



Carbon Inventory Report: **Hobson Leavy**

| | |
|---------------------|----------------------------|
| Period: | 1 Apr 2021 - 31 Mar 2022 |
| Base year: | 1 Apr 2021 - 31 Mar 2022 |
| Status: | Quality Reviewed Inventory |
| Assurance type: | No Assurance |
| Certification type: | Climate Positive |
| Last updated date: | 2022-08-31 |



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1 Summary

This carbon inventory was prepared for Hobson Leavy Ltd Trading as Hobson Leavy Executive Search.

Report period 1 Apr 2021 - 31 Mar 2022

Base year This is the base year inventory therefore no comparisons can be made.

In subsequent inventories, comparisons will be made to the base year.

1.1 Organisation Information

Hobson Leavy Ltd is an Executive Search Firm. We help clients recruit for a specific position. We research, screen and interview candidates over Zoom and in person. Our clients cover any candidate flights and travel. We work out of an office block in central Auckland on Shortland Street.

2 Background

2.1 Statement of Intent

We would like to understand and reduce our emissions. We would also like to be a leader in the Executive Search industry as a Zero Carbon business providing an edge against our competitors. We feel a responsibility to the environment when we are appointing leaders in large businesses in NZ.

2.2 Communication and dissemination

This inventory was prepared as a management tool for Hobson Leavy 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 the organisation has identified its emissions profile.

Hobson Leavy is aware of the significant issues related to climate change and is taking action to mitigate these issues.

The users of this report will include, but are not limited to, the staff, manager and Board of Hobson Leavy, its shareholders and members. The summary of this inventory will be made available to all stakeholders on request.

3 Reporting methodology and compliance standards

3.1 Methods & Emissions factor sources

This report is the first annual greenhouse gas (GHG) emissions inventory that has been prepared by Hobson Leavy Executive Search.

It was prepared in accordance with:

- The International Standards Organisation's process for calculating and reporting GHG emissions: ISO 14064-1 (2018).
- World Resource Institute's "Greenhouse Gas Protocol".

The calculation method used to quantify the GHG emissions was the activity data multiplied by the appropriate emission factor:

$$\text{Tonnes CO2e} = \text{Total GHG activity} \times \text{appropriate emission factor}$$

Ekos' GHG calculation tool (Online based) was used for the calculation of emissions for this inventory.

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. Full reference sources are listed in the Reference section of this report.

The methodology used is illustrated in figure 1 below:

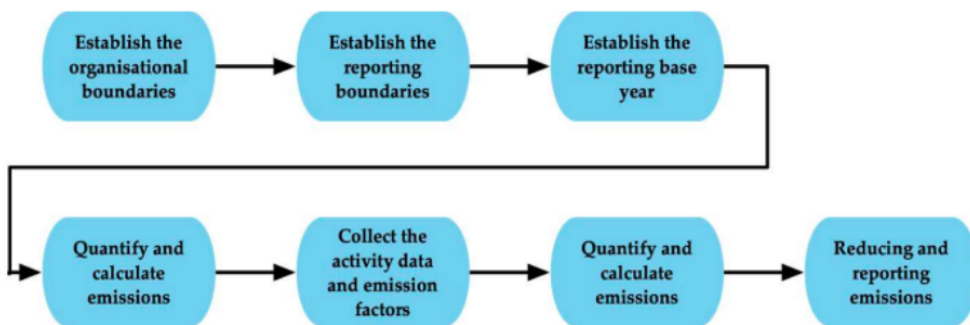


Figure 1: ISO 14064-1 (2018) methodology for measuring a GHG inventory

3.2 Changes to the methodologies

Not applicable

3.3 Consolidation approach

The organisational boundary identifies which facilities or subsidiaries 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.

The consolidation method used in this inventory to determine Hobson Leavy's emissions is Control - Operational.

3.4 Base year recalculation policy

Base year data may need to be revised when material changes occur and have an impact on calculated emissions. When the changes are estimated to represent more than 5% of Scope 1, 2 or 3 emissions, or when there are significant changes to the reporting boundaries or calculation methodology, Ekos' policy is to recalculate base year data with explanation.

