

INDEPENDENT VERIFICATION STATEMENT

TO THE MANAGEMENT OF NELSON CITY COUNCIL

Reporter: Nelson City Council/te kaunihera o whakatū
Registered address: 110 Trafalgar Street, Nelson 7010, New Zealand

McHugh & Shaw Limited was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Nelson City Council for the period of 1 July 2020 to 30 June 2021. The verification was completed during the months December 2021 to March 2022. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Nelson City Council. McHugh & Shaw Limited was not involved in determining the GHG emissions. Our sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyse and review the information.

This statement is only to be used for the purpose that it was intended i.e. to report against measured greenhouse gas emissions in accordance with the mandatory requirements of ISO 14064-1.

This statement is not to be used to make any claims including but not limited to:

- Certification to ISO 14064-1;
- Compliance to ISO 14064-1;
- Carbon neutrality (outside of the Ekos certification programme); and
- Verified emission reductions from base year where McHugh & Shaw Limited have not been the verifiers for all years covered by the reduction claim.

ENVIRONMENTAL CLAIMS

Information regarding your responsibility when making environmental or carbon claims under the Fair Trading Act is available at the New Zealand Commerce Commissions website (www.comcom.govt.nz). It is important to be read this information before considering making an environmental claim <https://comcom.govt.nz/business/dealing-with-typical-situations/environmental-claims>. If you are making a claim outside of New Zealand then check the legal requirements for that Country.

Boundaries of the reporting company GHG emissions covered by the verification

- Operational Control
- Nelson City Council jurisdiction

Emissions data verified

- GHG Report Reference: EIR 2020_2021 (A2811077).pdf
- GHG Calculations Reference: 2020-21 Inventory.xlsx

Verified GHG Emissions and Removals by Category (metric tonnes CO₂e)

Table 1: GHG emissions data summary (tCO₂e).

	Base year (Adj.)	2021
Category 1	1,927.81	1,369.43
Category 2	1,083.74	899.72
Category 3	109.78	26.61
Category 4	24.44	98.35
Category 5	N/A	N/A
Category 6	N/A	N/A
Total NCC	3,145.79	2,394.11
Joint Committee Emissions	20,981.59	13,805.96
TOTAL	24,127.38	16,200.07
Certified green electricity	0	0
Purchased emission reductions	0	22.99
Net GHG emissions (all scopes)	24,127.38	16,177.08
Total gross GHG emissions per Population	0.466	0.305
Total mandatory GHG emissions per Population	0.061	0.045
Total gross GHG emissions per Rateable Units	1.082	0.710
Total mandatory GHG emissions per Rateable Units	0.141	0.105
Total gross GHG emissions per Turnover/revenue (\$Millions)	208.98	124.964
Total mandatory GHG emissions per Turnover/revenue (\$Millions)	27.25	20.736

Note:

- Data and information supporting the Scope 1/Category 1 and Scope 2/Category 2 GHG emissions assertion were historical in nature.
- Data and information supporting the Scope 3/Category 3-6 GHG emissions assertion were in some cases estimated rather than historical in nature.

Period covered by GHG emissions verification

- 1 July 2020 to 30 June 2021

Base year (baseline)

- 1 July 2017 to 30 June 2018
- 24,127.38 total Gross GHG Emissions (tCO₂e)
- 24,127.38 total Net GHG Emissions (tCO₂e)
- The base year was not verified by McHugh & Shaw Limited, and no opinion is provided.

GHG Reporting Protocols against which verification was conducted

- ISO 14064-1: 2018 Greenhouse gases -- Part 1: Specification with guidance at the organisational level for quantification and reporting of greenhouse gas emissions and removals.

GHG Verification Protocol(s)

- ISO 14064-3:2019 Greenhouse gases -- Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions

GHG Verification Methodology

A risk assessment and evidence gathering plan was completed. Our verification strategy used a combined data and controls testing approach. Evidence-gathering procedures included but were not limited to the following:

- Review of the GHG Report written by Nelson City Council;
- Review of the GHG Calculations as provided by Nelson City Council;
- Testing, tracing and retracing of data trails back to primary data;
- Evaluation of relationships among GHG and non-GHG data;
- Interview of personnel involved in data collection;
- Evidence to support the scope, organisational and legal structure reported;
- Site visits (Head Office, Bells WWTP, York Valley Landfill, Nelson Swimming Pool) to inspect the completeness of the inventory including interview of site personnel to confirm operational behaviour and any standard operating procedures and sample of site based records;
- Review of primary data including finance system reports, supplier invoices, waste reports and supporting evidence (monitoring results) for the inputs into the Waste Water Treatment Plant (WWTP) calculations.

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- Review of emissions factors used within the calculator for source appropriateness; and
- Review of assumptions, quantification methodologies and the setting of operational boundaries.

Verification findings were issued and tracked on a separate finding log as part of the verification working papers.

Projected emission reductions or removal enhancements

The reporter did not seek validation of projected emission reductions or removal enhancements. There is a reduction strategy in place.

Achieved Level of Assurance

- Scope 1/Category 1 and Scope 2/ISO Category 2 Emissions: Reasonable Assurance
- Scope 3/ISO Category 3-6 Emissions: Limited Assurance

Assurance Opinion

Based on the verification process and procedures conducted, we conclude that:

- The Scope 1/Category 1 and Scope 2/Category 2 GHG Emissions assertions shown above are materially correct and are a fair representation of the data and information
- There is no evidence that the Scope 3/Category 3-6 GHG Emissions assertion shown above is not materially correct or not a fair representation of the GHG emissions data set; and
- Nelson City Council has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of GHG emissions for the stated period and boundaries, and has implemented underlying internal assurance practices that provide a reasonable degree of confidence that such information is complete and accurate.

Qualifications

- The WWTP emissions were calculated using an accepted model from Water New Zealand published in August 2021. The inputs into the model and application of the model were verified and no material errors were identified. No assurance is given to the methodology provided by Water New Zealand.
- The ISO 14064-1:2018 Standard requires biogenic anthropogenic carbon dioxide emissions to be reported separately. Biogenic carbon dioxide emissions were not included in the greenhouse gas calculations and gross emissions reported but could not be calculated accurately and reported separately.
- Neither of the two items above materially impact on the intended use of the GHG Report, but these are noted as deviations from the ISO 14064-1:2018 requirements.

Statement of independence, impartiality and competence

McHugh & Shaw Limited is an independent professional services company that specialises in greenhouse gas and environmental management with over 10 years history in providing auditing, assessment and verification services.

No member of the verification team has a business relationship with Nelson City Council, its elected members or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

The verification team has extensive experience in conducting assurance over environmental, quality, sustainability and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of the methodology for the verification of greenhouse gas emissions data.



Jeska McHugh, Lead Verifier
McHugh & Shaw Limited

Christchurch, New Zealand
14 April 2022



Maree Smith, Independent Reviewer
McHugh & Shaw Limited

Dublin, Ireland
14 April 2022

This verification statement, including the opinion expressed herein, is provided to Nelson City Council and is solely for the benefit of Nelson City Council in accordance with the terms of our agreement. We consent to the release of this statement by you to interested parties but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this statement. Any correspondence regarding this statement is to be directed to info@mchughandshaw.co.nz.