



PUBLIC DISCLOSURE STATEMENT

COMMONWEALTH BANK OF AUSTRALIA

**ORGANISATION
2019-20**

Australian Government
Climate Active
Public Disclosure Statement



Commonwealth
Bank



An Australian Government Initiative



NAME OF CERTIFIED ENTITY: COMMONWEALTH BANK OF AUSTRALIA

REPORTING PERIOD: 1 July 2019 – 30 June 2020

Declaration

To the best of my knowledge, the information provided in this Public Disclosure Statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.

Signature

A handwritten signature in black ink that reads "Jennifer A Saiz".

Date 18 February 2021

Name of Signatory: Jennifer Saiz

Position of Signatory: Executive General Manager, Group Property and Security



Australian Government

**Department of Industry, Science,
Energy and Resources**

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1. CARBON NEUTRAL INFORMATION

Description of certification

The Commonwealth Bank of Australia (CBA) is certified carbon neutral under the Climate Active Carbon Neutral Standard for Organisations for the financial year 2020 (FY20). This Public Disclosure Statement (PDS) presents our FY20 emissions estimate. FY19 represents our base year carbon account and has been verified by an independent auditor.

Organisation description

The Commonwealth Bank of Australia (CBA) provides integrated financial services including retail, premium, business, and institutional banking, insurance, funds management, superannuation, investment and share-broking products and services.

CBA is an Australian multinational organisation with operations in Australia, New Zealand and offices in Asia, Europe and North America. Our New Zealand operations (ASB) are carbon neutral, with Toitū Envirocare as a carbon neutral organisation for its 2019 operational emissions.

Our carbon account is based on an extended “operational control” approach to establish our operational boundary and identify which emission sources need to be included. The operational control boundary covers CBA’s Australian-based operations, including Bankwest and Aussie Home Loans (AHL), and includes commercial and retail facilities as well as data centres. We have extended our boundary to include key relevant emission sources beyond our operational control, such as the base buildings of our commercial sites, business travel activities, paper and courier services used by the bank. For this reporting period we have also estimated the effect COVID-19 has had on our emissions profile, due to employees working from home for prolonged periods of time.

“We are committed to sustainable business practices, in accordance with the commitments outlined in our Environmental and Social framework”



2. EMISSION BOUNDARY

Diagram of the certification boundary

The emission boundary includes commercial buildings, retail branches and data centres for CBA, Bankwest, and AHL.

