Australian Government

Carbon Neutral Program

Public Disclosure Summary

An Australian Government Initiative

NAME OF CERTIFIED ENTITY: Australia and New Zealand Banking Group

REPORTING PERIOD: 1 July 2018 to 30 June 2019

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.

	Date 30 October 2019
Name of Signatory Jeff Elliott	
Position of Signatory Environmental Sustainability Change Lead	

Carbon neutral certification category	Organisation
Date of most recent external verification/audit	26 October 2017, noting the Australian Government requires NCOS documentation to be audited every third year. 30 October 2019 is the most recent audit of ANZ's Global Inventory and Carbon Offset Data (broader than NCOS parameters).
Auditor	KPMG
Auditor assurance statement link	https://www.anz.com.au/about-us/sustainability/reporting/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$73.7b and total assets of $AUD980.3 billion as at 31 March 2019[1]. We operate in more than 33 markets across Australia, New Zealand, Asia, Pacific, Europe, America and the Middle East[2]. Our ~40,000 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 50,000 shareholders with 43% being retail shareholders (by value) and 74% domestic shareholders (by value).

- Australia is the ANZ's largest market, serving approximately six million Retail and Commercial customers through a network of around 600 branches, 30 business centres, 2,000 ATM's (including 800+ Smart ATMs) and leading online and mobile banking applications (as at 29 December 2018).
- 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 fuels including our vehicle fleet and rental cars;
    - purchased electricity from the grid;
    - 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;
        - operation of shared services and infrastructure in buildings in which ANZ is a tenant ('base-building' emissions); and
        - emissions from water reticulation (purchased water).

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 2018 – 30 June 2019. The inventory incorporates all seven greenhouse gases listed under the Kyoto Protocol:

- Carbon dioxide (CO2)
- Methane (CH4)
- Nitrous oxide (N2O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur Hexafluoride (SF6)
- Nitrogen Trifluoride (NF3)

[1] 2019 Half Year Results, Dividend Announcement & Appendix 4D (https://www.anz.com/shareholder/centre/investor-toolkit/asx-announcements/#)

[2] https://www.anz.com/shareholder/centre/about/

1B. Emission sources within certification boundary

Quantified sources

The following emissions sources have been included in ANZ's Greenhouse Gas Inventory for 2017/18:

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)

