



PUBLIC DISCLOSURE STATEMENT

AFTERPAY LIMITED

**ORGANISATION CERTIFICATION
FY2020-21**

Australian Government
Climate Active
Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY: AFTERPAY LIMITED

REPORTING PERIOD: Financial year 1 July 2020 – 30 June 2021

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:

Date: 21 January 2022

Name of Signatory: Michael Saadat

Position of Signatory: VP, Global Regulatory Affairs



Australian Government
Department of Industry, Science,
Energy and Resources

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1. CARBON NEUTRAL INFORMATION

Description of certification

Afterpay Limited (Afterpay) (ABN 30 618 280 649) has certified its global operations over the 2020 – 2021 financial year with Climate Active. Afterpay's greenhouse gas emission inventory has been prepared in accordance with the *Climate Active Carbon Neutral Standard for Organisations* ('Organisation Standard'). The Organisation Standard provides best-practice guidance on how to measure, reduce, offset, validate and report emissions that occur as a result of organisational operations.

Employing the Organisation Standard provides Afterpay's partners, clients and communities confidence in the validity of Afterpay's Carbon Neutral certification. The requirements of the Organisation Standard were designed to provide stakeholders with transparent information on the actions that have been taken to achieve carbon neutral status.

Climate Active certification is awarded to organisations that have credibly reached a state of achieving net zero emissions, otherwise known as carbon neutrality. This means that all activities associated with Afterpay's global operations have no net negative impact on the climate.

To achieve the Organisation Standard for its office operations, Afterpay has:

- calculated the Scope 1, 2 and 3 greenhouse gas emissions generated by its global operations;
- committed to reduce these emissions through a number of initiatives within their operations

Climate Active note that offsets do not need to be purchased until after the carbon inventory has been validated.

Afterpay nominated FY21 as the base year and first year of certification and a carbon account was produced for this period.

Organisation description

Afterpay was founded in 2014 in Sydney, Australia, and is a multinational technology driven platform driving retail innovation by allowing retailers to offer a 'buy now, receive now, pay later' service that does not require end-customers to enter into a traditional loan or pay any upfront fees or interest to Afterpay.

As at 30 June 2021, Afterpay has over 16 million customers and nearly 100,000 merchants using the platform globally across Australia, New Zealand, the United States, Canada, and in the United Kingdom and Europe (where it is called Clearpay).

Afterpay is committed to environmental sustainability and one of our key values is 'Do The Right Thing'. We are proud to be certified carbon neutral by Climate Active.

Afterpay's global team is currently made up of more than 1,300 people and growing. The majority of Afterpay's income is derived from merchants, rather than customers.

Afterpay operates under the following trading names for the purpose of the Organisation Standard. All overseas subsidiaries are consolidated and report into Afterpay Limited and therefore are deemed to be under Afterpay's control:

- Afterpay Australia Pty Ltd (ABN 15 169 342 947)
- Afterpay NZ Limited (NZ company number: 6340314)
- Afterpay US, Inc.
- Afterpay US Services, LLC
- Clearpay Finance Limited (company number: 05198026)
- Clearpay (Europe) Limited (company number: 12752791)

2. EMISSIONS BOUNDARY

Diagram of the certification boundary

Afterpay's operational greenhouse gas emissions inventory has been prepared according to the Organisation Standard. An organisation is defined by its ABN or group of ABNs that sit under a parent company. Afterpay operates under the trading names stated in the organisation section for the purpose of the Organisation Standard.

In order to report emissions in accordance with the Climate Active Carbon Neutral Standard for Organisations, the following emissions boundary has been established:

Quantified

Electricity purchased from the grid

Business travel -flights (Australia employees)

Taxi travel

Waste

Working from home (Australia employees)

Office supplies and furniture (including paper)

Information and communications technology (ICT) equipment and software (including

Non-quantified

Staff commute

Base building electricity and gas

WeWork and other co-working spaces electricity and gas

Accommodation for staff business travel

Staff car travel

Working from home (International employees)

Business travel – flights (international employees)

Excluded

Printing, postage and couriers

Cleaning and chemicals

Water

Table 1: Emissions boundary

The offices under scope of the Organisation Standard are as follows:

	Site	Country
1	126 Buckingham Street, Surry Hills	Australia
2	267 Cleveland Street, Surry Hills	Australia
3	2 Freshwater Place, Melbourne	Australia
4	Level 4, Freshwater Place, Melbourne	Australia
5	406 Collins Street, Melbourne	Australia
6	206 Jervois Road, Herne Bay, Auckland	New Zealand
7	Suite 301, 218 South Xizang Rd, Shanghai	China
8	Current WeWork Studios, San Francisco	United States of America
9	109 W27th Street (Level 4), New York	United States of America
10	200 South Virginia Street, Reno, NV	United States of America
11	Av. Diagonal, 579, 8 th Floor, Barcelona	Spain
12	Pº Castellana 95, planta 11, Madrid	Spain
13	Long Acre, London	United Kingdom ¹
14	Manchester	United Kingdom ¹
15	WeWork, Aviation House, London	United Kingdom ¹
16	Via Pietro Paleocapa 7, Milan	Italy
17	11 North Buona Vista Drive	Singapore

Emissions associated with Afterpay's operations within the emissions boundary have been categorised by scope, as per the Organisation Standard.

