

National Carbon Offset Standard Carbon Neutral Program Independent Audit Report



An Australian Government Initiative



Australian Government

**Department of Industry, Innovation, Climate Change,
Science, Research and Tertiary Education**

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SECTION 1: Audit Statement and Audit Findings

Organisation Being Audited

Organisation Name	DEXUS Property Group
Contact person	Melisa Pirrello
Position title	Sustainability Analyst
Telephone number	+612 9017 1457
Email address	Melisa.pirrello@DEXUS.com
Postal address	PO Box R1822, Royal Exchange NSW 1225
Street address	Level 25, Australia Square, 264 George Street, Sydney, NSW, 2000

Carbon Neutral Certification Type

Type of certification (tick all applicable)	<input type="checkbox"/> Organisation <input type="checkbox"/> Product/service <input checked="" type="checkbox"/> Part of organisation <input type="checkbox"/> Event
Description of product / service / event or part of organisation	Part of an organisation - DEXUS head office (now located at Level 25, Australia Square 264-278 George Street, Sydney NSW 2000), and Melbourne office (located at Level 1, 180 Flinders Street, Melbourne VIC 3000)
Initial or periodic audit (every two years)	Periodic audit

Auditor Information

Name of audit organisation	Net Balance Management Group
Name of lead auditor	Simon Dawes
Names of audit team members (if applicable)	Nathan Rogers

Telephone number	+61 2 9249 2100
Email address	Simond@netbalance.com
Postal address	Level 2, 332 Kent Street, Sydney NSW 2000
Street address	Level 2, 332 Kent Street, Sydney NSW 2000

NCOS Requirement (Refer to NCOS Audit Section)	Confirmation and provide evidence
Is the auditor registered under the greenhouse and energy audit framework under the NGER Act 2007	Yes: GEA Registration Number 0135/2011
Is the auditor accredited to the international standard ISO 14065:2007?	No

Scope of Audit

Net Balance Management Group Pty Ltd (Net Balance) has been engaged to undertake an independent audit of DEXUS Property Group (DEXUS) compliance with the National Carbon Offset Standard and the National Carbon Offset Standard Carbon Neutral Program Guidelines, in order to maintain certification under the NCOS.

We conducted our audit in accordance with ISO 14064(3) which is an auditing standard specified in the NCOS. The audit has been planned and performed in accordance with the proposal approved by the participant to enable us to provide reasonable assurance regarding DEXUS' Sydney head office and Melbourne office; that the Greenhouse Gas Inventory, Emissions Management Plan, Annual Report and Public Disclosure Summary are, in all material aspects, in accordance with the requirements defined in the NCOS.

Preferred level of assurance is reasonable, however, it will also be accepted that an organisation attain a limited level of assurance for scope three emissions, with a reasonable level achieved for all other aspects.

NCOS Carbon Neutral Program Participant Responsibilities

The participant is responsible for preparing the NCOS Carbon Neutral Program documentation (LCA, GHG Inventory, EMP, Annual Report and Public Disclosure Summary) and for maintaining an effective internal control environment and data management system, including control procedures supporting the inputs into this documentation, in accordance with the requirements of the NCOS and the NCOS Carbon Neutral Program Guidelines.

Auditor's Responsibilities and Procedures Performed

The audit has been conducted in accordance with ISO 14064-3 "Specification with guidance for the validation and verification of greenhouse gas assertions" in order to provide a reasonable level of assurance for scope 1 and scope 2 emissions with limited assurance provided for scope 3 emissions to the NCOS Carbon Neutral Program Administrator and the participant over the scope set out on page 4. As such, Net Balance has undertaken the following procedures that are considered appropriate to be able to provide a reasonable level of assurance (with the exception of scope 3 emissions for organisations (or specified part of an organisation) which are only required to be audited to a limited level of assurance):

Scope 1 and 2 emission sources:

- Testing of electricity consumption source data
- Checking of emission factors
- Confirmation of calculations
- Confirmation that the organisational boundaries remain unchanged
- Discussions with key personnel as to systems, procedures and controls

Scope 3 emission sources

- Review of waste, travel and paper consumption source data
- Checking of emission factors

The boundary for the inventory was DEXUS Sydney Head Office and Melbourne Office. DEXUS has operational control over these facilities, which are reported under the NGER Legislation.

DEXUS Sydney head office:

- Levels 7 – 10, 343 George St, Sydney, 2000 (for 10 months)
- Level 20,25,26 Australia Square, 264-278 George St, Sydney (for 2 months)

Melbourne office facilities

- Level 1, 180 Flinders St, Melbourne

Net Balance did not conduct any verification procedures with respect to the internal control environment and data management system of the applicant as a whole. As such, no assurance is provided on any internal control environment and data management system not associated with preparing the NCOS Carbon Neutral Program documentation.