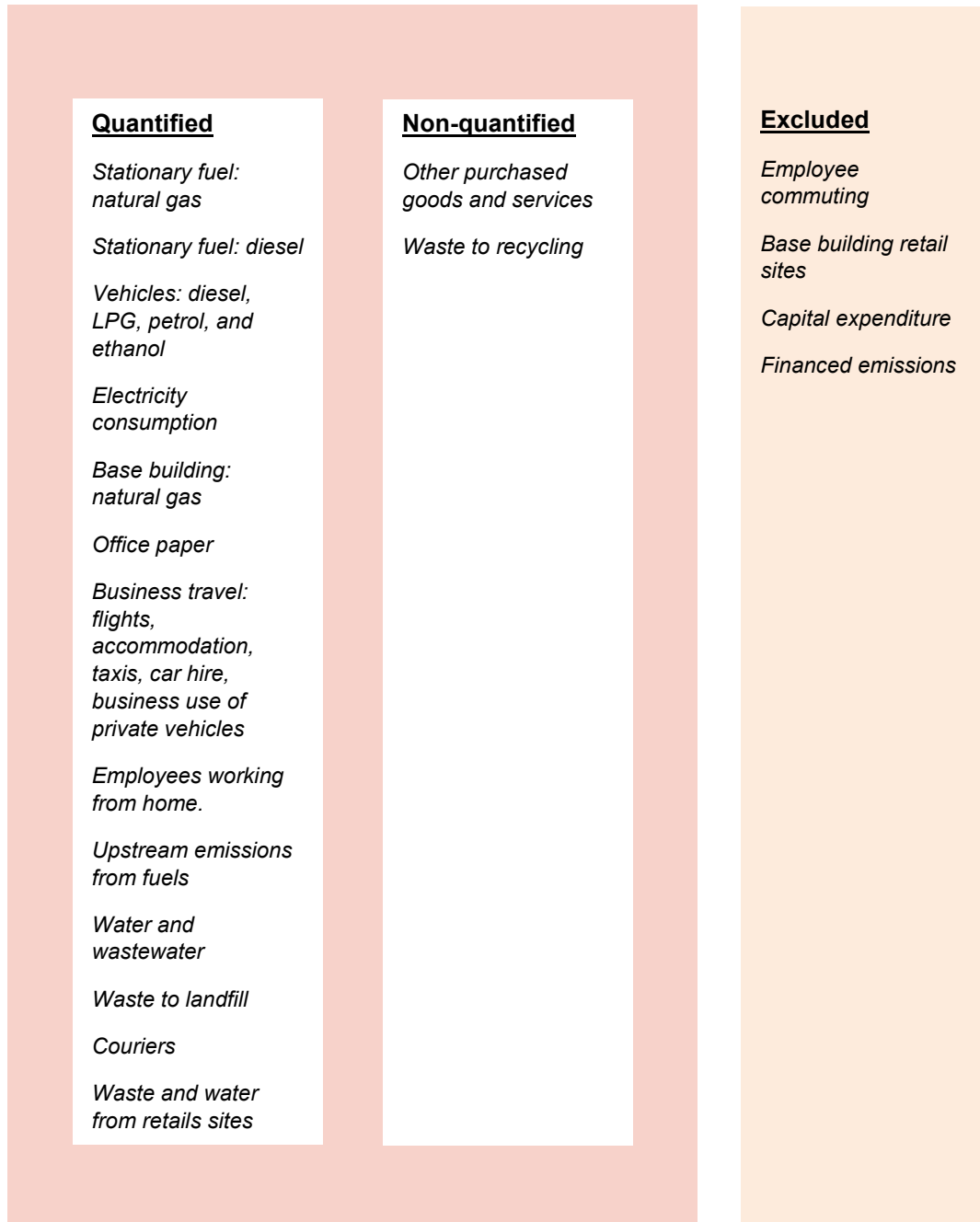


Figure 1: Certification boundary for CBA

Non-quantified sources

The following emissions sources are non-quantified in line with the provisions of the Climate Active Carbon Neutral Standard for Organisations. These decisions are based on materiality and data availability considerations:

- Waste to recycling – We have applied a cut-off approach to waste collected for recycling. The emissions associated with recycling processes are considered part of the receiving life cycle. Emissions associated with collection (transport) of recyclables are immaterial to our footprint (in this case less than 0.1% of emissions) and have not been quantified.
- Purchased goods and services – Key aspects of this category, such as business travel, couriers and the use of paper, have been assessed separately. Other purchased goods and services are deemed less relevant to our key stakeholders and have limited contribution to our greenhouse gas risk exposure.

“We are committed to continually reducing the environmental impact of our operations and offsetting difficult-to abate emissions.”

Excluded sources (outside of certification boundary)

The following emission sources have been excluded in line with the provisions of the Climate Active Carbon Neutral Standard for Organisations. The exclusions are based on our organisational boundary, aligning with our peers, data limitations, materiality considerations and/or the fact that we have limited potential to influence the reduction of these scope 3 emissions from a particular source.

- Employee commuting – This category has been excluded due to a lack of data availability and the limited relevance to key stakeholders, our ability to influence and our climate risk exposure.
- Retail sites: Base building – Base building emissions associated with our commercial sites (offices) have been quantified and included in the inventory. However, emissions associated with our base building energy use at retail sites have been excluded due to the difficulty of obtaining data (for example, we have a large number of retail sites, many without a base building), likely immaterial contribution of this emission source, and our limited ability to influence emissions reductions.
- Capital goods - While CBA recognises that there are embedded emissions associated with capital goods, emissions associated with capital expenditure have been excluded from our organisational boundary. We excluded capital goods because they are not “consumed” by our organisation. In addition, CBA has limited ability to influence the embodied emissions of buildings it occupies.
- Financed emissions – Financed emissions have been excluded from our organisational footprint as the scope of this carbon neutral assessment is limited to CBA’s operations. However, we recognise the importance of measuring our financed emissions and supporting our customers to reduce their emissions through our overall approach to climate change.

3. EMISSIONS SUMMARY

Emissions reduction strategy

At CBA, our emissions reduction initiatives align with the emission reduction hierarchy in section 2.4 of the Climate Active Carbon Neutral Standard for Organisations. We have implemented energy efficiency initiatives, installed onsite renewable electricity generation and procured renewable electricity generated offsite for our remaining electricity use.

Our key energy efficiency initiatives include lighting, HVAC equipment and building controls upgrades. We are continually optimising our property portfolio and consolidating our commercial spaces into energy efficient precincts where feasible. Our onsite solar PV panel rollout program is expanding year on year. In FY20, we generated approximately 1,700 MWh from onsite solar PV systems.