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

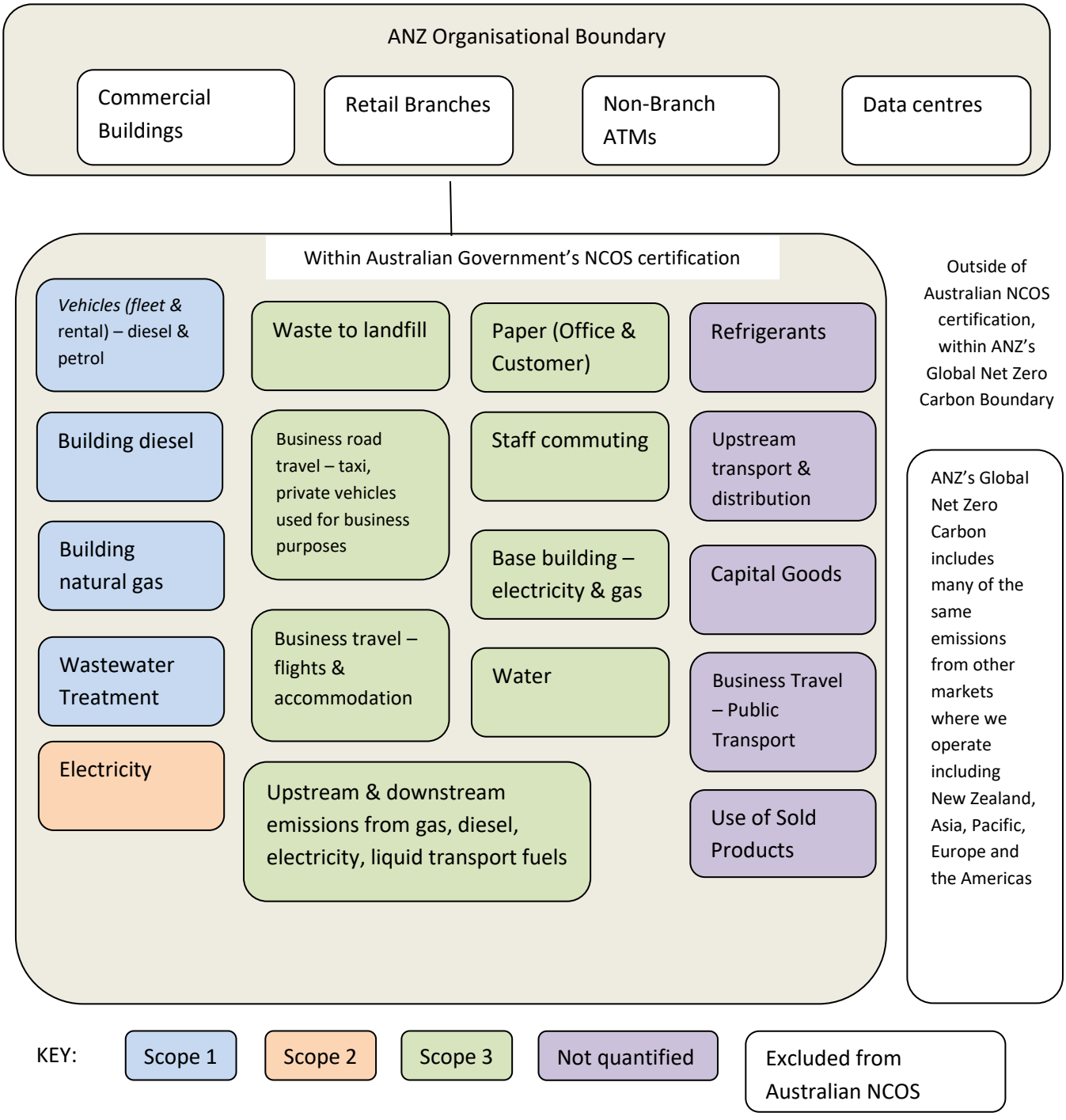
Excluded sources

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	• 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	• 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	• ANZ recognizes that there are embedded emissions in capital goods used by the organisation in providing

Emission Source	Scope	Justification for exclusion and implications for footprint
		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 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 (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	• 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	Jul 16 – Jun 17	Jul 17- Jun 18	Current year Jul 18- Jun 19
Scope 1	7,652	8,382	8,048	8,295	7,516	6,956	5,846
Scope 2	159,065	146,549	139,451	128,456	119,365	116,100	109,842
Scope 3	101,883	87,748	81,097	69,910	59,630	64,702	63,246
Total	268,600 t CO_2-e e	242,679 t CO_2-e	228,596 t CO_2-e	206,661 t CO_2-e	186,511 t CO_2-e	187,758 t CO_2-e	178,934 t CO_2-e

2B. Emissions reduction strategy

ANZ's business operations have been Net Zero Carbon since 2010, reflecting our enterprise focus on global carbon reduction. Reductions in our carbon footprint have been achieved through energy, water and waste savings, building optimisation and employee engagement.

Our approach to Net Zero Carbon is an ongoing journey as we continue to adopt innovative ways to measure and reduce our carbon footprint; from the low-hanging fruit of vehicular fleet modification in 2011 to our latest investment in large scale renewable energy schemes in rural Victoria. Since our adoption of a science-based target from 1 July 2017, we are pleased to report a 25% reduction against a 2015 baseline.

The execution of our Murra Warra Windfarm Power Purchase Agreement in 2017 has been a significant development in our strategy, positioning us well for our medium term science-based target carbon reduction milestone.

Whilst our primary commitment is the reduction of our own carbon footprint, we have continued to invest in projects which allow us to offset our annual residual emissions. The projects we support deliver positive tangible environmental and social impacts, and improve the lives of people living in communities across the countries where we operate.

