

FY24 Greenhouse Gas Inventory Report

July 2023 – June 2024



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Introduction

Alignment with the GHG Protocol

Welcome to the Australian Unity Limited (Australian Unity) Greenhouse Gas (GHG) Inventory Report covering the reporting period 1 July 2023 to 30 June 2024 (FY24). We're committed to measuring and reporting on our GHG emissions in line with the GHG Protocol in a complete and transparent way. This GHG Inventory Report outlines the emission boundary, provides a breakdown of our emissions across scope 1 and 2, explains our methodology for calculating those emissions and sets out our data capture processes.

Emissions overview

We are treating our FY24 GHG inventory as our 'emissions baseline'. While we conducted some preliminary estimation work on this in FY23, this is the first year in which we have sought an external assurance readiness assessment of our emissions estimates (performed by KPMG).

Further work is underway to understand what might be required to improve the scale of the data set that underpins our emissions estimates. For example, our broadest 'data gaps' exist in Residential Aged Care for stationary combustion and purchased electricity. We are confident we can address these gaps in subsequent reporting periods with more robust invoice and data management processes.

Our aim is to be in a position to have limited assurance provided over our scope 1 and 2 emissions estimates in FY25.

As we will be using this FY24 estimate as our emissions baseline, we will compare our emissions profile in future reporting periods to this period's profile, to determine if we are making appropriate abatement decisions, then implementing and tracking them accordingly.

We have also engaged an energy services advisor. In addition to assisting us to procure our energy requirements across our Group, this advisor will also provide us with a reporting platform to assist with data collection and collation for emissions reporting obligations, as well as to identify potential opportunities and initiatives to further reduce our emissions.

We have conducted an initial review of our scope 3 emissions to determine which parts of our operations have the biggest impact on emissions generated in our supply chain. Having measured initial estimates of emissions across our value chain, we have identified preliminary emissions 'hotspots' and are now working on how to capture more comprehensive data in these areas to determine options to address them.

Emissions boundary

The emissions boundary identifies all business operations and emission sources included as part of this GHG Inventory Report.

Subject to the exclusion of the *myHomecare Group*,¹ this report includes all emissions from the Australian Unity Group, comprising Australian Unity Limited (ACN 087 648 888 111) and its consolidated group entities as identified in its FY24 Annual Report which is available on our Investor Centre website.

At an operational level, this includes those businesses principally responsible for operating the functions within the Australian Unity Group as set out in the table below. This is also the grouping we have adopted for the organisational boundaries in this GHG Inventory Report.

Organisational grouping	Operating functions contained in this grouping
Home Health	Home and clinical care services provided across both community and virtual settings, delivered by over 3,000 healthcare workers; designed to meet the ongoing health and wellbeing needs of our customers and support them to live in their preferred setting for longer ²
Residential Aged Care	Owns and operates 12 residential aged care facilities (some of which are integrated with retirement villages) across New South Wales, Victoria and Queensland; comprising ~1,200 aged care beds
Retirement Villages	Owns and operates 24 retirement villages (some of which are integrated with residential aged care facilities) across New South Wales, Victoria and Queensland; comprising ~2,700 independent living units
Corporate Functions	Includes three functional areas: <ul style="list-style-type: none"> Wealth and Capital Markets – comprises funds management (~\$14b FUM), social infrastructure (~\$0.4b AUM), life products (~\$2.5b FUM) and trustee services (~\$0.5b FUM) businesses³ Retail – combining private health insurance (~165,000 policy holders) and our retail banking business (~26,000 customers), seeking to provide packages and solutions that contribute to solving affordability challenges and meeting the contemporary needs of customers Corporate – corporate operations including management of the above businesses, finance & strategy, governance, people & culture and technology.

The organisational boundary as described above is subject to the specific exclusions noted in sections 1-4 in the “Other disclosures” part of the Notes on pages 10-13.

Under the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)*, when setting an organisational boundary a company selects an approach for consolidating GHG emissions and then consistently applies the selected approach to define those businesses and operations that constitute the company for the purpose of accounting and reporting GHG emissions.

