissions 14064-1 (2006). It should be noted that this measurement is an unverified inventory and that no verification audit has been conducted of the findings.

## 3 Organisational boundary

The organisational boundary identifies which facilities or subsidiaries of HealthPost Ltd are included or excluded from the carbon inventory. Emissions from all aspects of the organisation are consolidated to determine the total volume. Consolidation is done using one of these methods:

- Control, whereby all emissions over which the organisation has either *financial* or *operational* control are included in the inventory
- Equity share, whereby the organisation only includes emissions for the portion of the facilities and business that the organisation owns.

For HealthPost Ltd's inventory, the consolidation method of operational control has been used to consolidate emissions. This means that all emissions over which HealthPost Ltd has operational control of have been included in the inventory.

Included with HealthPost Ltd's organisational boundary are therefore all emission sources that occur within the HealthPost Ltd's operations at the following sites;

30 Orion Street, Collingwood

3047 Great North Road, New Lynn

## 4 Reporting boundary

The reporting boundary identifies which emission sources are included in the carbon inventory and which are excluded. ISO 14064-1(2006) categorises emissions as follows:

- Scope 1 are those resulting directly from the organisation's operations including stationary energy sources and vehicles owned by the company.
- Scope 2 and 3 emissions are indirectly created by the company through the importation of electricity, heat or steam generated elsewhere or from the organisation's purchase of goods and services (such as business travel and the production of waste) that cause emissions to be generated by others.

In compliance with the ISO Standard, all of HealthPost Ltd's relevant Scope 1, Scope 2 and Scope 3 emissions are accounted for in this GHG inventory.

The included emission sources are shown in the following diagram:

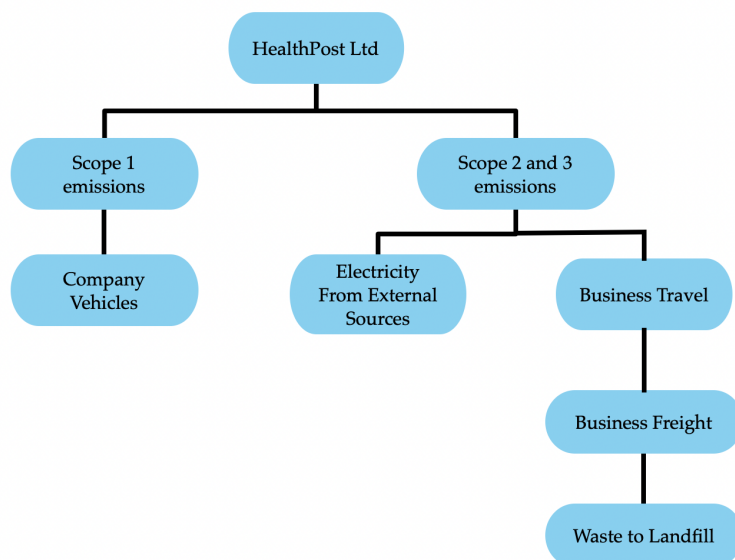


Figure 1: Emission sources for HealthPost Ltd

## Exclusions

Incoming freight from domestic suppliers.

This data was not available for inclusion in the carbon emissions measurement. This aspect of HealthPost Ltd's operations should be collected moving forward in order to improve the completeness of the businesses organisational emissions calculation.

## 5 Greenhouse Gas (GHG) Inventory

### 5.1 Methodology

This GHG inventory was prepared in compliance with the international Standards for calculating GHG emissions. These Standards are the World Resource Institute's "Greenhouse gas protocol, a corporate accounting and reporting standard (GHG protocol)" and "ISO 14064-1 (2006) Specification with guidance at the organisation level for quantification and reporting of GHG emissions and removals" (ISO 145064-1 (2006)). In measuring this inventory, the five principles of ISO 14064-1 (2006) were strictly applied.