We measure and track our environmental impact across the 33 markets in which we operate and report our environmental performance across a number of voluntary and compliance mechanisms including the Australian Governments' National Greenhouse and Energy Reporting Scheme, the National Carbon Offset Standard Carbon Neutral Program, CDP (formerly the Carbon Disclosure Project) and the Dow Jones Sustainability Index.

ANZ's current environmental sustainability target cycle commenced 1 July 2017 with the full year results to 30 June 2019 to be shortly published in our Corporate Sustainability Review: www.anz.com/about-us/corporate-sustainability/reporting-performance/sustainability-reporting/

From 1 July 2017 ANZ has adopted a science-based carbon reduction target which requires us to reduce our global scope 1 and 2 emissions by 24% by 2025 and 35% by 2030 from a 2015 base year. ANZ's target has satisfied the Science Based Target Initiative (SBTi) informal review process and the SBTi confirms our target is considered science-based.

In addition to emissions reduction ANZ has adopted renewable energy, water, recycling and paper use targets. By 2020 we aim to:

- Increase our Australian renewable energy consumption by 13% against a 2016/17 base year
- Reduce water use by 15% against 2014/2015 base year for Australian commercial offices >10,000m^2
- Reduce Australian and New Zealand office and customer paper use by 40% against 2014/2015 base year

- Increase recycling by 12% against a 2016/2017 base year for Australian commercial offices >20,000m^2

2C. Emissions reduction actions

ANZ has achieved a 5% reduction in our overall Australian carbon footprint (scopes 1-3) for the year ending 30 June 2019. This trend has been mainly driven by:

- ~5% reduction in year on year electricity emissions (and associated fuel extractions, transmission and distribution losses) as we consolidate and optimise our building portfolio; and
- ~19% reduction in year on year fleet emissions as we consolidate the fleet pool and transition to more fuel efficient vehicles;

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.

Emissions summary

Table 2. Emissions Summary

Scope	Emission source	t CO_2-e
1	Natural Gas (for stationary energy and electricity generation purposes)	2,490
1	Diesel (for stationary energy and electricity generation purposes)	242
1	Liquid Fuel Use (tool-of-trade & rental vehicles)	2,976
1	Wastewater Treatment (Commercial Wastewater)	140
2	Electricity purchase from grid	109,842
3	Natural Gas (Stationary Energy and Electricity Generation) – Transmission and Distribution Losses	189
3	Diesel (Stationary Energy and Electricity Generation) – Fuel Extraction, Production and Transport	12
3	Liquid Fuel Use (tool-of-trande vehicles & rental vehicles) – Fuel Extraction, Production and Transport	157
3	Electricity Purchases – (Fuel extractions, transmission and distribution losses)	11,217
3	Other business-related road travel (taxis and private vehicles)	1,155
3	Employee Commuting (13 commercial office locations)	16,431
3	Air Travel	19,097
3	Hotel Accommodation	3,421
3	Paper use (internal and customer end use)	2,301
3	Waste to landfill	924
3	Other building energy use (proportionate base building emissions)	8,046
3	Water	297
3	NCOS certified carbon neutral product – Office Paper 206 tonnes	0
Total Gross Emissions		178,934[3]
GreenPower or retired LGCs		0
Total Net Emissions		178,934

[3] Whilst emissions in this table total 178,937 tCO_2-e we have cited the figure to which ANZ's FY19 Global Inventory & Carbon Offset Data assurance opinion relates (178,934 tCO_2-e) noting the 3tCO_2-e variation is attributable to rounding.

