

Australian Government

Carbon Neutral Program

Public Disclosure Summary




An Australian Government Initiative

COMPANY NAME: Australia and New Zealand Banking Group

REPORTING PERIOD: 1 July 2016 to 30 June 2017

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.

Signature 	Date: 30 October 2017
Name of Signatory: Mel Cutler	
Position of Signatory: Head of Environmental Sustainability	

Carbon neutral certification category	Organisation
Date of most recent external verification/audit	30 October 2017
Auditor	KPMG
Auditor assurance statement link	www.anz.com/about-us/corporate-sustainability/reporting-performance/sustainability-reporting/



Australian Government
Department of the Environment and Energy

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1. Carbon neutral information

1A. Introduction

ANZ is one of the five largest listed companies in Australia and number one bank in New Zealand with market capitalisation of AU\$93.4b and total assets of \$AUD896.5 billion as at 31 March 2017¹. We operate in 34 markets across Australia, New Zealand, Asia, Pacific, Europe, America and the Middle East².

Our ~46,000 staff serve retail, commercial and institutional customers through consumer and corporate offerings in our core markets and regional trade and capital flows across the region. We have over 55,000 shareholders with 41.8% being retail shareholders and 72.5% domestic shareholders.

Australia is the largest of ANZ's markets, serving approximately six million Retail and Commercial customers through a network of over 600 branches, 2 data centres, 18 commercial sites and in excess of 2,000 ATMs

We use the operational control consolidation approach to establish our organisational boundary and identify our emissions sources. Our organisational boundary includes all Australian-based facilities we have operational control over including branches, commercial facilities, data centres and ATMs. Emissions arising from these facilities include consumption of fuel using our vehicle fleet and rental cars. We also capture and report data for purchased electricity from the grid and broader indirect emissions that occur either upstream or downstream of our facilities including: consumption of office and customer paper; upstream lifecycle emissions of purchased fuels (liquid and gaseous) and electricity; transmission and distribution losses associated with purchased electricity and gas; waste to landfill; employee domestic and international business travel (flights, taxis, hotel accommodation and business-related travel in private vehicles); employee commuting from 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 National Carbon Offset Standard (NCOS). The reporting period for this inventory is 1 July 2016 – 30 June 2017. The inventory incorporates all six greenhouse gases listed under the Kyoto Protocol:

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur Hexafluoride (SF₆)

1B. Emission sources within certification boundary

Quantified sources

The following emissions sources have been included in ANZ's Greenhouse Gas Inventory for 2016/17:

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)
- Wastewater Treatment (Commercial Wastewater)

¹ 2017 Half Year Results, Dividend Announcement & Appendix 4D (<http://shareholder.anz.com/node/13545>)

² <http://shareholder.anz.com/our-company/profile/facts>

Scope 2

- Electricity purchased 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)
- Water