The results of the audit procedures undertaken are set out in the following sections of the Report.

Net Balance confirms that we are not aware of any actual or perceived conflict of interest in having completed this engagement.

Net Balance confirms that we have not carried out more than four (4) previous consecutive audits for DEXUS Property Group.

Inherent Limitations

Due to the inherent limitations in any internal control environment and data management system it is possible that fraud, error, or non-compliance with requirements of the NCOS or NCOS Carbon Neutral Program Guidelines may occur and may not be detected. Further, the audit process was not designed to detect all weakness or errors in the internal control environment and data management system so far as they relate to the scope set out on page 4, as the audit has not been performed continuously throughout the period and the procedures performed on the relevant internal information and data management system were on a test basis. Any extrapolation from this audit to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The audit opinion expressed in this Report has been formed on the above basis.

Audit Opinion

Reasonable: In our opinion, the participant's Greenhouse Gas Inventory, Emissions Management Plan, Annual Report, Public Disclosure Summary are, in all material aspects, in accordance with the National Carbon Offset Standard and National Carbon Offset Standard Carbon Neutral Program Guidelines.

Limited: Based on the procedures performed, nothing has come to our attention that would lead us to believe that the Greenhouse Gas Inventory, Emissions Management Plan, Annual Report, Public Disclosure Summary, in all material aspects, have not been prepared in accordance with the National Carbon Offset Standard and National Carbon Offset Standard Carbon Neutral Program Guidelines.

Confirmation of Audit Findings

Name of lead auditor	Simon Dawes
Position of lead auditor	Associate Director
Signature of lead auditor	
Date	1/08/2013

Recommendations

Recommendations for improvement in future years include:

- DEXUS should continue to update its greenhouse inventory each year using the same methodologies as have been used previously. This should include maintaining the same organisational boundary as referred to in the updated 2012/13 inventory, data collection methods and assumptions for consistency, unless improved methodologies become available.

- DEXUS included Scope 3 emissions associated with the use of hire car vehicles but calculations were based only on financial spend. In the future it is recommended that DEXUS collect data on kilometres travelled for these vehicles.
- DEXUS included Scope 3 emissions associated with waste disposal but volumes were based on 9 months of data collection for the Sydney office only. In future, it is recommended that DEXUS collects waste volume and composition data for the full financial year.
- DEXUS should collect information regarding employee commute to correctly account for scope 3 emissions related to its employees travelling to work.

Corrective Action Requests

There are no Corrective Action Requests remaining outstanding at the conclusion of the verification. The minor corrective actions found during the verification together with the action taken by CBRE are shown in Section 7: Summary of Corrective Action Requests.

Limitations on Use

This Audit Statement has been prepared for the management of the NCOS Carbon Neutral Program participant, for review by the NCOS Carbon Neutral Program Administrator, and for the information of the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE), solely for use in relation to the NCOS Carbon Neutral Program. We disclaim any liability for reliance upon this Report by any other party or for any other purpose other than that for which it was prepared.

SECTION 2: Life Cycle Assessment

Requirement (Refer to NCOS Section 4.3)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding
		NA
Has the LCA been prepared in accordance with current international standards? For example: ISO 14040:2006, ISO14044:2006, or other international standards based on the ISO14040 series, for example PAS 2050.	Not applicable	NA
Has the time period for the LCA been clearly stated?	Not applicable	NA
Has the LCA base year been correctly identified (i.e., the first year for which the LCA has been completed)?	Not applicable	NA
2.1 Product / Service Scope		
Has the product/service been fully described, including its function and purpose?	Not applicable	NA
Has a clear statement on the scope of the LCA been provided, including any limitations that may affect the validity of the LCA?	Not applicable	NA
Has the functional unit of the product been described?	Not applicable	NA
Have all assumptions made in the LCA been clearly described and justified?	Not applicable	NA
Are all uncertainties within the LCA clearly documented and valid?	Not applicable	NA

Requirement (Refer to NCOS Section 4.3)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding
<p>Has the system boundary been clearly defined, including all relevant stages of the product over its entire life cycle?</p> <p>A system boundary is best displayed as a flow chart.</p>	Not applicable	NA
<p>Have any exclusions from the system boundary been clearly stated and justified?</p>	Not applicable	NA
2.2 Emission Sources		
<p>Have all sources of emissions from within the system boundary been clearly identified?</p> <p>This should include emissions from the six GHGs included under the Kyoto Protocol.</p>	Not applicable	NA
<p>Have any emission exclusions from within the boundary been clearly stated and justified and has the impact of the exclusions been considered?</p>	Not applicable	NA
2.3 Emissions Calculations		
<p>Have scope 1 and scope 2 emissions been calculated in accordance with calculation methodologies in the National Greenhouse and Energy Reporting (Measurement) Determination?</p>	Not applicable	NA
<p>Has the purchase of GreenPower™ and/or the voluntary surrender of GreenPower™ eligible Large-scale generation certificates (LGCs) been correctly taken into account?</p>	Not applicable	NA