Operational Control

Afterpay employed the operational control approach to set the basis for determining what emissions are under the direct control of the organisation. The operational control approach requires an organisation to report 100 per cent of the operations over which it has 'the full authority to introduce and implement its operating policies'.

Scope 1 and 2 emissions

Afterpay reports emissions data for all operations outlined in Table 1. Operations are defined as activities within Afterpay's operational control and corporate boundary. Scope 1 and 2 emissions are those in which Afterpay has direct control or ownership of and are those which fall within the operational control or equity share approaches outlined below.

Scope 3 emissions

Scope 3 emissions are those which occur as a result of the activities of Afterpay, but occur from sources outside Afterpay's operational control. The boundary of Scope 3 emissions is assessed through relevance, i.e. those emissions which meet the expectations of consumers and stakeholders of Afterpay. Afterpay have applied the Relevance Test as defined in the Climate Active Carbon Neutral Standard for

¹ Note that all UK offices were unoccupied during the period.

Organisations outlined below, whereby emissions sources which meet any two of the below tests are deemed relevant:

1. the emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions
2. the emissions from a particular source contribute to the organisation's greenhouse gas risk exposure (i.e. will the impacts of climate change pose a serious risk to the viability of this emission source over a timeframe suitable to the organisation)
3. the emissions from a particular source are deemed relevant by key stakeholders
4. the responsible entity has the potential to influence the reduction of emissions from a particular source
5. the emissions are from outsourced activities that were previously undertaken within the organisation's boundary or from outsourced activities that are typically undertaken within the boundary for comparable organisations.

Based on the above tests, the following Scope 3 emissions have been identified for reporting:

- Emissions related to the travel of Afterpay employees for business purposes, either by flight or through the use of ride-share providers (test 2, 4)
- Emissions related to waste within offices where Afterpay has control (test 2, 4)
- Staff commute emissions associated with staff travel to and from work (test 1, 2, 4)
- Emissions related to the consumption of electricity by servers leased by Afterpay, for which the electricity consumption is under the organisation's control (test 2, 4)
- Embodied emissions within relevant organisational spend for information technology software and hardware, covering cradle to gate emissions of these services (test 1, 2, 4)
- Working from home emissions related to electricity and gas use (test 1, 3) – this is a particular issue that has arisen as a result of the COVID pandemic, but is likely to continue into the future as new ways of flexible working remain in place.
- Embodied emissions within relevant organisational spend for office supplies and furniture, including consumption of office paper (test 1, 2, 4)

Non-quantified sources

The carbon neutral standard relevant emissions sources can be non-quantified only when estimations are not practical and if they are:

- Immaterial (<1 per cent for individual items and no more than 5 per cent collectively)
- Quantification is not cost effective relative to the size of the emission (in this case, an uplift factor must be included).
- Data is unavailable (a data management plan must be put in place to provide data within five years and an uplift applied)
- initial emissions are non-quantified but repairs and replacements can be quantified.

In line with the Carbon Neutral standard for organisations, the below have been identified as non-quantified as they are immaterial (<1%) and quantification is not cost effective relative to the size of the emission. Accordingly, an uplift factor has been applied to:

- Base building electricity and gas
- WeWork and other co-working spaces electricity and gas.

- Accommodation for staff business travel
- Staff car travel

In line with the Carbon Neutral standard for organisations, the below have been identified as non-quantified as the data has not been available. Accordingly, an uplift has been provided and a data management plan will be put in place:

- **Staff commute emissions associated with staff travel to and from work.** The emissions associated with staff commute have not been captured as Afterpay does not currently conduct surveys for staff around their commute mode for global operations.
- **Working from home (International employees).** The emissions associated with international employees working from home has not been captured as the Climate Active calculator used for their Australian employees did not provide a methodology
- **Business travel - flights (international employees).** The emissions associated with business travel (flights) for international employees have not been captured because Afterpay's centralised travel management system was only implemented in the United Kingdom (UK) in August 2021 and has not yet been implemented in the United States (US).

Data Management Plan

Non-quantified emissions source	Scope	Data Management Plan
Staff commute emissions	3	Afterpay will conduct a survey of staff to understand their staff's commute to estimate overall staff commute emissions.
Working from home (International employees)	3	Afterpay will conduct a survey of staff to understand their working from home frequency to estimate associated emissions.
Business travel - flights (international employees)	3	Afterpay is migrating to a global travel platform which will record this data for future reporting periods.