3.5 GHG information management and monitoring procedures

The organisation is responsible for appropriate document retention, archiving and record keeping for each emissions source. Ekos' annual review requirement is in place to ensure any errors and omissions in the GHG Inventory report is addressed.

4 Reporting boundary

The below diagram describes the organisational boundary and outlines the business units that are included and excluded in this inventory.

None provided

Table 1: Business units included/excluded

| Legal entities (Include any subsidiaries) | Business unit / Location | Included / excluded | Reason for exclusion |
|---|--------------------------|---------------------|----------------------|
| Hobson Leavy HQ | Auckland | Included | |

5 Reporting Scopes

5.1 Included/ Excluded Categories

ISO 14064-1(2018) categorises emissions as follows:

- Scope 1 - (Category 1) Direct GHG emissions and removals.
- Scope 2 - (Category 2) Indirect GHG emissions from imported energy, heat or steam generated elsewhere.
- Scope 3 - (Category 3) Indirect GHG emissions from transportation.
- Scope 3 - (Category 4) Indirect GHG emissions from products used by organization.
- Scope 3 - (Category 5) Indirect GHG emissions associated with the use of products from the organization.
- Scope 3 - (Category 6) Indirect GHG emissions from other sources.

In compliance with the ISO Standard, the organisation has included all relevant direct and indirect emissions in this GHG inventory.

*As per ISO1464-1 clause 5.2.3, Ekos shall define its own pre-determined criteria for significance. The following qualitative criteria for Non-mandatory status have been considered;

1. Source data likely to be difficult/expensive to obtain and
2. The accuracy of the quantified emissions likely to be poor due to nature of the emissions factor or
3. The large amount of assumptions likely to result in unreliable emissions total.

The included/excluded emissions sources are shown in the following table:

Table 2: Emissions categories included and justification if excluded

| ISO & GHG Protocol Categories | Example of Emissions Sources | Ekos' Position | Include/ Exclude | Exclusion Criteria | Notes |
|--|--|----------------|------------------|---|-------|
| Category 1) Direct GHG emissions and removals; (GHG Protocol scope 1) | | | | | |
| Stationary Combustion | Coal, diesel and gas use for heating, generation of energy etc | Mandatory | Not Applicable | None | |
| Mobile Combustion | fuel use for company owned vehicles, forklift/mowers or if you lease vehicles but have operational control. | Mandatory | Not Applicable | None | |
| Chemical & Industrial Processes | use of CO2 or nitrous oxide in bottling, packaging, beer taps etc | Mandatory | Not Applicable | None | |
| Fugitive Emissions | Top up of refrigerant gases when maintaining any fridges, freezers or Air-conditioning units | Mandatory | Not Applicable | None | |
| Land Use & Land Use Changes | Fertiliser use and animals (ruminants) on land. | Mandatory | Not Applicable | None | |
| Category 2) Indirect GHG emissions from imported energy; (GHG Protocol scope 2) | | | | | |
| Purchased Electricity | Electricity use in all facilities | Mandatory | Include | None | |
| Category 3) indirect GHG emissions from transportation; (GHG Protocol scope 3) | | | | | |
| Inward Freight | Upstream transport and distribution of goods | Mandatory | Not Applicable | None | |
| Business Travel | Business travel (flights, accommodation etc) | Mandatory | Include | None | |
| Staff Commuting | Employee commuting, including emissions related to the transportation of employees from their homes to their workplaces. | Non-mandatory | Exclude | Source data difficult/expensive to obtain | |
| Downstream Transport & Distribution of Goods | Downstream transport and distribution for goods, freight services that happen throughout the supply chain but not paid for by the organization | Non-mandatory | Not Applicable | None | |
| Work Frome Home | Staff working from home | Non-mandatory | Not Applicable | None | |

Table 2: Emissions categories included and justification if excluded continued.