Requirement (Refer to NCOS Section 4.3)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding
<p>Have any purchases of NCOS certified carbon neutral products been correctly accounted for?</p> <p>Emissions from NCOS carbon neutral products are zero rated to avoid double counting. Only NCOS certified products can be accepted under the CNP.</p>	Not applicable	NA
<p>Have scope 1 and scope 2 emission factors been sourced from the National Greenhouse and Energy Reporting (Measurement) Determination?</p> <p>The methods for calculating emissions listed in the National Greenhouse Account (NGA) Factors document are "Method 1" from the National Greenhouse and Energy Reporting (Measurement) Determination 2008.</p>	Not applicable	NA
<p>Have scope 3 emission factors been sourced from the most current and appropriate source?</p>	Not applicable	NA
<p>Have scope 3 emissions been calculated correctly?</p>	Not applicable	NA

2.4 Inventory Analysis

Requirement (Refer to NCOS Section 4.3)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding NA
<p>Have the data collection procedures and calculation methodologies been clearly stated?</p> <p>Procedures and methodologies may be sourced from the National Greenhouse and Energy Reporting (Measurement) Determination and the National Greenhouse and Energy Reporting (Measurement) Technical Guidelines for scope 1 and 2 emission sources. Latest Australia specific emissions factors can be sourced from NGA Factors.</p>	Not applicable	NA
<p>Have the sources of all information and activity data been clearly identified?</p>	Not applicable	NA
<p>Have any allocation of emissions been clearly stated and justified?</p>	Not applicable	NA
<p>Has the geographical representativeness of the data been considered? Have any local and/or regional variations in the calculation of emissions been clearly stated?</p>	Not applicable	NA
<p>Has the data period been clearly stated?</p>	Not applicable	NA
<p>Have all assumptions and constraints been clearly described and justified?</p>	Not applicable	NA

2.5 Life Cycle Emissions attributable to the Product

Have the emissions attributable to each emission source been calculated correctly?

Not applicable

NA

Requirement (Refer to NCOS Section 4.3)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding
Have the emissions attributable to each stage of the life cycle of the product been expressed in the chosen functional unit?	Not applicable	NA
Does the sum of all emission sources estimate the emissions attributable to the full life cycle of the product?	Not applicable	NA

2.6 Assessment of Uncertainty

Has uncertainty of scope 1 emission estimates been assessed in accordance with the National Greenhouse and Energy Reporting (Measurement) Determination?	Not applicable	NA
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2.7 Base Year Recalculation Policy

<p>Has a base year recalculation policy been included that is consistent with the GHG Protocol and NCOS?</p> <p>Consideration to be given to mergers, divestments, acquisitions, organic growth and decay, insourcing, outsourcing and significance thresholds.</p> <p>NCOS Section 4.3.2 and the GHG Protocol Product Life Cycle and Accounting Standard Ch. 14 and the GHG Protocol Corporate & Accounting Standard Ch. 5 provide specific guidance.</p>	Not applicable	NA
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SECTION 3: Greenhouse Gas Inventory

Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
<p>Has the GHG Inventory been prepared in accordance with current domestic and international standards?</p> <p>For example: ISO 14064.1:2006, National Greenhouse and Energy Reporting Act and supporting documentation, and Greenhouse Gas Protocol</p>	Yes	<p>The inventory was prepared in accordance with the following standards:</p> <ul style="list-style-type: none"> - National Carbon Offset Standard - GHG Protocol – A corporate accounting and reporting standard; - AS ISO 14064 Greenhouse gases Part 1: Specification with guidance at the organisation level for the quantification and reporting of greenhouse gas emissions and removals; - National Greenhouse and Energy Reporting (NGER) Legislation; - National Greenhouse Accounts (NGA) Factors, July 2013; and - 2010 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting: Methodology Paper for Emission Factors, October 2010.1 standard, <p>The inventory was verified in accordance with the ISO 14064-3 standard. The inventory demonstrates calculation methodologies and assumptions in accordance with these standards.</p>
<p>Has the time period for the GHG Inventory been clearly stated?</p>	Yes	<p>Within the inventory, the period is stated to be the financial year from 1/7/2012 to 30/6/2013.</p>