In January 2019, we commenced our 12-year power purchase agreement (PPA) with Sapphire Wind Farm, meeting 65% of our electricity requirements. In January 2020, we increased our renewable electricity procurement via several bundled green electricity contracts with retailers across the country. We have assessed our scope 2 and 3 emissions from electricity consumption from our data centres, commercial and retail portfolio, as well as our scope 3 emissions associated with base-building electricity use. In line with our RE100¹ ambitions, we have retired large-scale generation certificates (LGCs) against our electricity emissions. We therefore have zero net emissions, using the market-based approach, from the use of electricity as shown in Table 1.

Emissions over time

Compared to emissions in CBA's FY19 base year, emissions have been reduced in FY20 by approximately 7,500 tCO₂-e (excluding electricity use). This reduction in emissions has been primarily driven by the impacts of COVID-19 on travel related emissions.

Emissions summary (inventory)

CBA's carbon inventory has been prepared in accordance with the 'Climate Active Carbon Neutral Standard for Organisations', the 'Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard'², and the 'Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard'³. Where relevant, the inventory covers all six greenhouse gases listed under the Kyoto Protocol:

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

¹ RE100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable electricity. See: <https://www.there100.org/>

² Published by: World Resources Institute and World Business Council for Sustainable Development, March 2004

³ Published by: World Resources Institute and World Business Council for Sustainable Development, September 2011

Emission factors have been taken from the Climate Active Registered Consultant carbon inventory template and complemented with emission factors from the National Greenhouse Accounts (NGA) Factors (August 2019), the Global Warming Potentials (GWPs) for refrigerants, and other relevant literature sources as required.

Table 1: Carbon inventory for CBA - FY20

Emission source category ¹	[tonne CO ₂ -e]
Natural gas consumption (GJ) - Base building - Scope 3	2,347
Natural gas consumption (GJ) - Scope 1 + 3	252
Stationary fuel consumption (GJ) - Scope 1 + 3	154
Transport fuel consumption (GJ) - Scope 1 + 3	7,534
Water consumption (kL) – Commercial (including data centres)	154
Water consumption (kL) – Retail	136
Waste (t) – Commercial	1,217
Waste (t) – Retail	1,021
Refrigerants (kg)	2,455
Paper (t)	217
Couriers (\$)	7,505
Flights (km)	8,415
Electricity consumption (kWh) ² - Scope 2 + 3	0
Taxis (km)	222
Accommodation (nights)	2,187
Car hire (km)	81
Business use of private vehicles - Transport petrol (L)	55
Employees working from home (No. FTEs)	1,578
Total	35,530

Uplift factors

Uplift factors are not applicable to our FY20 carbon inventory. Emissions associated with waste and water for retail sites have been based on a scaling approach, using the relative floor area (m² Net Lettable Area - NLA) of our commercial sites. This is an estimation method based on extrapolation, rather than an overall uplift factor. Emissions associated with employees working from home have been based on the Work From Home emissions calculator developed for use for Climate Active submissions.

¹ Unless specified, all emissions are scope 3 emissions

² Emissions associated with electricity consumption were calculated using the market-based approach

Electricity summary

Emissions from electricity use have been calculated using a market-based approach.

The Climate Active team is consulting on the use of a market- vs location-based approach for electricity accounting, with a view to finalising a policy decision for the carbon neutral certification in the near future. Given a decision is still pending on the accounting way forward, a summary of emissions using both measures have been provided for full disclosure and to ensure year on year comparisons can be made.

Table 2: Market-based approach electricity summary

Electricity inventory items	[kWh]	Emissions [tonne CO ₂ -e]
Electricity Renewables	142,684,690.3	0
Electricity Carbon Neutral Power	0	0
Electricity Remaining ¹	-11,392.9	-12.3
Renewable electricity percentage	100%	
Net emissions (Market-based approach)		0