| ISO & GHG Protocol Categories | Example of Emissions Sources | Ekos' Position | Include/ Exclude | Exclusion Criteria | Notes |
|---|--|----------------|------------------|--------------------|-------|
| Category 4) Indirect GHG emissions from products used by organization; (GHG Protocol scope 3) | | | | | |
| Waste Generated in Operations | Waste generated in operations (solid waste to landfill and wastewater to water treatment plants) | Mandatory | Include | None | |
| Fuel and Energy related Activities (T&D Losses) | Fuel and energy related activities (T&D losses for electricity & natural gas) | Mandatory | Include | None | |
| Fuel and Energy related Activities (WTT Emissions for Fuel) | Coal, diesel and gas use for heating, generation of energy etc | Mandatory | Include | None | |
| Emissions From Purchased Goods | Emissions from purchased goods, i.e. contract growers or processing to your key production | Non-mandatory | Not Applicable | None | |
| Emissions from the Use of Services | Emissions from the use of services (i.e. IT servers, consulting, cleaning, maintenance, bank) | Non-mandatory | Not Applicable | None | |
| Capital Goods | Capital goods | Non-mandatory | Not Applicable | None | |
| Upstream Leased Assets | Upstream leased assets (leased vehicles - fuel use should be reported under scope 1, leased office space - the electricity use is passed on by the landlord to the company, therefore should be included in scope 2.) | Non-mandatory | Not Applicable | None | |
| Category 5) Indirect GHG emissions associated with the use of products from the organization; (GHG Protocol Scope 3) | | | | | |
| Downstream Leased Assets | Downstream leased assets (If you own a rental car or camper van company, you should include the customer's fuel use of the vehicles. If you own warehouses and office buildings, you should include all scope 1 & 2 emissions of lease's use of the asset) | Mandatory | Not Applicable | None | |
| Processing of the Sold Product | Emissions from the Processing of the sold product | Non-mandatory | Not Applicable | None | |
| Use Stage of the Product | Emissions from the use stage of the product | Non-mandatory | Not Applicable | None | |
| End of Life Stage of the Product | Emissions from end of life stage of the product | Non-mandatory | Not Applicable | None | |
| Franchises | Franchises (To be considered only if already included under the consolidation approach. Scope 1 and 2 of each franchisee requires collection) | Non-mandatory | Not Applicable | None | |
| Investments | Investments (Mandatory for financial industries such as Banks and Investment Fund organisations., Non-mandatory for other sectors) | Non-mandatory | Not Applicable | None | |
| Category 6: Indirect GHG emissions from other sources | | | | | |
| Any other relevant emissions | Any relevant emissions which do not fall within the other categories | Non-mandatory | Not Applicable | None | |

6 Greenhouse Gas (GHG) emissions profile

Data was collected by Hobson Leavy's 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 Ekos developed calculator.

6.1 Emissions Summary

Table 3: Emissions summary by GHG Scopes and ISO Categories

| Scope | Emissions Category | tCO ₂ e |
|----------------------------------|--|-------------------------------------|
| 1 | (1) DIRECT GHG EMISSIONS | 0.00 |
| 2 | (2) INDIRECT GHG EMISSIONS FROM IMPORTED ENERGY | 1.10 |
| 3 | (3) INDIRECT GHG EMISSIONS FROM TRANSPORTATION & DISTRIBUTION | 3.27 |
| 3 | (4) INDIRECT GHG EMISSIONS FROM PRODUCTS & SERVICES USED BY THE ORGANISATION | 0.36 |
| 3 | (5) INDIRECT GHG EMISSIONS FROM THE USE OF THE ORGANISATION'S PRODUCTS | 0.00 |
| 3 | (6) INDIRECT GHG EMISSIONS FROM OTHER SOURCES | 0.00 |
| Total Gross GHG Emissions | | 4.73 |
| GHG Removals/ Sinks | | 0.00 |
| Purchased credits/ Pre-offset | | 0.00 |
| Total Net GHG Emissions | | 4.73 |
| Emission Intensity Summary | | |
| Emission Intensity Metrics | Input | tCO ₂ e Intensity Metric |
| Number of FTE | 14 | 0.34 |
| Gross Revenue (\$Mil) | 0.00 | 0.00 |
| Production (MT) | 0.00 | 0.00 |