The methodology used in measuring HealthPost Ltd's organisational GHG inventory is illustrated in the following diagram:

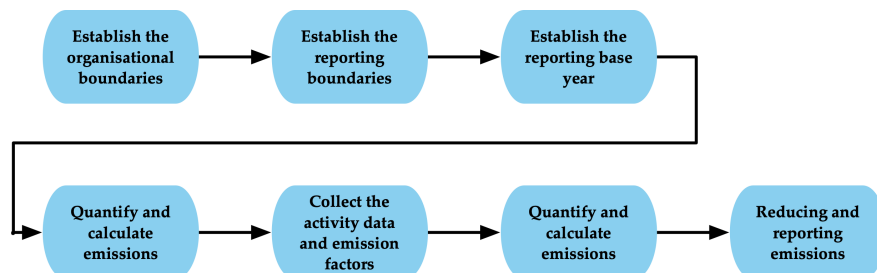


Figure 2: ISO 14064-1 (2006) methodology for measuring a GHG inventory

## 5.2 Data Collection

Data was collected by HealthPost Ltd staff with guidance where required from Ekos. The table below provides an overview of the data collected for each emission source. All emissions were calculated using an Ekos-developed calculator. The calculation method used to quantify HealthPost Ltd's GHG emissions inventory was the activity data multiplied by the appropriate emission factor:

$$\text{Tonnes CO}_2\text{e} = \text{Total GHG activity} \times \text{appropriate emission factor}$$

Activity data for HealthPost Ltd was obtained from a range of sources, which are outlined in the table below.

GHG emission factors were generally sourced from New Zealand's Ministry for the Environment. Where appropriate emission factors were not available, other reliable sources such as international government agencies or published research were used. A full list of the emission factors used is provided in Appendix 1.

Table 1: Data sources for HealthPost Ltd emissions

Emission Source	Unit	Data Source
Company Vehicles	\$	Financial records
Electricity	KwH	Invoices from Energy Provider
Electricity Line Losses	KwH	NA
Waste	L	Waste contractor
Flights	p.km	Supplier invoices
Accommodation	Room Nights	Supplier invoices
Staff Mileage	Kms	Expense claims
Taxis	\$	Supplier invoices
Rental Cars	Kms	Supplier invoices
Inward Freight	Tonne.km	Customs records
Outward freight	Tonne.km	Internal records

## 5.3 HealthPost Ltd's GHG Profile

Total emissions for HealthPost Ltd for the 12-month period from 01.04.2019 – 31.03.20 were 587.07t CO<sub>2</sub>e (excluding radiative forcing).

5.3.1 Organisational Emissions breakdown

The majority of HealthPost Ltd's emissions are scope 3 outward freight emissions, scope 2 electricity consumption emissions and scope 3 flights emissions.

Table 2: HealthPost Ltd's organisational emissions by scope (excluding radiative forcing)

Scope 1 Emissions	2.94
Scope 2 Emissions	20.32
Scope 3 Emissions	563.81

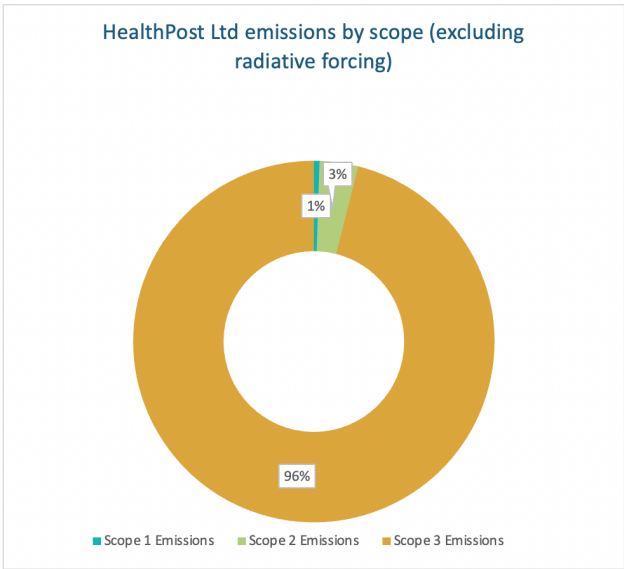


Figure 3: HealthPost Ltd's organisational emissions by scope (excluding radiative forcing)



Table 3: HealthPost Ltd's organisational emissions by activity and scope (excluding radiative forcing)

Deleted: 4

	Activity	tCO2e
Scope 1	Fuels	0.00
	Air Con/Refrigerants	0.00
	Company Vehicles	2.94
Scope 2	Electricity	20.32
Scope 3	T & D Losses	1.54
	Non-Company Vehicles	1.54
	Waste	1.57
	Accommodation	1.79
	Inward Freight	2.16
	Outward Freight	539.12
	Flights	16.09
Total		587.07
FTEs		69.83
Footprint per FTE		8.41