¹ Australian Unity acquired *myHomecare Group* (MHC) on 28 March 2024, as part of its Home Health business. The emissions generated from MHC are excluded from the FY24 emissions inventory and will be included in the FY25 emissions inventory.

² Note that emissions from the acquired MHC business have been excluded from the FY24 organisational boundary.

³ Consistent with our consolidated group entities, this includes the operations of an Australian Unity entity as a manager of a fund, but excludes the operation of assets within any of those funds.

Quantified emission sources have been assessed as relevant and are detailed within this report. Non-quantified emission sources have not been quantified (eg fugitive emissions), an approach that is consistent with the GHG Protocol. The impact of excluding these sources is not expected to have a material impact on the overall organisational emissions. We have included further information in the Notes.

The organisational boundary for this GHG inventory has been determined using the Operational Control approach. The definition and application of the Operational Control approach and specific considerations of using this approach has been outlined as part of the GHG Protocol Corporate Standard. Under this approach, Australian Unity accounts for 100 percent of emissions from operations over which it or one of its subsidiaries has operational control.

To maintain appropriate governance around our operational boundary, we maintain site lists within the property management systems used in each of the functional business areas. These are reviewed upon any structural changes to our operations (eg site opening/closures, consolidation, merger or acquisition activity), and reconciled against sites list for the Group's master list of insured premises.

GHG inventory and intensity metrics

Table 1: Summary GHG inventory (t CO2e)

Scope	Notes ⁴	Corporate Functions ⁵	Home Health	Residential Aged Care	Retirement Communities	TOTAL
Scope 1						
Mobile combustion	1	n/a	772	n/a	n/a	772
Stationary combustion	2	52	1	1,058	109	1,220
Fugitive emissions	3		n/a			
Scope 2						
Purchased electricity	4	942	542	8,563	2,595	12,642
TOTAL EMISSIONS		994	1,315	9,621	2,704	14,634

Australian Unity has identified the following emissions intensity metrics as being relevant for the purposes of this GHG Inventory Report, given its business activities and the industries in which it operates.

Table 2: Key intensity metrics

Metrics	Notes	FY24
kg CO2e per unit of revenue (\$'000 AUD)	Group revenue as reported in Australian Unity's FY24 Financial Statements – see Table 3 below	8.55
kg CO2e per unit of CSV (\$'000 AUD)	Our CSV framework measures the extent to which Australian Unity delivers social value to our customers, members and the community through the provision of goods and services across our business units. For more information see www.australianunity.com.au/about-us/our-impact	7.28
kg CO2e per FTE	Overall headcount (at 30 June 2024)	1,836

Table 3: Key figures relevant to the calculation of the intensity metrics

Key figures	Source	FY24
Scope 1 and 2 emissions (t CO2e)	FY24 GHG Inventory Report	14,634
Total revenue ⁶	Annual Report and internal management reporting	\$1,711m
Total community & social value (CSV)	Annual Impact Report	\$2,012m
Total employees (Full Time Equivalent)	Payroll system	7,972

⁴ See relevant section in the "Other disclosures" part of the Notes for further information.

⁵ Corporate Functions includes Australian Unity's corporate operations such as finance & strategy, governance, people & culture and technology. It also includes management of some of Australian Unity's business functions incorporating operations without material real estate assets (eg retail, funds management, Australian Unity Life). The majority of staff and resources within Corporate Functions are based at Australian Unity's head office at 271 Spring St, Melbourne.

⁶ Excluding revenue generated from Australian Unity's benefits funds and from *myHomecare Group*.

Notes

These notes include information which will help understand our GHG Inventory Report and is also material and relevant to our GHG emissions. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature
- it is important for understanding the overall emissions of the company
- it helps to explain the impact of significant changes in the company and its operations.

The notes are organised into the following sections:

- Basis of preparation and accounting policies
- Data quality and uncertainty
- Governance and data controls
- Key judgements, estimates and assumptions
- Emissions factors
- Verification of emissions estimate calculations using Sundry
- Other disclosures.