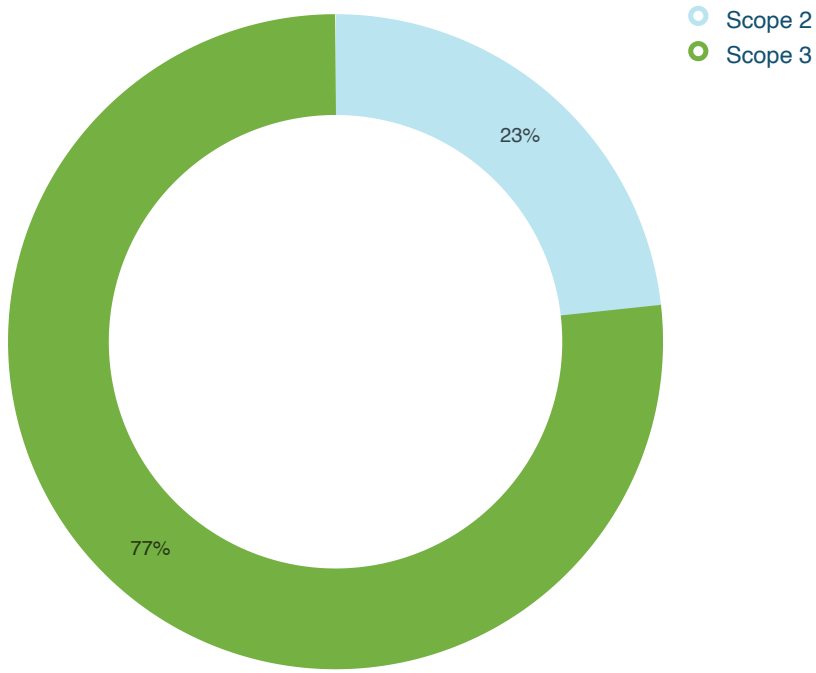


Figure 3: Emissions by Scopes

6.2 Emissions by Activities

Table 4: GHG emissions by Scope and Activity groups

| GHG scope | Factor Groups | Sum of tCO ₂ e | % of Inventory |
|--------------------|---------------------------------|---------------------------|----------------|
| 2 | Purchased Electricity | 1.10 | 23% |
| 3 | Business Travel | 2.90 | 61% |
| 3 | Fuel & Energy Related Emissions | 0.61 | 13% |
| 3 | Business Waste | 0.11 | 2% |
| Grand Total | | 4.73 | 100.00% |