3.1 Organisation Description and Boundary

<p>Has the GHG Inventory base year been correctly identified (i.e., the first year for which the Inventory has been completed)?</p>	Yes	<p>2010/11 is identified as the base year in the inventory.</p>
<p>Has the organisational boundary been transparently documented?</p> <p>The boundary is best displayed diagrammatically.</p>	Yes	<p>DEXUS has included a summary list of all emission sources included within the inventory, divided into Scope 1, Scope 2 and Scope 3 sources, which clearly documents the organisational boundary used. This is also represented diagrammatically within the inventory.</p>

Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
Does the organisational boundary accurately reflect the operations undertaken by the organisation/part of organisation?	Yes	DEXUS boundary has been clearly defined and the inventory accurately reflects the operations of the Sydney head office and Melbourne office. In addition to all Scope 1 and 2 sources, the minimum required Scope 3 emissions have also been included on an organisation-wide basis.
Have all exclusions to the organisational boundary been described and justified?	Yes	There have been no omissions of significant or required sources of emissions within the reporting boundary.
Have the methodologies used to determine the organisational boundary (e.g., "operational control" test) been clearly identified?	Yes	The boundary for reported Scope 1 and 2 emissions was DEXUS' Head Office and Melbourne office. The boundary for reported Scope 1 and 2 emissions is based on the facilities over which DEXUS has operational control and which are included in DEXUS' NGER report. DEXUS has also included certain other indirect (scope 3) emissions impacted by its operations. These were determined based on the criteria listed for scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

3.2 Emission Sources

<p>Have all sources of emissions from within the organisational boundary been included in the GHG Inventory?</p> <p>This should include emissions from the six GHG's included under the Kyoto Protocol.</p>	Yes	<p>All relevant Scope 1 and 2 emissions sources within the operational control of DEXUS have been included. In addition, Scope 3 emissions sources meet the minimum requirements of NCOS submissions.</p> <p>Emissions factors used by DEXUS accounted for the weighted impacts of all GHGs under the Kyoto protocol, as well as emissions from non-Kyoto refrigerants.</p>
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Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
<p>Have all scope 1 and scope 2 emission sources within the defined organisational boundary been correctly identified as per the National Greenhouse and Energy Reporting (Measurement) Determination?</p> <p>The methods for calculating emissions listed in the National Greenhouse Account (NGA) Factors document are "Method 1" from the National Greenhouse and Energy Reporting (Measurement) Determination 2008.</p>	Yes	<p>All relevant emissions sources, methodologies, energy content factors and emissions factors for Scope 1 and 2 sources were in accordance with the NGER (Measurement) Determination. DEXUS also reported Scope 1 emission associated with refrigerant leakage which, because of the size of the units, it is not required to report under the NGER Legislation.</p>
<p>Have scope 3 emission sources within the established organisational boundary been identified?</p>	Yes	<p>Scope 3 emissions sources included in the inventory fulfil the minimum requirements of NCOS submissions. The sources included are:</p> <ul style="list-style-type: none"> • Business travel by air and land • Paper use • Base building emissions • Electricity transmission and distribution losses • Office waste to landfill <p>Net Balance has provided limited assurance over the reported Scope 3 emission data.</p>
<p>Have any scope 3 emission sources been excluded? If so, are the exclusions clearly stated and justified and the impact of the exclusions been considered?</p>	Yes	<p>Base building diesel usage was reviewed by Net Balance and found to be immaterial at 40L. DEXUS has been advised to collect this information every year to assess its materiality. It has not been included or stated in the inventory.</p>

3.3 Calculation Methodology and Emission Factors

Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
Have the sources of all information and activity data been clearly documented?	Yes	<p>Within the inventory, DEXUS provided reference notes to all information and activity data for verification, and included the following:</p> <ul style="list-style-type: none"> • Refrigerants: air conditioner and refrigerator product nameplates including refrigerant type and charge quantities, identified during site audit by Net Balance • Electricity: all invoices for the year for DEXUS' Offices • Gas: all invoices for the year for DEXUS' new head office • Air travel: flight summary spreadsheets obtained from DEXUS' travel agent • Taxi travel: financial records of taxi expenditure • Car hire travel: financial records of car hire purchases • Employee Car Mileage: financial records of employee mileage claims • Office paper: invoices from print companies summarising DEXUS' corporate paper purchases as well as purchase order documentation. • Waste: nine months of bin waste and recycling volume data collected by Sydney head office cleaners <p>Information sourced from external publications was thoroughly referenced by DEXUS within the inventory and accessible online for verification by Net Balance.</p>
Have scope 1 and scope 2 emissions been calculated in accordance with calculation methodologies in the National Greenhouse and Energy Reporting (Measurement) Determination?	Yes	All relevant emissions sources, methodologies, energy content factors and emissions factors for Scope 1 and 2 sources were in accordance with the NGER (Measurement) Determination.

Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
Have scope 1 and scope 2 emission factors been sourced from the National Greenhouse and Energy Reporting (Measurement) Determination?	Yes	All relevant emissions sources, methodologies, energy content factors and emissions factors for Scope 1 and 2 sources were in accordance with the NGER (Measurement) Determination.
Have scope 3 emission factors been sourced from the most current and appropriate source? See the NCOS CNP Guidelines.	Yes	Calculation of Scope 3 emissions factors were sourced from current best practice publications including the National Greenhouse Accounts (NGA) Factors, Victorian Environment Protection Agency (VIC EPA) and UK Department of Environment, Food and Rural Affairs (DEFRA). Each of these sources is publicly available online and was reviewed by Net Balance.
Have emissions from scope 3 sources been calculated correctly?	Yes	Calculation of Scope 3 emissions sources was undertaken based on current best practice methodologies, including methods based on the National Greenhouse Accounts (NGA) Factors, Victorian Environment Protection Agency (VIC EPA) and UK Department of Environment, Food and Rural Affairs (DEFRA). Each of these sources is publicly available online and was reviewed by Net Balance where necessary. Where assumptions were required for the calculation of Scope 3 emissions sources, DEXUS remained conservative in their estimations and documented these assumptions within the inventory spreadsheet.
Has the purchase of GreenPower™ and/or the voluntary surrender of GreenPower™ eligible LGCs been correctly taken into account?	Yes	The company wide bulk purchase of accredited GreenPower with allocation of 20% of head office electricity use has been correctly taken into account. DEXUS purchased GreenPower on a quarterly basis over FY12/13 and applied it to the Sydney head office electricity use for the first 2 quarters of FY12/13.

Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
<p>Have any purchases of NCOS certified carbon neutral products been correctly accounted for?</p> <p>Emissions from NCOS carbon neutral products are zero rated to avoid double counting. Only NCOS certified products can be accepted under the CNP.</p>	Yes	These are outlined in the Inventory
<p>Have all assumptions relating to the calculation of greenhouse gas emissions been clearly described and justified?</p>	Yes	Within the greenhouse inventory, DEXUS provided reference notes to explain all assumptions made during calculations. Net Balance considers that all assumptions made were reasonably conservative.

3.4 Emissions Calculations

<p>Have the emission calculations been quantified correctly for each emission source?</p>	Yes	Calculations were verified as correct for each individual emissions source, based on source documentation and calculation methodologies reviewed by Net Balance.
<p>Does the sum of all individual emission sources accurately represent the total attributable emissions for the organisation/part of the organisation included within the GHG Inventory?</p>	Yes	Summations were verified as correct within the inventory.

3.5 Assessment of Uncertainty

<p>Has uncertainty of scope 1 emission estimates been assessed in accordance with the National Greenhouse and Energy Reporting (measurement) Determination?</p>	Yes	Refrigerant leakage from office air conditioners and kitchen refrigerators are the only scope 1 sources relevant to DEXUS. Refrigerants have an aggregated uncertainty level of 30% under the NGER (Measurement) Determination.
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3.6 Base Year Recalculation Policy

Requirement (Refer to NCOS Section 4.2)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
<p>Has a base year recalculation policy been included that is consistent with the GHG Protocol and NCOS?</p> <p>Consideration to be given to mergers, divestments, acquisitions, organic growth and decay, insourcing, outsourcing and significance thresholds.</p> <p>NCOS Section 4.2.2 and the GHG Protocol Corporate & Accounting Standard Ch. 5 provide specific guidance.</p>	Yes	DEXUS recalculated the base year in line with the NCOS criteria document and base year recalculation Policy, dated July 2012

SECTION 4: Emissions Management Plan

Requirement (Refer to the NCOS Section 5.1)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
Has the year in which the EMP was prepared / updated been clearly stated?	Yes	The EMP clearly states the relevant reporting period to be 1/7/2012 to 30/6/2013.
4.1 Greenhouse Gas Emissions		
Have the greenhouse gas emissions attributable to the activities of the organisation (or specified part of an organisation) or product been specified for a given period, in tonnes CO ₂ -e?	Yes	The emissions for the reporting period and base year are clearly specified.
4.2 Emissions Reduction Strategy		
Has the emissions reduction strategy been adequately described?	Yes	DEXUS has disclosed within the EMP document their strategy follows the 14001 standard for environmental management resource reduction measures.
Have reduction measures been considered and documented?	Yes	These have been documented and planned strategies are clearly and simply described in the EMP.
Has the estimated quantity of emissions reductions from each emission reduction measure, been stated?	Minor CAR	DEXUS has stated the quantity of the reduction for measures that have been implemented and will report on expected reduction measures once they have also been implemented.
Has the total estimated quantity of emissions reductions been calculated?	Minor CAR	DEXUS has totalled the quantity of the reduction for measures that have been implemented and will include the expected reduction measures once they have been implemented in the subsequent year.
4.3 Carbon Offsets		