Basis of preparation and accounting policies

The GHG inventory has been prepared in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and the draft Australian Sustainability Reporting Standards (Disclosure of Climate-related Financial Information).

The GHG emissions sources included in this inventory were identified with reference to the methodology in the GHG Protocol. These emissions were classified under the following categories:

- Direct GHG emissions (scope 1): emissions from sources that are owned or controlled by the company.
- Indirect GHG emissions (scope 2): emissions from the generation of purchased electricity, heat and steam consumed by the company.⁷

Data quality and uncertainty

Our GHG inventory was calculated based on the emissions factors from the Australian Government's *National Greenhouse Accounts Factors 2022*, supported by the database within Sundry (www.sundry.io).⁸ The reporting period for the inventory covers the period from 1 July 2023 to 30 June 2024. The below section provides further details in relation to data quality and uncertainty associated with the emissions assessment.

Consistent with the requirements under the draft *Australian Sustainability Reporting Standards (Disclosure of Climate-related Financial Information)*—and also the requirements under IFRS S1 and S2—we have made an assessment on the uncertainty associated with the various emissions sources included within the GHG inventory. An assessment of uncertainty across each of the emissions subcategories has been undertaken, with each subcategory being classified as either high, medium or low. This assessment takes into account uncertainty associated with both the collection of activity data as well as with the emissions factors applied in the calculation of emissions.

⁷ Note that reporting scope 3 emissions (those that occur as a consequence of the company's activities but from sources not owned or controlled by the company) is outside the scope of this GHG Inventory for this FY24 reporting period.

⁸ Sundry uses the *National Greenhouse Accounts Factors* where they exist, and augments them with other commonly-accepted emissions factors for other parts of a GHG inventory estimate (especially in relation to scope 3 emissions). For our scope 1 and 2 emissions estimates, all of Sundry's emissions factors are taken from the *National Greenhouse Accounts Factors*.

Table 4: Uncertainty by assessment scope and subcategory

Scope	Subcategory	Uncertainty	Additional information
Scope 1			
	Mobile combustion	Low	Consumption data provided by fleet vehicle leasing company captured from refuelling records
	Stationary combustion	Low	Natural gas consumption reported from invoice data taken from various sources/portals
	Fugitive emissions	N/A	Not calculated due to insufficient data, and likely not material
	Process emissions	N/A	No process emissions sources identified when setting operational boundary
Scope 2			
	Purchased electricity	Low	Electricity consumption reported from invoice data taken from various sources/portals
	Steam & heating	N/A	No steam & heating sources identified when setting operational boundary
Overall GHG inventory		Low	

Governance and data controls

This GHG Inventory has been prepared by our Group Finance & Strategy – Strategy & Impact Team, with the methodology and approach approved by the General Manager – Strategy & Impact.

We adopted consistent controls for the collection/review of data and then calculation of emissions estimates. Across each of the business functions, data was collected by a business manager that sits within each business function and works across the assets within the relevant operational boundary.

The data was reviewed by Australian Unity’s Environmental Lead, who collaborated with business managers to resolve any outstanding data issues. The Environmental Lead was responsible for performing the emissions estimate calculations on the finalised data sets.

The GHG Inventory has been reviewed by our Group Executive – Finance and Strategy and approved by the Australian Unity Board.

Assurance Readiness Assessment

We engaged KPMG to check whether conditions are present to conduct a future assurance engagement over our scope 1 and 2 GHG emissions. The purpose of this engagement is not to provide assurance on the information nor guarantee an unmodified assurance conclusion in the future. Its purpose is to determine whether the subject matter and criteria is appropriate, and whether we have objective documentation to support our emissions for a future assurance engagement.

We have considered the findings reported to us and are working to address them and we intend to seek limited assurance conclusion over our FY25 GHG emissions inventory.

Key judgements, estimates and assumptions

To improve transparency and comparability of carbon data, we outline below key areas where judgements, estimates and assumptions have been made as part of the inventory.