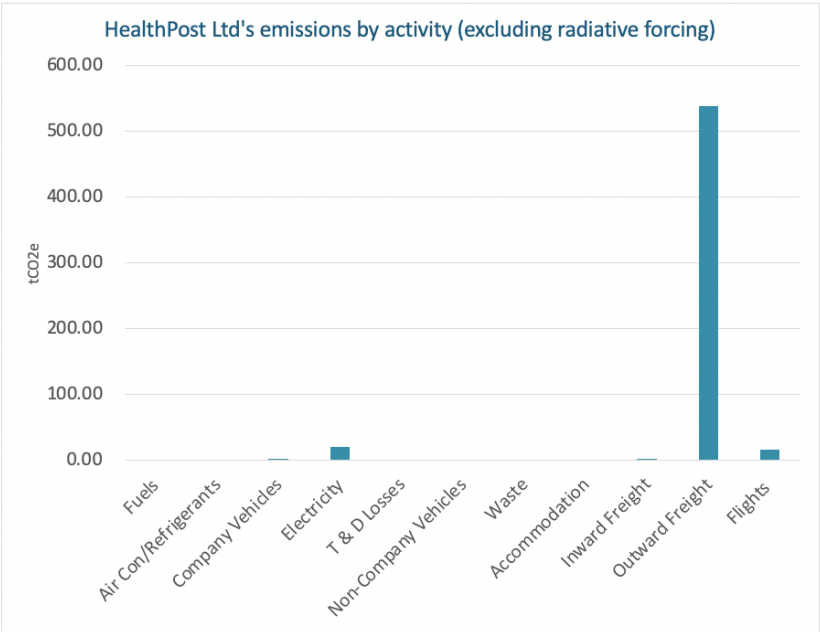


Figure 4: HealthPost Ltd's emissions by activity (excluding radiative forcing)

## 5.4 Uncertainty and Data Quality

Where accurate data is not available, it is appropriate to estimate to ensure that a comprehensive inventory measurement is completed. Estimates must be carried on a scientifically-derived basis to ensure accuracy. For HealthPost Ltd's GHG inventory, there are the following areas of uncertainty:

- Company Vehicles

The only data available for this business activity was financial spend. The volume of fuel consumed was then determined through the use of average fuel prices for the measurement period. These average fuel prices were taken from the AA website. Whilst the methodology behind this fuel volume calculation was considered robust enough for inclusion, improvements in the comprehensiveness of this fuel data can be achieved by HealthPost Ltd through the use of a fuel card.

- Waste

The rural waste contractor could only provide an estimated weight of the plastic waste taken to landfill as the waste contractor does not currently record waste volumes or weights. Ekos recommends further engagement with this contractor regarding the waste data that HealthPost ideally needs. The completion of periodic waste audits is a good alternative if it is not possible for the waste contractor to record and provide accurate waste data.

- Outward freight

The size of the trucks and therefore emission factor used was assumed. In future measurements there is an opportunity to engage with NZ Post in regard to specific vehicle sizes of different freight legs instead of relying on defaults.

To increase the quality of the carbon inventory, HealthPost Ltd should plan to improve data collections processes for fuel volume and waste. These improvements should start as soon as possible.

## 6 Offsets and Certification

To qualify for Zero Carbon Business Operations Certification with Ekos, an organisation must measure its business operations inventory (carbon footprint) and offset 100% of direct and indirect emissions. To qualify for Climate Positive Business Operations Certification, and organisation must offset 120% of direct and indirect emissions.

HealthPost Ltd has measured and offset all required activity emissions, totalling 587.07CO<sub>2</sub>e excluding radiative forcing, therefore, HealthPost Ltd has qualified for Zero Carbon Business Operations for the 2020 financial year period.

The offsets that have been sourced are New Zealand Carbon Units (NZUs) produced in the Kānuka Hill Native Regeneration Project in Golden Bay, New Zealand and in HealthPost Ltd's registered indigenous forest carbon project located in Golden Bay, New Zealand. These offsets are retired in the New Zealand Carbon Register.

## 7 Emissions reduction efforts already undertaken

HealthPost Ltd engaged in an electric vehicle and charger emissions reduction project during the 2020 financial year period. Please see more detail on this project below.

