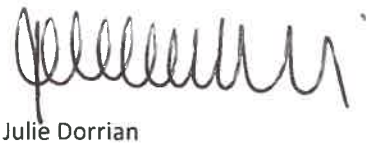
COMPANY NAME: Australia and New Zealand Banking Group

REPORTING PERIOD: 1 July 2014 – 30 June 2015

Declaration

To the best of my knowledge, the information provided in this Public Disclosure Summary is true and correct and meets the requirements of the National Carbon Offset Standard Carbon Neutral Program.



Julie Dorrian

Head of PMO and Best Practice, ANZ

Type of carbon neutral certification: Organisation

Verification

Date of most recent external verification/audit: October 2015

Auditor: KPMG

Auditor assurance statement link:

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1. Carbon neutral information

Introduction

ANZ provides a range of banking and financial products and services to around 10 million customers globally and employs over 50,000 people worldwide. Australia is the largest of ANZ's 34 markets, serving approximately six million Retail and Commercial customers through a network of around 800 branches, 115 business centres, 20 commercial facilities, 2,700 ATMs and leading online and mobile banking applications.

The organisational boundary includes all Australian-based facilities coming under the operational control of ANZ including branches, commercial facilities, data centres and non-branch ATMs. Other sources of emissions coming under the operational control of ANZ include those arising from the operation of tool-of-trade vehicles and rental cars. It also includes other indirect sources of emissions that occur upstream of the Australian-based operations of ANZ. This includes the production of office and customer paper purchased by ANZ during the reporting year; upstream emissions of purchased fuels (liquid and gaseous) and electricity; transmission and distribution losses associated with purchased electricity and gas; disposal of waste generated from ANZ's operations to landfill; domestic and international business travel of Australian-based employees of ANZ including air travel, taxis, hotel accommodation and business-related travel in private vehicles; employee commuting from 15 of ANZ's major commercial office locations and the operation of shared services and infrastructure in buildings in which ANZ is a tenant ('base-building' emissions).

ANZ's Greenhouse Gas Inventory has been prepared in accordance with the WRI/WBCSD 'Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard' and the NCOS. The reporting period for this inventory is July 1 2014 – June 30 2015. The inventory incorporates all six greenhouse gases listed under the Kyoto Protocol:

- Carbon dioxide (CO_2)
- Methane (CH_4)
- Nitrous oxide (N_2O)
- Hydrofluorocarbons (HFCs)
- Hydrofluroethers (HFEs)
- Perfluorocarbons (PFCs)
- Sulphur Hexafluoride (SF_6)

Emission sources within certification boundary

Quantified sources

The following emissions sources have been included in ANZ's Greenhouse Gas Inventory for 2014-15:

Scope 1

- Natural Gas (for stationary energy and electricity generation purposes)
- Diesel (for stationary energy and electricity generation purposes)
- Liquid Fuel Use (tool-of-trade vehicles)
- Liquid Fuel Use (rental vehicles)

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- Wastewater Treatment (Commercial Wastewater)

Scope 2

- Electricity purchases from grid

Scope 3

- Natural Gas (Stationary Energy and Electricity Generation) - Transmission and Distribution Losses
- Diesel (Stationary Energy and Electricity Generation) - Fuel Extraction, Production and Transport
- Liquid Fuel Use (tool-of-trade vehicles) - Fuel Extraction, Production and Transport
- Liquid Fuel Use (rental vehicles) - Fuel Extraction, Production and Transport
- Electricity Purchases - (Fuel extraction, transmission and distribution losses)
- Other business-related road travel (taxis and private vehicles)
- Employee Commuting (15 commercial office locations)
- Air Travel
- Hotel Accommodation
- Paper use (internal and customer end use)
- Waste to landfill
- Other building energy use (proportionate base building emissions)

Non-quantified sources

Emission Source	Scope	Justification for exclusion and implications for footprint
Leakage of hydrofluorocarbon refrigerants from commercial chiller units	1	• Data on refrigerant re-charging or the capacity of chiller units is not centrally collated to allow an estimation of emissions from this source. It is not currently technically feasible for ANZ to estimate emissions from this source. • Likely low level of impact (<1%)
Upstream transportation and distribution	3	• As a provider of banking and financial services, ANZ is not a significant purchaser or producer of physical products that require transportation and distribution. For those physical products that ANZ does purchase eg paper, these are accounted for under the paper emission source which uses an LCA accounting methodology • Likely low level of impact (<1%)
Capital Goods		• ANZ recognizes that there are embedded emissions in capital goods used by the organization in providing banking and financial services to its customers. However it has been deemed not to represent a material source of Scope 3 emissions for the following reasons: Firstly, ANZ has a limited ability to influence emissions reductions activities of the producers of materials that make up the finished capital goods that we purchase each year. Secondly the emissions embedded in capital goods do not make a material contribution to ANZ's risk exposure and as such have not been deemed critical by our key