Requirement (Refer to the NCOS Section 5.1)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
Are the offset types cancelled deemed eligible under the NCOS?	Yes	Yes the offsets are credits issued under the Gold Standard and Verified Carbon Standard (VCS)
Has the approach for retiring carbon offsets for the reporting period been stated? Including the offset type, name of registry, and whether the participant plans to forward purchase the abatement?	Yes	Yes it is clearly stated in the strategy and the type, name of registry are also stated.
If offsets are being banked or used from earlier periods, have these been adequately described?	Not applicable	No offsets banked

4.4 Record Keeping

Has a detailed description of the record keeping process been provided? Are record keeping practices adequate for the requirements of NCOS section 5.1?	Yes	DEXUS record keeping process has been described within the EMP document. Each of the source documents for these records have been reviewed by Net Balance in the course of verifying DEXUS's inventory spreadsheet.
Have the records that are required to be maintained been specified? Participants must also include details of NCOS documents in their records management.	Yes	Records for each emissions source are clearly defined.
Has the person that is responsible for establishing and maintaining the records, and their role, been identified?	Yes	Persons responsible for each record are clearly defined.

4.5 Quality Control Practices

Requirement (Refer to the NCOS Section 5.1)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
Has a description of the quality control practices that are in place to ensure that data quality is maintained been provided?	Yes	Within the EMP, DEXUS has detailed both the internal data quality procedures (processes undertaken by a qualified personal and persons responsible for preparation of DEXUS's inventory) as well as external quality control procedures.
Have the documents that are required to be reviewed been identified?	Yes	Relevant documentation is listed within the EMP, and is also referenced within the inventory itself alongside each item of source data
Has the name of the reviewer been identified and the date the review took place?	Yes	The dates of the internal and external (verification) reviews are listed within the EMP, alongside the name of the reviewer in each case.

SECTION 5: Annual Report

Requirement (Refer to the NCOS Section 5.3)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
5.1 Organisation and Product Information		
Has the reporting period been clearly stated?	Yes	The Annual Report clearly states the relevant reporting period to be financial year between 1/7/2012 to 30/6/2013.
5.2 Total Carbon Footprint		
Have the total greenhouse gas emissions of the activities of the organisation (or specified part of the organisation) or product sold in the given annual reporting period been stated in tonnes CO ₂ -e?	Yes	It clearly states the total emissions in tonnes CO ₂ -e
Has evidence of the purchase of GreenPower™ and/or the voluntary surrender of GreenPower™ eligible LGCs been provided?	Yes	Evidence for DEXUS purchase and apportioning of GreenPower to their head office has been provided.
Have the total greenhouse gas emissions been calculated in accordance with the NCOS? This relates to NCOS Section 4: Carbon Footprint Calculation	Yes	DEXUS 'inventory spreadsheet' has been reviewed and deemed in accordance with NCOS
Have the most current and appropriate emission factors been used?	Yes	NGA Factors for 2013 have been applied where applicable and NCOS appropriate factors where available.

Requirement (Refer to the NCOS Section 5.3)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
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Have any purchases of NCOS certified carbon neutral products been correctly accounted for?

Emissions from NCOS carbon neutral products are zero rated to avoid double counting. Only NCOS certified products can be accepted.

Yes

These are outlined in the EMP

5.3 Offset Purchase / Cancellation

Have sufficient offsets been cancelled to cover greenhouse gas emissions / product sales for the reporting period?

Yes

Offsets purchased exceed the emissions in the reporting period

Are the offset types cancelled deemed eligible under the NCOS?

Yes

Yes the offsets are credits issued under the Gold Standard and Verified Carbon Standard (VCS)

Has evidence to support the cancellation of eligible offsets been provided?

This should include the transaction date and evidence of transfer (e.g., Transfer Notice) as well as the serial numbers of the offsets cancelled

Yes

Yes details of offset cancellation have been provided.

Has the quantity of offsets banked for future years been clearly stated?

Not applicable

No offsets banked

Have details of banked offsets been provided?

This should include the offset type and evidence to support the transaction.

Not applicable

No offsets banked

5.4 GHG Inventory/LCA Review

Requirement (Refer to the NCOS Section 5.3)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
Has an internal peer review of the GHG Inventory / LCA been conducted? Is there evidence to support the review?	Yes	DEXUS have completed an internal review of the inventory on 1/7/2013 this has been confirmed during correspondence between Net Balance and DEXUS
Have any changes to the GHG Inventory / LCA that occurred during the reporting period been described?	Yes	Including the Melbourne Office in the inventory has been clearly stated within the inventory.