### Electric Vehicle and charger project:

In September 2019, HealthPost Ltd lodged a funding application with the Energy Efficiency and Conservation Authority (EECA) to install an onsite 25kW fast charger to incentivise take-up of electric vehicles (EVs) and provide charging access to its NZ Post service run contractors and staff. The intention was to ultimately make electric vehicle charging readily available to the wider community. The main initial use was to support and incentivise the NZ Post run contractors with their EV sustainability project rollout and internal staff electric vehicle uptake, thereby reducing NZ Post's Scope 1 and HealthPost Ltd's Scope 3 carbon emissions. The total estimated cost of this project was \$50,000 (total amount co-funded by HealthPost required to be at least 50% of total estimated cost).

The project funding application was successful and the contract was signed based on final approval of investment from HealthPost BOD in January 2021.

As the project progressed a range of complexities surfaced, the most significant of which was the continued unavailability of the anticipated EVs with sufficient capacity and range to complete HealthPost Ltd's challenging run. COVID19 has impacted EV timelines, and these vans are still currently unavailable. Consequently, HealthPost Ltd had to make the tough call to cancel the contract with EECA.

### Complexities:

The availability of EV's in New Zealand is limited and there were no models available at the time of the project scoping phase or in the foreseeable future that would be suitable for HealthPost Ltd's service run. User confidence for NZ Posts 'last mile incentive scheme' was not able to be met. HealthPost Ltd's service run contractors would need an EV with a minimum of 11m cubic space, with a bigger range and higher safety ratings than what was currently available on the market. Based on the models coming onto the market it looked as if HealthPost Ltd were likely to be one of the later conversions with NZ Post given the location and size of it's run and the type of electric vehicle required.

Significant investment in civil works and site-based electrical infrastructure improvements required to meet project deliverables were also needed. Consideration was also given to the fact that an asset (the charger) could be left sitting onsite unused for an unknown period.

Due to the points above, HealthPost Ltd couldn't be sure they would be able to use the EECA co-funding in a timely way that would realistically deliver on the scheme's objectives.

With an increase in EV availability in New Zealand, improvements to educational material, chargers becoming cheaper, as well as EECA's funding eligibility criteria changing, there may be a greater opportunity in the near future for HealthPost Ltd to deliver on a project of this nature.

During the 2021 financial year HealthPost Ltd has been focussing on carbon efficiency improvements within the outward freight aspect of its operation. These projects will be explored further in the 2021 financial year carbon inventory.

## 8 Emission Reduction Recommendations

Ekos recommends HealthPost Ltd take action to reduce its operational carbon emissions. These recommendations are based on HealthPost Ltd's emission hotspots. These are the highest level emission sources, and provide the greatest opportunity to reduce emissions for HealthPost Ltd at the lowest cost.

The highest emission sources for HealthPost Ltd are:

- Scope 3 Outward Freight emissions
- Scope 2 Electricity From External Sources
- Scope 3 Flight emissions

To reduce Scope 3 Outward Freight emissions Ekos recommends the following;

- That HealthPost Ltd engage with its Outward Freight provider regarding the providers response to climate change and their emissions reduction efforts. Whilst HealthPost Ltd has very little direct control over the reduction of this scope 3 emission it still has an important role in influencing behaviour change within their supply chain.
- That HealthPost Ltd should review the efficiency of the packaging materials and methods used by HealthPost Ltd with a focus on reducing the weight of each shipment as much as possible.
- That HealthPost Ltd research appropriate Outward Freight providers with a strong fleet transition plan.

To reduce scope 2 Electricity From External Sources emissions Ekos recommends the following;

- Focussing on staff behaviour change surrounding electricity consumption. Education should be focussed on the turning off of lights when a room is not in use and the shutting down of devices at the end of the day (saving ~10% of energy use). Whilst such behaviour change will result in small reductions overall, every aspect of reduction counts when setting lofty reduction goals. These reduction efforts also come at a low cost and help to build a low-carbon work-place culture.
- Establishing a procurement policy for both new purchases and replacements in which the energy efficiency of the item being purchased is given strong consideration during the decision making process.
- Engaging an energy audit service provider to assess HealthPost Ltd's facilities with an aim of highlighting any energy efficiency improvements available. Any efficiency improvements achieved would also have emission reduction outcomes. One such energy audit service provider is Eco Geek Co.
- Research the effectiveness of a transition to solar facilities onsite. This would remove or reduce HealthPosts Ltd's reliance on electricity from the national grid There are a variety of providers that can help with determining the appropriateness of a transition to solar.