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Emission Source	Scope	Justification for exclusion and implications for footprint
		stakeholders. Thirdly, most of the computers and office machines in our branches and commercial offices across 34 countries are leased with our suppliers responsible for end-of-life processing and recycling. Notwithstanding, ANZ does incorporate sustainability criteria in the competitive tender processes for goods such as computers, office furniture and office fittings and gives active consideration to these criteria when selecting winning tenders for the provision of these goods.
Business Travel (Public Transport)	3	• ANZ does not currently incorporate emissions that are associated with business travel on public transport (eg buses, trams & trains) into its global GHG inventory. It is estimated they make a small contribution to the business travel emissions of ANZ. • Likely low level of impact (<1%)
Use of sold products (internet and mobile banking)	3	• ANZ offers both internet and mobile banking platforms to our customers. It is recognised that the provision of these platforms results in indirect consumption of energy that is associated with the electricity used to operate/recharge the devices that customers use to access these platforms. While there are millions of transactions performed by our customers on these platforms each year, this is deemed to be a minor source of Scope 3 emissions due to the small amounts of electricity required to charge modern-day smartphones and tablets and the fact that these devices are used for a multitude of purposes beyond banking. • Likely low level of impact (<1%)

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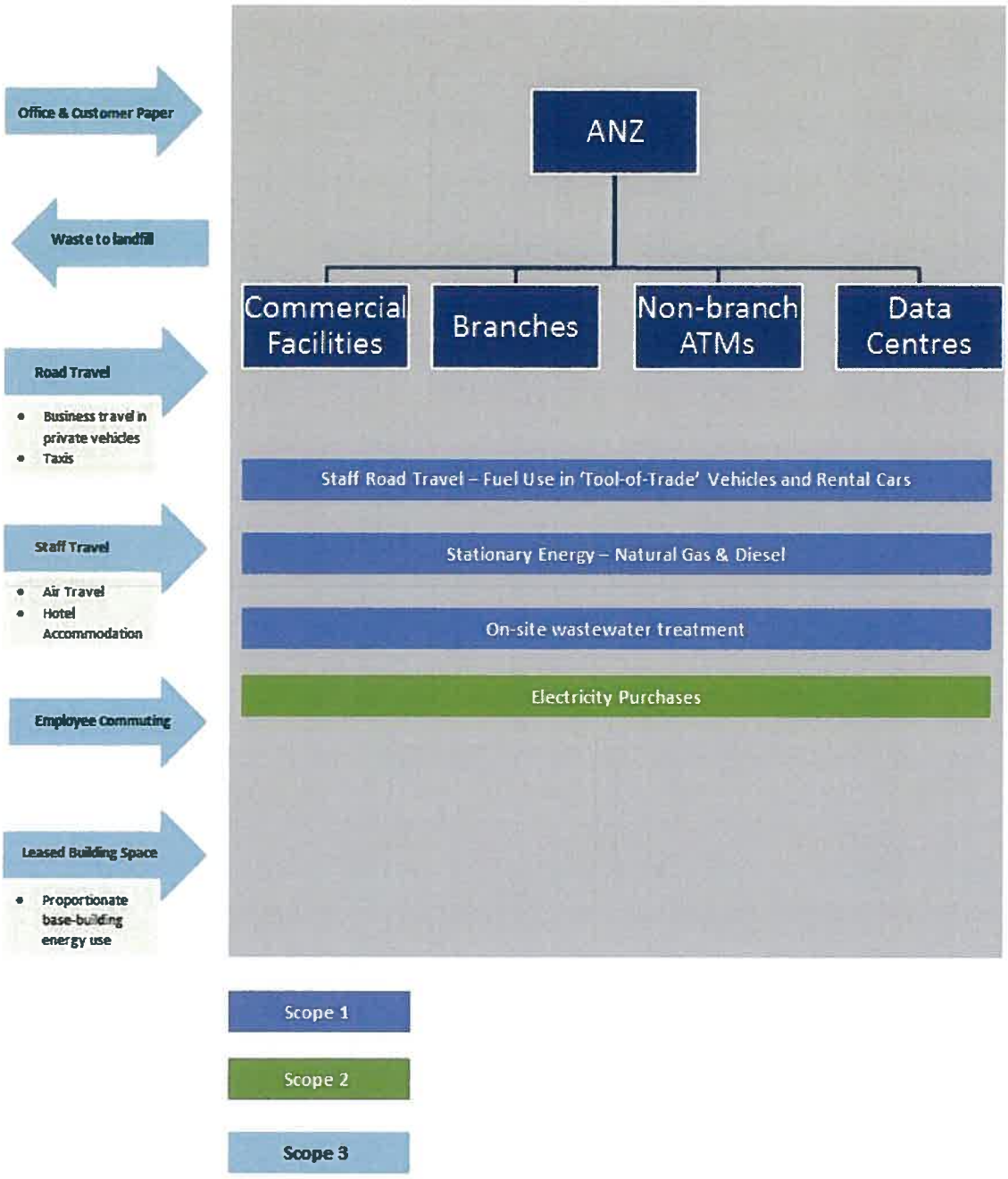
Diagram of certification boundary