5.5 EMP Review

Has an internal peer review of the EMP been conducted? Is there evidence to support the review?	Yes	DEXUS have completed an internal review of the EMP on 15/7/2013 this has been confirmed during correspondence between Net Balance and DEXUS
Have any changes to the EMP during the reporting period been described?	Yes	New emissions reduction measures have been included and described in the document.

5.6 Emission Reduction Actions

Have any emissions reduction actions occurred?	Yes	These have been clearly stated in the EMP
Have these reductions been documented?	Yes	These have been clearly stated in the EMP
Can these reduction actions be quantified against the base year?	Yes	These reduction actions are related to practices occurring within the base year and as such can be quantified as a reduction against this year.
Has the total estimated quantity of emission reductions been documented?	Minor CAR	As emissions are quantified after implementation only, total estimated emissions have not been documented

5.7 Logo use and Marketing

Requirement (Refer to the NCOS Section 5.3)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
<p>Has a summary of the use of the NCOS logo been provided and other marketing activities?</p> <p>Information should examples of each type of use.</p>	Yes	<p>DEXUS communicates its carbon neutral certification through its website and investor reports, including Annual Review and GRI. The Public Disclosure Summary and Inventory is publicly available on the DEXUS website. These have been cited by Net Balance.</p>
<h3>5.8 Participant Declaration</h3>		
<p>Has the declaration been completed and signed?</p>	Yes	<p>The report has been signed by the relevant person</p>

SECTION 6: Public Disclosure Summary

Requirement (Refer to the NCOS Section 5.3)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
6.1 Organisation and Product Information		
Has the reporting period been clearly stated? Is it consistent with statements in other documents?	Yes	The reporting period 01/07/2012 to 30/06/2013 is clearly stated.
Is the organisation or product description consistent with information provided in the LCA/GHG Inventory?	Yes	The organisational description is consistent with the GHG Inventory and information in other documents, and also includes an explanation of the boundary of the emissions inventory.
6.2 GreenPower and/or LGCs		
Have the purchase of GreenPower™ and/or the voluntary surrender of GreenPower™ eligible LGCs been correctly stated?	Yes	This has been correctly stated in the PDS
6.3 Total Carbon Footprint		
Is the total stated greenhouse gas emissions of the activities of the organisation (or specified part of the organisation) consistent with the EMP and Annual Report?	Yes	The total emissions aligns with the EMP and Annual Report.
Have any purchases of NCOS certified carbon neutral products been correctly accounted for? Emissions from NCOS carbon neutral products are zero rated to avoid double counting. Only NCOS certified products can be accepted under the CNP.	Yes	Yes these are stated in the PDS

Requirement (Refer to the NCOS Section 5.3)	Finding (Yes, Not applicable, Observation, minor/major CAR)	Explanation of Finding Make reference to appropriate evidence /documentation
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6.4 Emission Reduction Actions

Are the emission reduction actions, if relevant, correctly summarised from the EMP?	Yes	They are correctly summarised from the EMP
Is the total estimated quantity of emission reductions, if relevant, consistent with the EMP?	Minor CAR	As emissions are quantified after implementation only, total estimated emissions have not been documented

6.5 Offset Purchase/Cancellation

Are details regarding offsets consistent with the Annual Report? This includes whether sufficient offsets have been purchased, the offset type, serial numbers, and cancellation registry and transaction details.	Yes	The details are consistent in the Annual Report with information received
Are offset quantities and the total offsets cancelled consistent with the Annual Report and EMP?	Yes	The details are consistent in the Annual Report with the Annual Report and EMP
Has the quantity of offsets banked for future years been clearly stated?	Not applicable	No offsets banked
Have details of banked offsets been provided? This should include the offset type and evidence to support the transaction.	Not applicable	No offsets banked

SECTION 7: Summary of Corrective Action Requests and Recommendations

Finding	Summary of CAR/ Observation	Reference to Sections Reviewed in Certification Package	Summary of Action Taken to Address the CAR/ Observation (Participant's response and Auditor's conclusion)
Major CAR	kWh amounts for base building electricity in the Melbourne office were incorrectly transcribed from the invoices for one of the incoming meters.	GHG inventory	DEXUS complied with Net Balance's requests and inputted the correct amounts. The CAR was resolved.
Major CAR	Emission types for base building services provided to DEXUS outside of the tenancy operational boundary were incorrectly attributed to scope 1 and 2 emission including base building energy and refrigerant leakage.	GHG inventory	DEXUS complied with Net Balance's requests and inputted the correct emissions types ie scope 3 for base building services. The CAR was resolved.
Observation	DEXUS had reported no base building diesel usage for their new head office after investigation it was found that an immaterial amount of diesel had been consumed in the two months of the year that DEXUS had occupied the building.	GHG inventory	DEXUS has been advised to review the diesel usage for the next inventory with the view to including it if it becomes material.
Minor CAR	Waste volumes for their head office tenancy only included eight months of the year and was no longer being captured.	GHG inventory	DEXUS has been advised to monitor the waste volumes to ensure that this can be accurately counted in the next inventory. The CAR was resolved.