To reduce scope 3 Flight emissions Ekos recommends the following;

- Reducing the number of flights taken as much as possible. This can be achieved through the increased use of video conferencing platforms such as Microsoft Teams

and Zoom. Ekos understands such platforms are not always appropriate, however, it is important to only travel by air when essential. If a trip requiring a flight is considered essential, an internal policy could be implemented regarding a minimum number of meetings to be attended during trips where flights are needed. Such a policy reduces the number of unnecessary flights taken and improves the overall carbon efficiency of the organisation.

## 9 Glossary

### De minimis

Certain activities contribute less than 1 percent of the total of CO<sub>2</sub>e emissions. These may be excluded from the GHG inventory, provided that the total of excluded emissions does not exceed a materiality threshold of 5 percent. That is, the total of all excluded emission sources should not exceed 5 percent of the total inventory.

### Greenhouse gas (GHG)

Gaseous constituent of the atmosphere, both natural and anthropogenic, that absorbs and emits radiation at specific wavelengths within the spectrum of infrared radiation emitted by the Earth's surface, the atmosphere and clouds. These include:

- Carbon dioxide (CO<sub>2</sub>)
- Methane (CH<sub>4</sub>)
- Nitrous oxide (N<sub>2</sub>O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride (SF<sub>6</sub>)

### GHG Scopes:

- Scope 1: Direct emissions from sources owned or controlled by reporting entity. For example diesel generator, coal heating, own vehicle fleet, agriculture
- Scope 2: Indirect emissions generated by purchased energy. For example, electricity, gas.
- Scope 3: Indirect emissions that are a consequence of activities undertaken by the reporting organisation or related individual, but not directly controlled by the organisation. For example, flights, freight, non-company vehicles, waste, electricity line distribution and transmission losses.

### Radiative Forcing (RF):

Radiative forcing helps organisations account for the wider climate effects of aviation, including water vapour and indirect GHGs. This is an area of active research, which seeks to express the relationship between emissions and climate warming effects of aviation. Inclusion of radiative forcing effects is optional for Ekos' clients as the science is still evolving.

Ekos uses a multiplier of 1.9 to account for radiative forcing effects in line with the Ministry for the Environment publication *Measuring Emissions: A Guide for Organisations 2019*.

## Appendix 1: Emission Factors

Ekos uses emission factors provided by the New Zealand Ministry for the Environment (MfE) publication *Measuring Emissions: A Guide for Organisations 2019*. Where emission sources are not covered by the MfE publication, Ekos identifies suitable factors for use from the Department for Environment and Rural Affairs (DEFRA), UK Government document *Factors for Greenhouse Gas Reporting 2018*. A full list of the emission factors used in this report are shown below:

Emission source	Emission Factor	Notes	
Electricity			
Electricity	0.000098 tCO2e/kWh		
Electricity Transmission and Distribution	0.0000007 tCO2e/kWh		
Company Vehicles			
Petrol		0.002452 tCO2e/L	Default transport fuel
Non-Company Vehicles			
Taxi	0.000075 tCO2e/\$ 0.000224 tCO2e/km		
Rental Car	0.00021 tCO2e/km		
Mileage	0.00027 tCO2e/km		
Waste to Landfill			
General Waste (with gas recovery)	0.24224 tCO2e/kg	Conversion from kgs to L divides by 7.6923	
General Waste (with gas recovery)	0.03149 tCO2e/L		
Flights			
NZ Domestic	0.000130 tCO2e/km	If Radiative Forcing is included a multiplier of 1.9 is applied, as recommended by MFE.	
NZ International 3,700km Economy	0.000084 tCO2e/km		
NZ International 3,700km Economy	0.000086 tCO2e/km		
Freight			
Air Freight Domestic Short-haul 3700kms	0.000130 tCO2e/tonne. km 0.000084 tCO2e/ tonne. km	If Radiative Forcing is included a multiplier of 1.9 is applied, as recommended by MFE.	
Road Freight Van Truck	0.00070 tCO2e/ tonne. km 0.00011 tCO2e/ tonne.km	New Zealand MFE and DEFRA factors.	
Accommodation			
Hotel stays	0.01230tCO2e/room per night	New Zealand	
Hotel stays	0.06510tCO2e/room per night	Australia	