For scope 1 and 2 emissions, we have relied on supplier invoices, and it is assumed the supplier has provided complete and accurate consumption information as part of invoices received. Emissions from these activities have then been quantified using what has been deemed to be the most accurate emissions factors to faithfully and accurately represent emissions from those sources. Professional judgement, industry comparison, prior year sources and the Sundry emissions factor database have contributed to the selection of each emissions factor.

Estimation methodology

The majority of our data set is based on data from July 2023 to April 2024. After annualising data to 12 months, approximately 17 percent of the data set is an estimate based on extrapolated average consumption throughout the period of July 2023 to April 2024.⁹

Where we were not able to obtain consumption data for one part of the reporting period (e.g. a monthly invoice was missing), we estimated it based on average consumption throughout the remaining period. This means approximately 8 percent of the data set is an estimate covering missing consumption data.

Emissions factors

Emissions factors been used in the GHG Inventory have been taken from the Australian Government's *National Greenhouse Accounts Factors 2022*.

Estimated CO₂e emissions were calculated for each data set by multiplying the relevant emissions factor by the amount of activity associated with that emissions source.

Verification of emissions estimate calculations using Sundry

Sundry is a cloud-based carbon accounting tool focused on audit-ready carbon accounting. It was introduced in June 2024. The tool's in-built calculation methodologies and emissions factors have been utilised to verify calculations and ensure they are consistent across all scope 1 and 2 categories.

Sundry is also being used to calculate FY24 scope 3 emissions estimates, by importing business unit spend (and other activity) data.

In FY25 Sundry will be used for estimates across all scope 1, 2 and 3 emissions. With FY24 data imported into the system, we will be able to conduct comparative analyses across the data from two reporting periods.

⁹ For mobile combustion data, we extrapolated 11 months' worth of consumption data out to 12 months (July 2023 to May 2024). This means approximately 9 percent of that data set is an estimate based on extrapolated average consumption throughout the period of July 2023 to May 2024.

Other disclosures

1) Scope 1 emissions – mobile combustion

Our mobile combustion is generated by the vehicle fleet in the Home Health platform. These vehicles are leased and controlled by Australian Unity and used by staff to visit clients in their homes and deliver agreed services (e.g. nursing, domestic assistance etc).

Many of our Home Health care workers use private vehicles for work-related travel. While staff are reimbursed for this travel (at levels significantly above the Australian Tax Office’s recommended rate), these vehicles are neither owned nor controlled by Australian Unity, and therefore are not captured in our scope 1 emissions. They do however form part of the estimate for our scope 3 emissions (Category 6 – Business Travel).

Fuel refilling data for the relevant reporting period for all of the Group’s fleet vehicles has been provided by our fleet management partner.

Fuel type	FY24 energy consumption (GJ)	FY24 emissions (t CO2e)
Diesel	9,752	686,615
Unleaded (91, 95, 98)	919	62,128
E10 – unleaded (90%)	351	23,741
E10 – ethanol (10%)	27	11
TOTAL	11,048	772,494

2) Scope 1 emissions – stationary combustion

We collected the data in similar ways across each of the operating units.

Operating unit	Data collection method
Corporate Functions	Landlords/building managers across these sites provided us with gas and diesel consumption for the relevant period where available.
Home Health	Tenant representative across these sites (who manage outgoing payments including electricity and gas) provided a report containing extracted consumption data, then filtered on a site-by-site basis.
Residential Aged Care and Retirement Villages	We extracted consumption data for each site for the relevant period from various sources, including our energy services advisor's data management portal, our utility retailer's data portal, our invoice management system and/or our asset management/operations staff at each site.

Stationary combustion emissions calculations.

Operating unit	Fuel type	FY24 energy consumption (MJ)	FY24 emissions (t CO ₂ e)
Corporate Functions ¹⁰	Natural gas	994,201	51
	Diesel	4,334	0.304
Home Health ¹¹	Natural gas	10,212	0.526
Residential Aged Care ¹²	Natural gas	20,526,082	1,058
Retirement Villages ¹³	Natural gas	2,117,265	109
TOTAL		23,652,094	1,219

3) Scope 1 emissions – fugitives

Fugitive emissions have not been calculated where there was insufficient data, lack of activity, or emissions would not be material for scope 2.