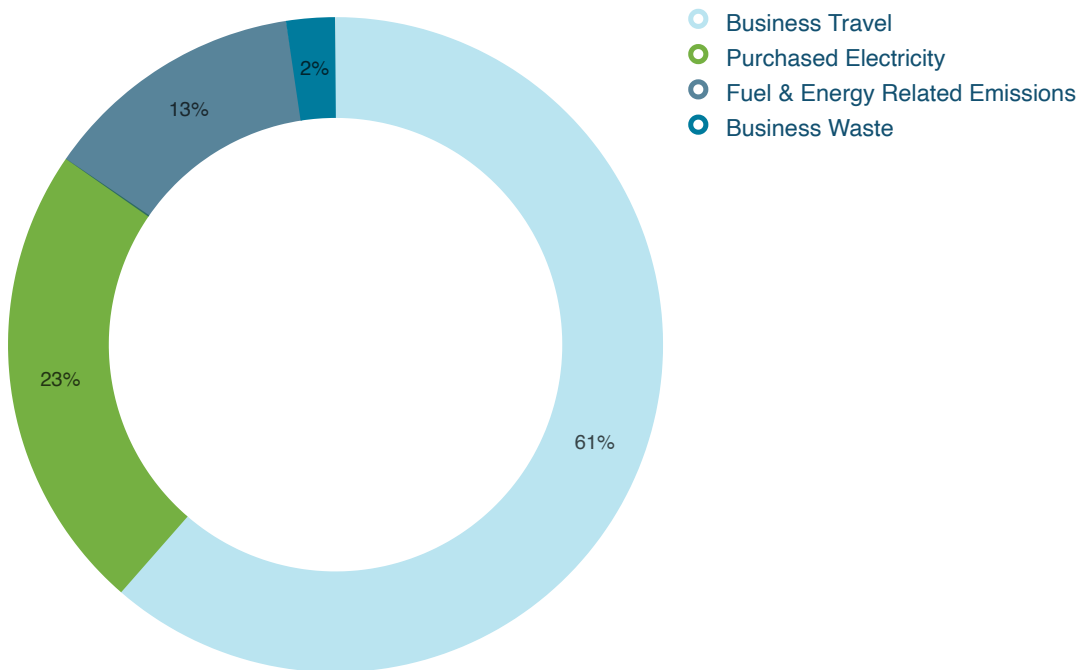


Figure 4: Emissions by Activity Groups

Table 5: GHG emissions sources ranked by largest to smallest

| Row Labels | GHG tCO ₂ e | % of Inventory |
|---|------------------------|----------------|
| Domestic Air Travel - New Zealand Domestic Economy Class | 2.80 | 59% |
| Electricity - New Zealand (Unit 1) | 1.10 | 23% |
| Well to tank emissions | 0.53 | 11% |
| Waste & Wastewater General Waste to Landfill - With Gas Recovery (Unit 1) | 0.11 | 2% |
| Electricity T&D Losses | 0.10 | 2% |
| Business Accommodation - New Zealand | 0.06 | 1% |
| Business Travel - Taxi | 0.03 | 1% |
| Grand Total | 4.73 | 100.00% |