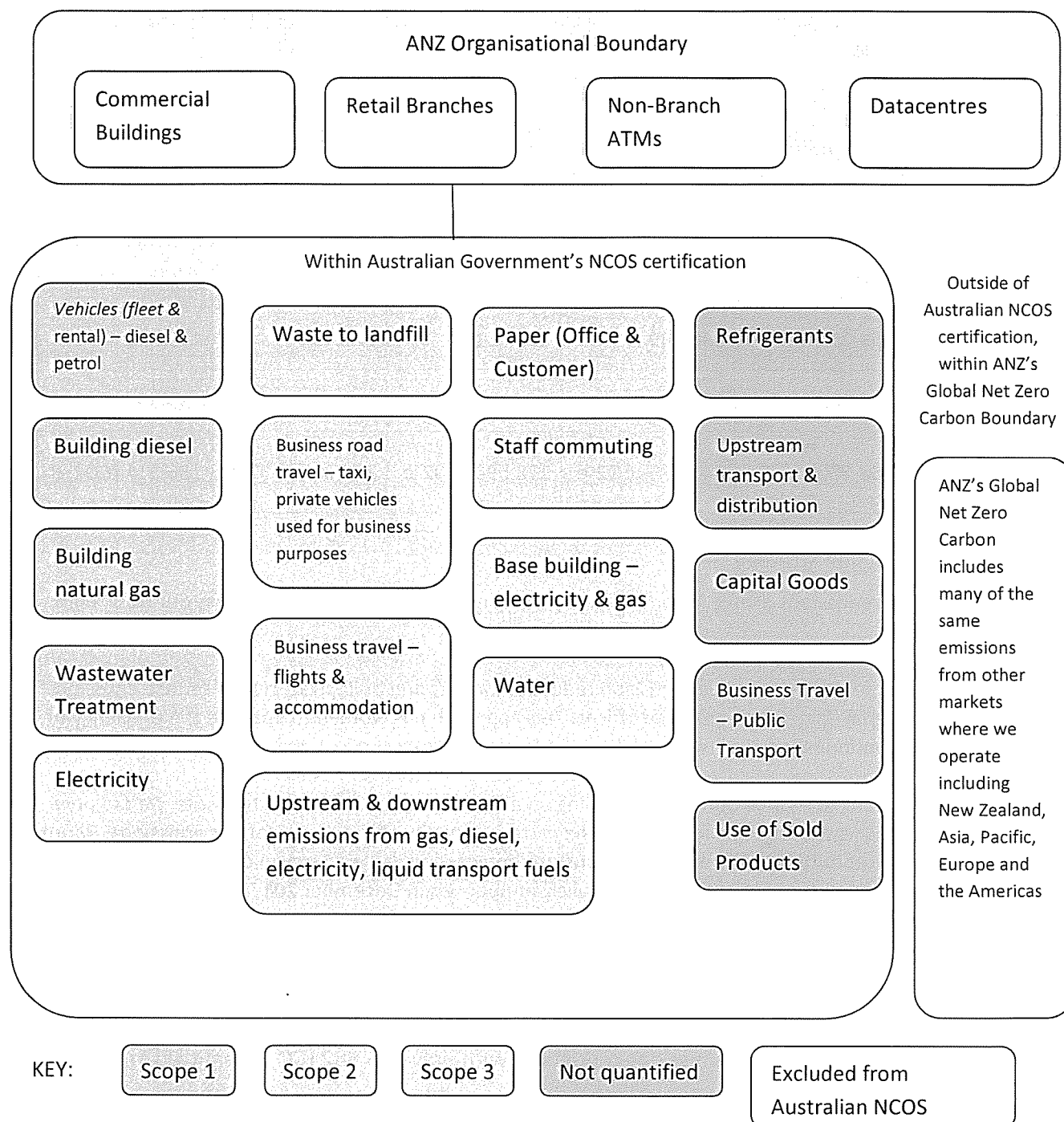
Non-quantified sources

The following emission sources have not been quantified in line with the provisions in the NCOS. The impact of excluding these sources is not expected to materially affect the overall total emissions.

Emission Source	Scope	Justification for exclusion and implications for footprint
Leakage of hydrofluorocarbon refrigerants from commercial chiller units	1	<ul style="list-style-type: none"> • Data on refrigerant recharging or the capacity of chiller units is not centrally collated to allow estimation of emissions from this source. It is not currently technically feasible for ANZ to estimate emissions from this source
Upstream transportation and distribution	3	<ul style="list-style-type: none"> • 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 e.g. paper, these are accounted for under the paper emission source which uses an LCA accounting methodology • Likely low level of impact (<1%)
Capital Goods	3	<ul style="list-style-type: none"> • ANZ recognizes that there are embedded emissions in capital goods used by the organisation 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 stakeholders. Thirdly, most of the computers and office machines in our branches and commercial offices 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

Emission Source	Scope	Justification for exclusion and implications for footprint
		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	<ul style="list-style-type: none"> ANZ does not currently incorporate emissions that are associated with business travel on public transport (e.g. 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	<ul style="list-style-type: none"> 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%)

1C. Diagram of the certification boundary



2. Emissions reduction measures

2A. Emissions over time

	Table 1. Emissions since base year				
	Base Year Oct 10-Sep 11	Jul 13-Jun 14	Jul 14 – Jun 15	Jul 15 – Jun 16	Current Year Jul 16-Jun 17
Scope 1	7,652	8,382	8,048	8,295	7,516
Scope 2	159,065	146,549	139,451	128,456	119,365
Scope 3	101,883	87,748	81,097	69,910	59,630
Total	268,600 tCO ₂ -e	242,679 tCO ₂ -e	228,596 tCO ₂ -e	206,661 tCO ₂ -e	186,511 tCO ₂ -e

2B. Emissions reduction strategy

Our greenhouse gas emissions profile is dominated by the consumption of electricity across our Australian property portfolio.

Historically ANZ has set itself three year emission reduction targets and built strategies to reduce emissions from our most material (largest) commercial offices. This approach has worked to improve the efficiency of our buildings and continues to help lower our overall operational costs.

While we have no plans to reduce our efforts building an efficient portfolio of property assets, we are now working to enhance this approach by focusing on the carbon intensity of the source of our emissions. More specifically, we are committed to increasing the consumption of renewable energy in our Australian building premises with a new bank target to be publicly announced in December 2017.

2C. Emissions reduction actions

When compared to ANZ's FY16 NGER submission (specific to scope one and two emissions), ANZ has achieved a:

- 7.2% greenhouse gas emissions reduction, with only 126,882 tCO₂-e emitted in FY17.
- 5.9% energy (gas, electricity, liquid fuel) consumption reduction, with 572,730 gigajoules (GJ) consumed in FY17.
 - 9% decrease from FY16 commercial electricity use. Largest site-specific reductions were 16% and 15% for 55 Collins (55CSM) and 347 Kent Streets (347KSS) respectively. At ANZ's Global Headquarters we focused on recommissioning our after-hours lighting and introducing LED technology for back of house which reduced consumption in these areas by 40%.
 - 7% decrease from FY16 retail electricity use.