SECTION 8: Documents Reviewed

This section provides details of the documents reviewed by the Auditor during the audit, not limited to NCOS CNP-specific documents. This section must be completed for all audits.

Name or Description of Document	Document Title / Filename	Author and Date Prepared, and Version if Applicable
GHG Inventory Model_first draft	DEXUS GHG Emissions Model FY13.xls	Melisa Pirrello, 15/7/13
GHG Inventory Model_Corrections	DEXUS GHG Emissions Model FY13 170713.xls	Melisa Pirrello 17/7/13
GHG Inventory Model_final draft	DEXUS GHG Emissions Model FY13 240713.xsl	Melisa Pirrello 24/7/13
DEXUS Inventory	DEXUS- Inventory, July 2013 v1.doc	Melisa Pirrello 30/7/13
DEXUS Inventory Final	DEXUS- Inventory, July 2013 v2.doc	Melisa Pirrello 1/8/13
DEXUS Emissions Management Plan	DEXUS - EMP, July 2013, v.1.doc	Melisa Pirrello 30/7/13
DEXUS Emissions Management Plan Final	DEXUS - EMP, July 2013, v.2.doc	Melisa Pirrello 1/8/13
DEXUS Public Disclosure Statement	DEXUS- PDS, July 2013 v1.doc	Melisa Pirrello 30/7/13
DEXUS Public Disclosure Statement Final	DEXUS- PDS, July 2013 v2.doc	Melisa Pirrello 1/8/13
DEXUS Annual Report	DEXUS- Annual Report, July 2013, v.1.doc	Melisa Pirrello 30/7/13
DEXUS Annual Report Final	DEXUS- Annual Report, July 2013, v.2.doc	Melisa Pirrello 1/8/13
Sydney/Melbourne offices electricity invoices	Invoices covering FY13	Melisa Pirrello, 23/7/13
Sydney/Melbourne base building electricity invoices	Invoices covering FY13	Melisa Pirrello, 23/7/13

Sydney base building gas invoices	Invoices covering FY13	Melisa Pirrello, 23/7/13
DEXUS Green Power Allocation	Rolling 4th Qtr 2012 DEXUS Green Power Report_Oct Dec 12_20130430.xlsx/ Rolling 1st Qtr 2013 Q1 GP ACTUAL 20130430.xlsx/ Rolling 3rd Qtr 2012 DEXUS Green Power Report_July Aug Sept12V2_20121213.xlsx	Melisa Pirrello, 23/7/13
Flight details summary	Goldman air spend FY12-13.xls	Melisa Pirrello, 23/7/13
Refrigerants - technical details	Equipment nameplate data viewed during site audit	Melisa Pirrello, 15/7/13
Waste report	W&R 343 George St MAR13 WASTE.xls	Melisa Pirrello, 23/7/13
Taxi records	DEXUS company accounts ledger	Melisa Pirrello, 23/7/13
Car hire records	DEXUS company accounts ledger	Melisa Pirrello, 23/7/13
Employee mileage records	Claim code downloads	Melisa Pirrello, 23/7/13
Correspondence relating to paper usage	Invoices from paper supplier	Melisa Pirrello, 23/7/13
EPA Victoria office paper emissions factors	1374.pdf	EPA Victoria 2011
2010 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting: Methodology Paper for Emission Factors	DEFRA 101006-guidelines-ghg-conversion-factors.pdf	DEFRA UK 2010
National Greenhouse Accounts (NGA) Factors for 2012-13 financial year	national-greenhouse-factors-july-2013.pdf	Australian Government Department of Climate Change and Energy Efficiency July 2013
ABS Report on average fuel efficiency of motor vehicles in Australia.	http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/4576F71CCF2E9F65CA2578F4001E5E98/\$File/92080_12%20months%20ended%2031%20october%202010.pdf	Australian Bureau of Statistics 23/08/011
AGO Factors and Methods Workbook	AGO Factors and Methods Workbook – December 2006	Australian Greenhouse Office Dec 2006
Global warming potentials for refrigerants from the IPCC	Greenhouse Warming Potential– IPCC, fourth assessment 2007- Changes in Atmospheric Constituents in Radiative Forcing	IPCC 2007