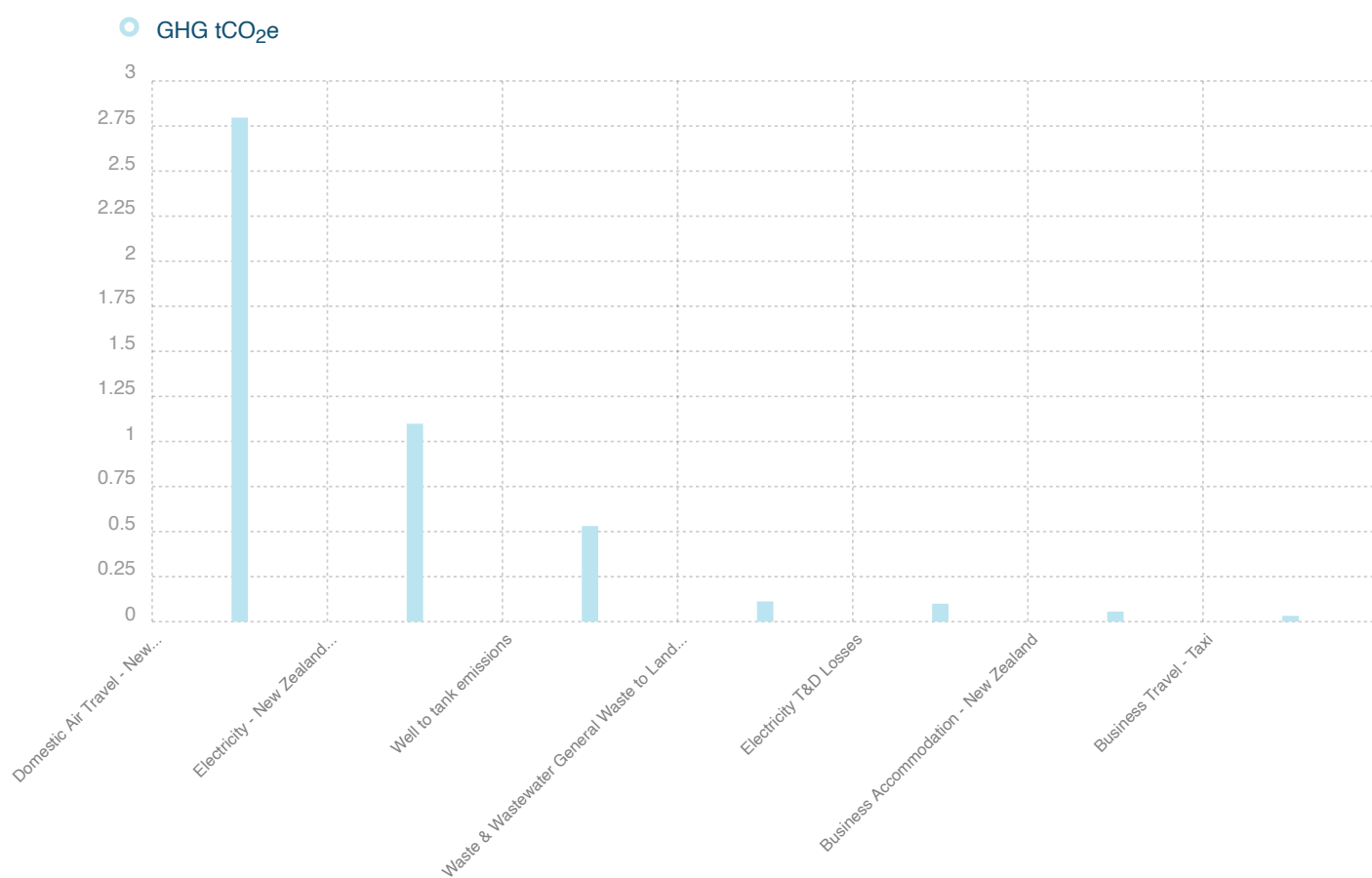


Figure 5: Emissions by Activities

6.3 Scope 1 Emissions by gas type

ISO 14064-1 requires Direct emissions to be reported separately, showing emissions contribution by the 6 Kyoto GHG gas types. The breakdown by CO₂, CH₄ and N₂O is shown in Table 6 below. Breakdown by HFCs, PFCs and SF₆ will be shown in Table 6.1, if applicable. If none displayed it is not applicable or none occurred.

Table 6: Direct emissions breakdown by gas types

| | |
|-----------|---|
| GHG scope | 1 |
|-----------|---|

| Row Labels | tCO ₂ e | tCO ₂ | tCH ₄ | tN ₂ O |
|-------------|--------------------|------------------|------------------|-------------------|
| Grand Total | 0.00 | 0.00 | 0.00 | 0.00 |

6.4 Other emissions

Fugitive emissions - (refrigerants)

No sites have reported any top-ups of gas for this reporting period. Air conditioning is excluded from the inventory where offices are leased.

There are no operations that use PFC, NF3 or SF6.

Combustion of Biomass - (e.g wood pallets)

No known combustion of biomass occurred from the operation during this measure period and therefore no emissions from the combustion of biomass are included in this inventory.

Land use and Land use change

No deforestation has been undertaken by the organisation on land it owns during this measurement period. Therefore no emissions from deforestation are included in this inventory.

Pre-verified data

No pre-verified data is included within the inventory.

7 Data Quality, Uncertainties and Assumptions

Where accurate data is not available, it is appropriate to estimate to ensure that a comprehensive inventory measurement is completed. Estimates must be carried out on a scientifically derived basis to ensure accuracy.

Activity data was obtained from a range of sources, and the data quality are ranked and outlined in the table 7 below.

The client source data is rated on a scale of Good, Medium, Low to Poor. The rating is given based on assessing the data source against our Data quality matrix. The classification is based on determining two criteria of uncertainties; Data completeness and Data accuracy. The higher the level of uncertainty due assumptions in the calculation or lack of data for the period, then the lower the quality of the data.

Table 7: Activity data collection - quality and source

| Emissions source | Scope | Unit | Data source | Data quality | Any assumptions made |
|---------------------------------------|-------|---------------|-------------------|--------------|--|
| Electricity - Electricity Consumption | 2 | KWH | Supplier Invoices | Good | |
| Waste & Wastewater - Landfill Waste | 3 | KG | Supplier Report | Medium | Data only available for the whole office, worked out waste per square metre and applied that to Hobson Leavys office |
| Domestic NZ Business Flights | 3 | PKM | Supplier Invoices | Good | |
| Business Accommodation | 3 | Person nights | Supplier Invoice | Good | |
| Business Travel Taxi Money | 3 | \$ | | Poor | Estimate based on financial records |

It is recommended that the organisation works to improve the data collections processes for any items listed above as having low data quality or high assumptions. This will increase the quality of the carbon inventory report in the future. These improvements should start as soon as possible/or as appropriate.