Table 3: Location based approach electricity summary

State/ Territory	Electricity Inventory items*	[kWh]	Emission factor [Scope 2 + 3]	Emissions [tonne CO ₂ -e]
ACT/NSW	Electricity Renewables	115,209,268.0	-0.90	-103,688.3
ACT/NSW	Electricity Carbon Neutral Power	-	-0.90	0
ACT/NSW	Netted off (exported on-site generation)	826.0	-0.81	-0.7
ACT/NSW	Electricity Total	97,294,357.7	0.90	87,564.9
SA	Electricity Renewables	41,284.7	-0.53	-21.9
SA	Electricity Carbon Neutral Power	-	-0.53	0
SA	Netted off (exported on-site generation)	-	-0.44	0
SA	Electricity Total	3,439,050.6	0.53	1,822.7
Vic	Electricity Renewables	671,011.9	-1.12	-751.5
Vic	Electricity Carbon Neutral Power	-	-1.12	0
Vic	Netted off (exported on-site generation)	-	-1.02	0
Vic	Electricity Total	15,206,353.0	1.12	17,031.1
Qld	Electricity Renewables	255,873.8	-0.93	-238.0
Qld	Electricity Carbon Neutral Power	-	-0.93	0
Qld	Netted off (exported on-site generation)	-	-0.81	0
Qld	Electricity Total	8,823,441.6	0.93	8,205.8
NT	Electricity Renewables	21,685.6	-0.71	-15.4
NT	Electricity Carbon Neutral Power	-	-0.71	0
NT	Netted off (exported on-site generation)	-	-0.63	0
NT	Electricity Total	437,983.0	0.71	311.0

¹ Note details in Table 1

State/ Territory	Electricity Inventory items*	[kWh]	Emission factor [Scope 2 + 3]	Emissions [tonne CO ₂ -e]
WA	Electricity Renewables	263,671.6	-0.74	-195.1
WA	Electricity Carbon Neutral Power	-	-0.74	0
WA	Netted off (exported on-site generation)	-	-0.69	0
WA	Electricity Total	14,788,636.0	0.74	10,943.6
Tas	Electricity Renewables	-	-0.17	0
Tas	Electricity Carbon Neutral Power	-	-0.17	0
Tas	Netted off (exported on-site generation)	-	-0.15	0
Tas	Electricity Total	2,684,301.6	0.17	456.3
Total net electricity emissions (Location based)				21,424.5

* Table 3 is displayed as per the Climate Active template. For clarity:

- Electricity Renewables = Total consumption of onsite generated renewable electricity PLUS Total renewable electricity purchased through PPAs and LGCs that are retired
- Electricity Total = Total consumed electricity by state

4. CARBON OFFSETS

Offset purchasing strategy

For each reporting period, CBA will calculate its carbon footprint and purchase offsets in arrears.

CBA retires LGCs against our carbon footprint related to our electricity usage and purchases Australian Carbon Credit Units (ACCUs) against the remainder of total emissions.

Table 4: Offsets summary for FY20 inventory

1. Total offsets required for this report				35,530					
2. Offsets retired in previous reports and used in this report				0					
3. Net offsets required for this report				35,530					
Project description	Eligible offset units type	Registry unit retired in	Date retired	Serial number (including hyperlink to registry transaction record) ¹	Vintage	Quantity (tonne CO ₂ -e)	Quantity used for previous report	Quantity to be banked for future years	Quantity to be used this report
Oriners & Sefton Savanna Burning Project (EOP100959) by Aboriginal Carbon Fund	KACCU	The Australian National Registry of Emissions Units (ANREU)	30 September 2020	3,769,852,980 – 3,769,854,317	2017-18	1,338	0	0	1,338
Oriners & Sefton Savanna Burning Project (EOP100959) by Aboriginal Carbon Fund	KACCU	The Australian National Registry of Emissions Units (ANREU)	30 September 2020	3,801,968,374 – 3,802,007,035	2020-21	38,662	0	3,926	34,192
<i>Total offsets retired this report and used in this report</i>								35,530	
<i>Total offsets retired this report and banked for future reports</i>								4,470	

¹ Details on retired offsets can be found on the CER website:

<http://www.cleanenergyregulator.gov.au/ERF/Pages/Emissions%20Reduction%20Fund%20project%20and%20contract%20registers/Project%20register/ERF-Project-Detailed-View.aspx?ListId={7F242924-BF02-45EE-A289-1ABCC954E9CE}&ItemID=192>

Co-benefits

ACCUs purchased from the Aboriginal Carbon Fund Ltd's Oriniers and Sefton savanna burning projects have the following environmental, social, and cultural co-benefits:

- Supports elders to share traditional ecological knowledge with young people;
- Protects rock art and sacred sites;
- Supports meaningful employment that aligns with the interests and values of Traditional Owners;
- Protects the environment by Indigenous-led land management; and
- Contributes to the increased pride and self-esteem of Indigenous people¹.

5. USE OF TRADE MARK

As FY20 is the first year of carbon neutrality under the Climate Active certification, the Climate Active logo has not been used to date. CBA plans to use the Climate Active logo as outlined in Table 5.