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2. Emissions reduction measures

Part A. Emissions over time

Table 1. Emissions since base year

	Oct 10 – Sep 11 Base Year	Jul 12 – Jun 13	Jul 2013- Jun 2014	Jul 2014- Jun 2015 Current year
Scope 1	7,652	7,998	8,382	8,048
Scope 2	159,065	155,208	146,549	139,451
Scope 3	101,883	88,642	87,748	81,097
Total	**268,600 t CO_2-e**	**251,848 t CO_2-e**	**242,679 t CO_2-e**	**228,596 t CO_2-e**

Part B. Emissions reduction strategy

ANZ's greenhouse gas emissions profile is dominated by two main sources; 1) the consumption of electricity in our large property portfolio across Australia; and 2) the travel our staff need to undertake to ensure we are delivering high quality banking services to almost 10 million customers globally.

We aim to minimise the use of resources in our operations through the efficient consumption of energy within our buildings, including commercial offices, retail branches and data centres. We also seek to use lower-carbon sources of energy where possible including the use of a gas-fired trigeneration plant at our Melbourne Head Office facility that reduces our reliance on more carbon-intensive electricity sourced from the grid. We also utilise solar electricity at two of our facilities including the rooftop of our Head Office.

To reduce emissions from air travel, ANZ encourages staff to use technologies such as video conferencing that are now widely available in our key commercial office locations where the majority of our staff are located and have a very high degree of utilisation.

To ensure that we are meeting this energy reduction goal ANZ has adopted a framework of:

- reviewing energy consumption within its operations
- developing a plan to reduce energy consumption
- funding and implementing energy efficiency opportunities
- monitoring the outcomes of energy efficiency projects.

Part C. Emissions reduction actions

In 2014-15, ANZ managed to achieve a 5 percent reduction in electricity use from the previous year which translated into emissions savings of around 9,640 tonnes of CO_2-e (Scope 2 & 3). This significant reduction in electricity use has been achieved through a combination of energy efficiency initiatives and consolidation of our property portfolio into smaller, more efficient building space. Lighting upgrades in several of our key commercial office locations were responsible for a large portion of electricity and

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emissions savings from the previous year. We have also managed to contain growth in electricity use at our data centres to 1.2% from the previous year which compares to almost 10% annualised growth in the three years between 2011-2014. Reducing growth in energy consumption at our data centres has proved a significant challenge for ANZ and indeed many companies across the banking and financial services sector. This is due to the significant increase in demand for digital banking services from our customers that has required a corresponding large expansion in technology infrastructure to support this growth. The fact that we have contained growth in our data centre electricity use to 1% from the previous year means that the benefits of energy efficiency initiatives across our ret ail and commercial office network are having much more of an impact on our overall carbon emissions arising from our Australian-based operations.

ANZ also managed to reduce emissions from air travel by more than a 1,000 tonnes of CO_2-e from the previous year. While this is partially a function of the improved efficiency of commercial airline fleets, it is also due to the widespread availability of technology such as video conferencing that is assisting our staff to avoid and/or minimise travel that can also help deliver improvements in staff productivity and work-life balance.

3. Emissions summary

Table 2. Emissions Summary

Scope	Emission source	t CO_2-e
1	Natural Gas (for stationary energy and electricity generation purposes)	2,838
1	Diesel (for stationary energy and electricity generation purposes)	213
1	Liquid Fuel Use (tool-of-trade vehicles)	4,777
1	Liquid Fuel Use (rental vehicles)	70
2	Wastewater Treatment (Commercial Wastewater)	150
2	Electricity purchases from grid	139,449
3	Natural Gas (Stationary Energy and Electricity Generation) - Transmission and Distribution Losses	216
3	Diesel (Stationary Energy and Electricity Generation) - Fuel Extraction, Production and Transport	16
3	Liquid Fuel Use (tool-of-trade vehicles) - Fuel Extraction, Production and Transport	375
3	Liquid Fuel Use (rental vehicles) - Fuel Extraction, Production and Transport	7
3	Electricity Purchases - (Fuel extraction, transmission and distribution losses)	18,535
3	Other business-related road travel (taxis and private vehicles)	1,920
3	Employee Commuting (15 commercial office locations)	19,404
3	Air Travel	26,143
3	Hotel Accommodation	3,542
3	Paper use (internal and customer end use)	3,897
3	Waste to landfill	974
3	Other building energy use (proportionate base building emissions)	6,070
3	NCOS certified carbon neutral product- Office Paper 431 tonnes	0
Total Gross Emissions		228,596
GreenPower or retired LGCs		0