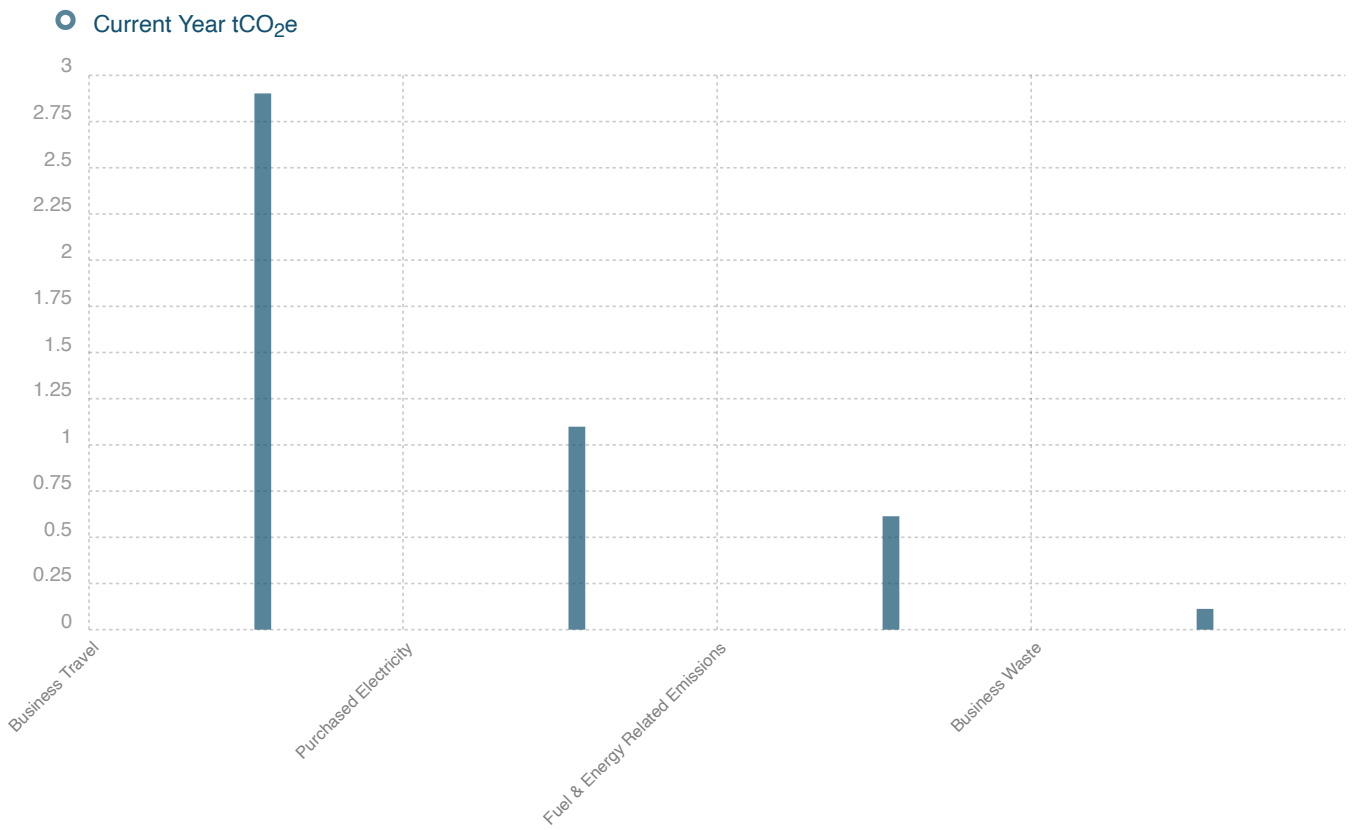


Figure 6: Emissions compared with previous years

8 Emission Performance against previous years

In subsequent inventories, comparisons will be made to the base year.