Table 5: CBA use of Climate Active trademark

Description where trademark will be used	Logo type
CBA annual report, CBA website, CBA intranet, shareholder communications and media release.	Organisation
NGER report, G100 report, RE100 report, CitySwitch report, GBCA report, CBA case studies, Climate Active report, EP100 report, WGBC report and SBTi report.	
Environmental and social framework, energy statement, integrated management system (ISO and AS).	
Sustainability funding submissions, request for proposal and tender submissions (both internal and external).	
Investor requests and reports such as DJSI, CDP, MSCI, Sustainalytics, Vigeo-Eiris, ISS, FTSE4Good	
Reporting consistent with the UN Environment Program Finance Initiative (UNEP-FI): UN Global Compact, UN Principles for Responsible Banking, UN Principles for Responsible Investment and UN Guiding Principles on Business and Human Rights.	

¹ Aboriginal Carbon Foundation, <https://www.abcfoundation.org.au/carbon-credits>

6.ADDITIONAL INFORMATION

In the table below, we disclose our retirement of LGCs against our electricity emissions for FY20.

Table 6: LGC retirement log

Accreditation code	Fuel source	Generation year	Certificate serial number	Certificate quantity
WD00VC11	Wind	2020	11411-11849	439
WD00NS13	Wind	2020	25766-29168	3,403
WD00NS13	Wind	2020	163924-171843	7,920
WD00NS13	Wind	2020	185882-193801	7,920
WD00NS13	Wind	2020	171844-180027	8,184
WD00NS13	Wind	2020	234582-242765	8,184
SRPVQLG4	Solar	2020	47158-47165	8
SRPVQLG4	Solar	2020	47166-47193	28
WD00NS13	Wind	2019	635868-636179	312
WD00NS13	Wind	2019	501793-506687	4,895
WD00NS13	Wind	2019	568030-573240	5,211
WD00NS13	Wind	2020	53469-54899	1,431
WD00NS13	Wind	2020	21167-25765	4,599
WD00NS13	Wind	2020	122481-129233	6,753
WD00NS13	Wind	2020	37349-44740	7,392
WD00NS13	Wind	2020	1-7397	7,397
WD00VC10	Wind	2020	15719-26532	10,814
WD00NS13	Wind	2019	117631-117821	191
WD00NS13	Wind	2019	117407-117630	224
WD00NS13	Wind	2019	97763-98760	998
WD00NS13	Wind	2019	98761-102319	3,559
WD00NS13	Wind	2019	632082-635867	3,786
WD00NS13	Wind	2019	231614-235435	3,822
WD00NS13	Wind	2019	644281-651672	7,392
WD00NS13	Wind	2019	277958-286966	9,009
Total				113,871

APPENDIX 1

Excluded emissions

To be deemed relevant an emission must meet two of the five relevance criteria. Excluded emissions are detailed below against each of the five criteria.

Table 7: Relevance test for excluded emission sources within the boundary of CBA's operations

Excluded emission sources	Relevance Test				
	<i>Emissions are likely to be large relative to CBA's electricity, stationary energy and fuel emissions¹</i>	<i>Emissions contribute to CBA's greenhouse gas risk exposure.</i>	<i>Key stakeholders deem the emissions from a particular source are relevant.</i>	<i>CBA has the potential to influence the reduction of emissions from a particular source.</i>	<i>Emissions are from outsourced activities previously undertaken within the CBA's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.</i>
Employee commuting	Yes	No	No	Limited	No
Retail sites: Base building	No	No	No	No	No
Capital goods	No	No	No	No	No
Financed emissions*	Yes	Yes	Yes	Limited	No

* Financed emissions are outside of our operational and/or financial control, and therefore are excluded from our organisational footprint. This approach is in line with other financial institutions that are Climate Active carbon neutral certified. We have reported financed emissions as "excluded" for maximum transparency.

¹ Including a consideration of emissions from electricity use before retiring LGCs

APPENDIX 2

Non-quantified emissions for organisations

The following table outlines reasons applied to each of our non-quantified emission sources.

Table 8: Relevance test for non-quantified emission sources within the boundary of CBA's operations

Non-quantification test				
Relevant-non-quantified emission sources	<i>Immaterial <1% for individual items and no more than 5% collectively</i>	<i>Quantification is not cost effective relative to the size of the emission but uplift applied.</i>	<i>Data unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.</i>	<i>Initial emissions non-quantified but repairs and replacements quantified</i>
Waste to recycling	Yes ¹	No	No	No
Other purchased goods and services ²	No	No	No	No

¹ The emission factor for waste to recycling is zero

² The "Other purchased goods and services" category is considered not relevant to our organisational footprint, as outlined in section 2. Nonetheless, this category is listed here for completeness