No operating unit in the GHG Inventory has re-gassed any HVAC system or other refrigeration units during the reporting period.

¹⁰ No direct gas consumption in Corporate Functions sites. Emissions predominantly come from our proportionate share of base building combustion, primarily in two buildings – Spring St Melbourne and Aurora Place Sydney.

¹¹ Only one Home Health site uses natural gas (Bathurst). Some sites operate gas barbecues – we have not tried to estimate LPG consumption at these sites as we have taken the view that any emissions generated from these activities would not be material for scope 2.

¹² 9 of 12 Residential Aged Care sites use natural gas.

¹³ 8 of 24 Retirement Village sites use natural gas.

4) Scope 2 emissions – purchased electricity

A location-based calculation method, as defined within the GHG Protocol Scope 2 Guidance, has been adopted. Market-based calculation methods (also defined in the Scope 2 Guidance) have not been adopted as there have been no purchases of material amounts of renewable energy from retailers, green energy provider schemes in relevant jurisdictions, or directly via Power Purchase Agreements.

Consistent with the GHG Protocol Scope 2 Guidance for location-based methods, emissions have been calculated using the activity data multiplied by the average grid factor from the Australian Government's *National Greenhouse Accounts Factors 2022*.

Purchased electricity emissions calculations.

Operating unit	Source	FY24 electricity consumption (kWh)	FY24 emissions (t CO2e)
Corporate Functions	VIC	954,497	754
	NSW/ACT	199,281	136
	QLD	70,041	51
	SA	5,340	1
Home Health	VIC	57,591	45
	NSW	722,455	491
	QLD	7,803	6
Residential Aged Care	VIC	7,291,023	5,760
	NSW	3,384,806	2,302
	QLD	685,661	501
Retirement Villages	VIC	1,884,449	1,489
	NSW	1,575,953	1,030
	QLD	103,580	76
TOTAL		16,942,480	12,642

Data collection methods across the operating units.

Operating unit	Data collection method
Residential Aged Care and Retirement Villages	We extracted consumption data for each site for the relevant period from various sources, including our energy services advisor's data management portal, our utility retailer's data portal, our invoice management system and/or our asset management/operations staff at each site.
Corporate Functions	As for Residential Aged Care and Retirement Villages above. In addition, where we had a material contribution to the base building energy consumption, we requested the landlord provide us with an estimate of the proportion of base building consumption attributable to our tenancy. ¹⁴
Home Health	Tenant representative across these sites (who manages outgoing payments including electricity and gas) provided a report containing extracted consumption data, then filtered on a site-by-site basis.

Note the following boundary exclusions.

Operating unit	Data collection method
Corporate Functions	Consumption data collected from 7 of 8 tenancies. ¹⁵
Home Health	11 sites excluded (Balranald, Bingara, Cobar, Cooma, Coonamble, Hay, Maroochydore, Narrabri, Sunshine, Walgett, Wilcannia); not managed by our tenant representative and are not material based on size/consumption (generally 1-2 person offices within a bigger tenancy, often not separately metered).
Residential Aged Care	Consumption data collected from all 12 sites.
Retirement Villages	Consumption data included from all common areas and other spaces at all sites which are controlled by Australian Unity. We excluded electricity used by residents in their own living quarters. This service is procured directly by residents and beyond our control (so outside of scope 2). We note however these are emissions associated with downstream leased assets and would form part of our scope 3 emissions (Category 13 – Downstream Leased Assets).

¹⁴ Applies to Spring St Melbourne, Aurora Place Sydney and Bramston Tce Brisbane.

¹⁵ Exclude Hay St, Perth – at 320 sqm, this office is likely to represent <1 percent of scope 2 emissions for Corporate Functions.