Table 8: Comparison against base year

| Activities | Current year tCO ₂ e |
|---------------------------------|---------------------------------|
| Business Travel | 2.90 |
| Purchased Electricity | 1.10 |
| Fuel & Energy Related Emissions | 0.61 |
| Business Waste | 0.11 |
| Grand Total | 4.73 |

9 Emission Reduction Recommendations

Hobson Leavy have identified 10 short term actions that they will undertake over the next 6 months to 1 year. These include the following:

1. Domestic Air Travel - offset all domestic flights from June 2022, encourage clients to adopt a only when necessary travel policy for interviews.
2. Electricity - contact supplier and request that they measure and reduce their emissions, undertake an energy audit to identify opportunities for reductions, replace incandescent lightbulbs with LEDs as bulbs require replacing.
3. Waste - reduce takeaway coffee cup usage and replace with keep cups, increase compliance with waste separation and recycling/compost within the office.
4. Transport - encourage suppliers to measure and reduce emissions, encourage staff to use public transport or active forms of transport in staff commuting

10 Double counting and pre-offsets

Double counting can sometimes occur when emissions have been included and potentially offset in the GHG emissions inventories of two different organisations, e.g. a company and one of its suppliers/contractors. This is particularly relevant to indirect (Scope 2 and 3) emissions sources.

There may also be instances where an organisation uses the product or service of another company who has already measured and offset their product/service.

Double counting of emissions within the organisation's footprint did not occur in this inventory.

The programme recognises organisation, product or services which has been identified by the programme as having completed appropriate measurement and offset their emissions and in this case, the double counted emissions will be reported but does not require offset.

No instances of pre offsets or double counting.

11 Offsets and Certification

11.1 Certification Type

Hobson Leavy has chosen to apply for Climate Positive Certification.

11.2 Offset amount

Table 9: Offset calculation

| Total Gross GHG Emissions | GHG Removals/ Sinks | Purchased credits/ Pre-offset | Total GHG amount to offset |
|---------------------------|---------------------|-------------------------------|----------------------------|
| 4.73 | 0.00 | 0.00 | 4.73 |

| Offset Total | # Credits |
|----------------------------------|-----------|
| Zero Carbon Option (100%) | 5 |
| Climate Positive Option (120%) | 6 |
| Climate Positive (User Selected) | 6 |

11.3 Carbon credits

Hobson Leavy has elected to cancel the following carbon credits:

NZU - Kern Creek Forest Conservation Project .

Offsets have been sourced from New Zealand Units (NZUs) produced in the Kern Creek Forest Conservation Project, in the Lewis Pass Region. These offsets are retired in the New Zealand Emissions Trading Register.

12 References & Other information

12.1 Standards

International Organization for Standardization, 2006. ISO14064-1:20018. Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas GHG emissions and removals. ISO: Geneva, Switzerland.

World Resources Institute and World Business Council for Sustainable Development, 2004 (revised). The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. WBCSD: Geneva, Switzerland.

12.2 Emission Factors

MfE - 2022 Emission Factors Workbook and 2022 Emission Factors Flat File

DBEIS - 2022 UK Government GHG Conversion Factors for Company Reporting

Radiative Forcing - Aviation GHG emission calculations take into account the greenhouse gases covered by the UNFCCC Paris Agreement relevant to aviation (carbon dioxide, methane and nitrous oxide). There are also additional global warming impacts of aviation emissions called "radiative forcing" (RF). These include water vapour, NO_x, and contrails. Some voluntary carbon offset suppliers make inclusion of RF mandatory and others exclude it. This is because of the scientific uncertainties associated with the methodology for accurately calculating radiative forcing.

Following the MFE methodology, Ekos uses a radiative forcing multiplier of 1.9 for all flight related activity

Uplift factor - does not apply to domestic air travel. However, it has been applied to international air travel. (section 7.5.4 and 7.5.5 of the MfE Emissions detailed Guide 2022)

Well to Tank factors were sourced from DBEIS and is automatically applied to relevant activity data. WTT Business travel EF is 'with RF'.

All NZ electricity factors are location based unless otherwise stated.