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Table 2. Emissions Summary		
Scope	Emission source	t CO_2-e
Total Net Emissions		228,596

4. Carbon offsets

Part A. Offsets summary

Table 3. Offsets Summary			
Offset type and registry	Year retired	Quantity	Serial numbers
Voluntary Carbon Standard VCUs Markit Registry	2015	1,087	3173-144431379-144432465-VCU-013-MER-CN-1-1040-14032008-31122008-0
Voluntary Carbon Standard VCUs Markit Registry	2015	82,755	4062-173567652-173650406-VCU-013-MER-CN-1-1040-01012010-17122010-0
Voluntary Carbon Standard VCUs Markit Registry	2015	101,421	4061-173466231-173567651-VCU-013-MER-CN-1-1040-01012009-31122009-0
Voluntary Carbon Standard VCUs Markit Registry	2015	34,737	4060-173431494-173466230-VCU-013-MER-CN-1-1040-14032008-31122008-0
The Gold Standard VERs Markit Registry	2015	182	GS1-1-VN-GS1083-4-2011-1304-163402 to 163583
The Gold Standard VERs Markit Registry	2015	1,036	GS1-1-VN-GS1083-4-2010-1338-139813 to 140848
The Gold Standard VERs Markit Registry	2015	38,782	GS1-1-VN-GS1083-4-2012-4267-69306 to 108087
Total offsets retired			260,000

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Table 3. Offsets Summary			
Offset type and registry	Year retired	Quantity	Serial numbers
Net emissions			228,596
Total offsets held in surplus to offset ANZ's remaining global emissions and/or for future years: (GS1-1-VN-GS1083-4-2012-4267-69306 to 108087)			31,404

Part B. Offsets purchasing and retirement strategy

Each year, ANZ offsets all measured Global Scope 1, 2 and 3 emissions on a retrospective basis. Carbon offsets are retired within 120 days from 30 June of each year. ANZ's carbon offsets approach is in line with the Australian Government's National Carbon Offset Standard requirements for eligible offsets. There is an annual retrospective reconciliation process of Global Scope 1, 2, and 3 emissions to carbon offsets retired for the reporting year.

As offset purchases are typically made in tranches typically exceeding 10,000 t CO_2-e, ANZ will bank any surplus (cancelled) offsets for use in future reporting periods or to offset our remaining emissions from our global operations.

Table 3 above shows a surplus of 31,404 offsets from those purchased and retired in 2015 relative to our 2014-15 Australian carbon footprint. These surplus offsets will be pooled with those banked from 2014 to offset our remaining global carbon emissions for 2014-15. Any surplus (retired) offsets left after that will be banked to help deliver on our carbon neutral commitment for 2015-16.

Part C. Offset projects (Co-benefits)

As part of our commitment to carbon neutrality, we continue to support carbon abatement projects that assist communities in the markets in which we operate. In 2015, we have procured 220,000 tonnes of carbon offsets derived from wind power generation in the Hangjin County of West Inner Mongolia, and 40,000 tonnes of carbon offsets from a residential biogas project operating across Vietnam.

The biogas project focusses on the provision of clean energy from bio-digesters which utilise animal and household waste, previously under-utilised and deemed contributory to unhygienic domestic environments. The biogas is used for heating, cooking and lighting, and removes the drudgery and significant time incurred by women collecting wood for the aforementioned purposes. This project also creates rural jobs and supports the development of a growing commercial biogas sector. The project is the first Gold Standard project in Vietnam and has won three international awards including the 2012 World Energy Award, an Ashden Award for sustainable energy in 2010, and the Energy Globe Award in 2006.

The wind project of West Inner Mongolia consists of 66 wind turbines, each with a nominal capacity of 0.75MW to provide a total capacity of 49.5MW. Prior to the implementation of the wind power project there was no power generation unit at the site to provide a reliable source of electricity. In the absence of the wind farm project, electricity delivered to the grid by the project activity would have been generated by the power plants connected with the North China Power Grid, which is dominated by fossil-fuel fired power plants. The project has therefore helped to not only reduce GHG emissions but also mitigate local environmental pollution caused by air emissions from fossil fuel fired power plants.

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