3. Carbon offsets

4A. Offsets summary

Table 3. Offsets Summary						
Projects supported by offset purchase	Eligible offset units	Registry	Cancellation date	Serial numbers (including hyperlink to registry transaction record)	Vintage	Quantity
Negros Island Solar Power Inc.	VCUs	Markit	12 June 2019	5920-266930053-266951052-VCU-029-APX-PH-1-1735-02032016-31122016-0	2016	21,000
Negros Island Solar Power Inc.	VCUs	Markit	12 June 2019	5921-266970490-266973052-VCU-029-APX-PH-1-1735-01012017-25112017-0	2017	2,563
Negros Island Solar Power Inc.	VCUs	Markit	12 June 2019	5920-266951053-266955489-VCU-029-APX-PH-1-1735-02032016-31122016-0	2016	4,437
Wind power project by HZL in Gujarat.	VCUs	Markit	12 June 2019	6754-341173081-341258354-VCU-034-APX-IN-1-344-01012015-31122015-0	2015	85,274
Wind power project by HZL in Gujarat.	VCUs	Markit	12 June 2019	6753-341046260-341173080-VCU-034-APX-IN-1-344-01012014-31122014-0	2014	126,821
Wind power project by HZL in Gujarat.	VCUs	Markit	12 June 2019	6761-341766068-341773780-VCU-034-APX-IN-1-344-01112013-31122013-0	2013	7,713
West Arnhem Land Fire Abatement (WALFA) Project (EOP100945)	ACCUs	ANREU	28 May 2019	Serial Range 3,769,455,120-3,769,458,119	2017-2018	3,000
Urisino Regenerative Ecosystem Project	ACCUs	ANREU	28 May 2019	Serial Range 3,655,210,967-3,655,216,158	2017-2018	5,192
Total offsets cancelled						256,000 (for ANZ's Net Zero Carbon commitment noting FY19 audited global footprint was 250,857 tCO_2-e)
Total offsets banked for use future years: (if any) [include serial numbers]						8,518 (to be taken from the Negros Island Solar Power Inc. 5920-266930053-266951052-VCU-029-APX-PH-1-1735-02032016-31122016-0)

4B. Offsets purchasing and retirement 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)

For the 2018/19 year ANZ sponsored five projects. Some of those projects are showcased below for their ability to deliver co-benefits for the people living in communities across the markets where we operate.

1. Philippines (Negros Island) Solar

The Negros Island Solar Power Inc. Project involves the installation of the 32MW La Carlota Solar Power PV Plant and the 48MW Manapla Solar Power Plant. The power generated is replacing anthropogenic emissions of greenhouse gases estimated to be approximately 66,039 tCO2e per year (annual average), thereon displacing 119,312 MWh/year amount of electricity from the generation-mix of power plants connected to the Philippine electricity grid, which is mainly dominated by thermal/ fossil fuel-based power plants.

2. Wind power project by HZL in Gujarat

The project activity is the implementation of an 88.8 MW wind power project consisting of 111 WEGs of individual capacity 0.8 MW at Samana Site in Gujarat, India. The project activity is in line with the sustainable development priority of the country. The electricity generated from the wind farm is being exported to the regional electricity grid and sold to the state electricity utility thereby marginally contributing to reducing the energy demand supply gap in the state of Gujarat.

3. West Arnhem Land Fire Abatement (WALFA) Project

For the third consecutive year, ANZ has sponsored the Arnhem Land Fire Abatement Project. This project, undertaken by ALFA (NT) Ltd, is owned exclusively by Aboriginal people with custodial responsibility for those parts of Arnhem Land under active bushfire management.
Arnhem Land, located in Australia's Northern Territory, experiences devastating bushfires that affect people, plants and animals. To prevent the frequency and severity of these bushfires, local rangers conduct controlled burns early in the dry season to reduce fuel on the ground and establish a mosaic of natural firebreaks. These actions prevent bigger, hotter and uncontrolled fires later in the season. Reinstating traditional firestick farming has demonstrated a significant reduction in carbon emissions along with highly valued social, cultural, environmental and economic benefits for Indigenous landowners. This project provides employment and training opportunities while supporting Aboriginal people in returning to, remaining on and managing their country as well as the preservation and transfer of knowledge, the maintenance of Aboriginal languages and the wellbeing of traditional custodians.

4. Urisino Regenerative Ecosystem Project

This project establishes permanent native forests through assisted regeneration from in-situ seed sources (including rootstock and lignotubers) on land that was cleared of vegetation and where regrowth was suppressed for at least 10 years prior to the project having commenced.

4. Use of trade mark

ANZ has not used the trademark during the reporting period.

5. Have you done more?

For detail of how we have gone beyond the requirements of the National Carbon Offset Standard for Organisations, refer to our latest Sustainability Review at https://www.anz.com.au/about-us/sustainability/reporting/sustainability-reporting/.