We have also seen some reductions across our scope three emissions, for example a 5% reduction associated with our travel.

We achieved these reductions through focusing on reducing emissions from our highest impact sites and continuing our efforts to utilise technology, rather than travel to communicate with customers and staff.

3. Emissions summary

Table 2. Emissions Summary

Scope	Emission source	t CO ₂ -e
1	Natural Gas (for stationary energy and electricity generation purposes)	2,702
1	Diesel (for stationary energy and electricity generation purposes)	253
1	Liquid Fuel Use (tool-of-trade vehicles & rental vehicles)	4,425
1	Wastewater Treatment (Commercial Wastewater)	136
2	Electricity purchases from grid	119,365
3	Natural Gas (Stationary Energy and Electricity Generation) - Transmission and Distribution Losses	205
3	Diesel (Stationary Energy and Electricity Generation) - Fuel Extraction, Production and Transport	13
3	Liquid Fuel Use (tool-of-trade vehicles & rental vehicles) - Fuel Extraction, Production and Transport	233
3	Electricity Purchases - (Fuel extraction, transmission and distribution losses)	13,107
3	Other business-related road travel (taxis and private vehicles)	1,705
3	Employee Commuting (15 commercial office locations)	17,928
3	Air Travel	17,784
3	Hotel Accommodation	2,838
3	Paper use (internal and customer end use)	2,736
3	Waste to landfill	924
3	Other building energy use (proportionate base building emissions)	1,828
3	NCOS certified carbon neutral product - Office Paper 509 tonnes	0
3	Water	329
Total Gross Emissions		186,511
GreenPower or retired LGCs		0
Total Net Emissions		186,511

4. Carbon offsets

4A. Offsets summary

Table 3. Offsets Summary			
Offset type and registry	Year cancelled	Quantity	Serial numbers
<i>The Gold Standard Voluntary Emissions Reductions (Gold Standard Registry)</i>	2017	3353	GS1-1-LA-GS2095-16-2014-5974-69 to 3421
<i>The Gold Standard Voluntary Emissions Reductions (Gold Standard Registry)</i>	2017	6647	GS1-1-LA-GS2095-16-2015-5973-322 to 6968
<i>Voluntary Carbon Standard Units (Markit Registry)</i>	2016	33,713	4641-191723809-191893808-VCU-048-APX-IN-1-1353-01012012-31122012-0
<i>Voluntary Carbon Standard Units (Markit Registry)</i>	2017	67,299	5199-215619371-215718467-VCU-034-APX-IN-1-706-01012014-31122014-0
<i>Voluntary Carbon Standard Units (Markit Registry)</i>	2017	72,264	5203-215789058-215861321-VCU-034-APX-IN-1-706-01012015-31122015-0
<i>Australian Carbon Credit Units Registry</i>	2017	3,235	3,755,677,274 - 3,755,680,508
Total offset units cancelled			186,511
Net emissions after offsetting			0

4B. Offsets purchasing and cancellation strategy

We offset our global scope 1, 2 and 3 emissions each year on a retrospective basis and retire carbon credits within 120 days of the end of our reporting period. Any surplus offsets are held for future use in future reporting periods.

ANZ's Purpose to 'Shape a world where people and communities thrive' is an ideal backdrop for ANZ maintaining our Net Zero Carbon status and procuring a larger portion of offsets from projects which deliver abatement as well as a variety of added socio-economic benefits.

4C. Offset projects (Co-benefits)

In 2017 ANZ has purchased and retired our first Australian Carbon Credit Units (ACCU's) from a North East Arnhem Land Fire Abatement Project. This project involves strategic and planned burning of savanna areas in high rainfall zones during the early dry season to reduce the risk of late dry season wild fires.

In addition, ANZ has again supported the Laos Ceramic Water Purifier project for a second consecutive year. This project uses locally manufactured ceramic filters to remove bacteria, parasites and suspended solids from drinking water. The filters remove water-borne bacteria resulting in reduced health issues associated with drinking raw-source water. The distribution of water filters to Laotian communities avoids greenhouse gas emissions by removing the need for households to boil unfiltered water with charcoal or wood. More on this project is available from:

www.anz.com/about-us/corporate-sustainability/environmental-sustainability/footprint/carbon-neutral/

In December 2017 ANZ Laos is supporting the distribution of water filters into 12 schools across the Udomxai Province. Schools which otherwise have no access to clean drinking water. More than 1,300 students are expected to benefit from this program.

5. Use of trade mark

ANZ did not use the NCOS trademark during the reporting period.

6. Have you done more?

During FY17 we reviewed and revised our Net Zero Carbon status to ensure we remain focused on the ongoing journey to reduce our footprint and deliver positive socio-enviro benefits. Our Net Zero Carbon journey is communicated on our website: <http://www.anz.com/about-us/corporate-sustainability/environmental-sustainability/footprint/carbon-neutral/>