Excluded sources (outside of certification boundary)

The following GHG emission sources are excluded from the inventory boundary as they have been assessed as not relevant according to the relevance test per section 2.3.1 of the Climate Active Carbon Neutral Standard for Organisations:

- Printing, postage and couriers
- Cleaning and chemicals
- Water

3. EMISSIONS SUMMARY

Emissions reduction strategy

Afterpay's emissions reduction strategy identifies the emission reduction measures that will be taken in the next year building on initiatives already in place. These initiatives include the following and are focused on energy reductions in their offices which they have control over:

- Afterpay looks to select new office buildings that are A-grade/premium which correlate directly with its environmental credentials such as NABERS and ensures such buildings offer excellent facilities which encourage employees to cycle, walk or run to work
- Afterpay look to identify e-recycling opportunities and ensure all future offices and current offices have a waste separation fit-out including co-mingled recycling, coffee cup recycling and separation of coffee waste
- All new buildings to be used are strategically identified to ensure they are close to main transportation hubs to encourage employees to travel by public transport
- Afterpay to reduce paper-related emissions by utilising follow me printing to prevent documents from automatically printing.
- Zoned sensor lighting is to be put in place to reduce energy within offices as well as LED lighting with lux and motion sensors.

Considering the impact of COVID this year, Afterpay's emissions have largely reduced and Afterpay will look to further reduce emissions through their offices when their global employees return to work.

Emissions summary (inventory)

Table 2

Emission source category	tonnes CO ₂ -e
Electricity purchased from grid (Scope 2)	178.72
Staff air travel (Australia employees) (Scope 3)	67.31
Staff car travel (Scope 3)	6.86
Working from home (Australia employees) (Scope 3)	525.31
Waste (Scope 3)	99.32
ICT equipment and software (including data centres) (Scope 3)	6,075.44
Office supplies and furniture (including paper) (Scope 3)	312.50
Total Net Emissions	7,265.46

Note: Waste, Working from home and staff car travel have been calculated using the Climate Active Calculators, staff air travel emissions data was provided by FCM Travel Solutions. ICT equipment and software and office supplies and furniture (including paper) have used the Climate Active inventory emissions factors based on actual spend.

Uplift factors

Table 3

Reason for uplift factor	Uplift Factor	tonnes CO ₂ -e
Staff commute	5%	363.27
Base building electricity and gas	4%	
WeWork and other co-working spaces electricity and gas.		290.62
Accommodation for staff business travel		
Staff car travel		
Working from home (international employees)	525.31 (tonnes CO ₂ -e)	525.31
Business travel – flights (international employees)	146.38 (tonnes CO ₂ -e)	146.38
<i>Total uplift</i>		1,325.58
<i>Total footprint to offset (uplift factors + net emissions)</i>		8,591.06

Note: Staff commute uplift factor has been based on a benchmark of financial services firms % emissions reported under climate active within their PDS'.

Carbon neutral products

N/A

Electricity summary

Electricity was calculated using the location-based approach. The market-based approach is also shown for comparison.

Market-based approach electricity summary

Table 4

Market Based Approach	Activity Data (kWh)	Emissions (kgCO ₂ e)	Renewable Percentage of total
Behind the meter consumption of electricity generated	0	0	0%
Total non-grid electricity	0	0	0%
LGC Purchased and retired (kWh) (including PPAs & Precinct LGCs)	0	0	0%
GreenPower	0	0	0%
Jurisdictional renewables (LGCs retired)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	29,061	0	19%
Residual Electricity	124,499	133,597	0%
Total grid electricity	153,560	133,597	19%
Total Electricity Consumed (grid + non grid)	153,560	133,597	19%
Electricity renewables	29,061	0	
Residual Electricity	124,499	133,597	
Exported on-site generated electricity	0	0	
Emission Footprint (kgCO ₂ e)		133,597	
Total renewables (grid and non-grid)	18.93%		
Mandatory	18.93%		
Voluntary	0.00%		
Behind the meter	0.00%		
Residual Electricity Emission Footprint (TCO₂e)	133.60		
<i>Figures may not sum due to rounding. Renewable percentage can be above 100%</i>			

Additional International Based Electricity Emissions

In line with advice from Climate Active the Climate Active Calculator has been used for domestic market-based emissions and the international emissions have been calculated as follows:

Country	Electricity Inventory items	kWh	Full Emission factor (Scope 2 +3)	Emissions (tonnes CO2e)
China (Shanghai)	<i>Electricity Total</i>	5,411	0.80	4.35
Spain (Barcelona, Madrid)	<i>Electricity Total</i>	33,951	0.45	15.31
Italy (Milan)	<i>Electricity Total</i>	2,774	0.49	1.35
United States (New York, Nevada and California)	<i>Electricity Total</i>	7,180	0.46	3.31
Singapore	<i>Electricity Total</i>	277	0.41	0.11
Total – international	<i>Electricity Total</i>	49,593	-	24.43

Note: international emissions factors have been taken from GHG protocol tool: [The GHG Emissions Calculation Tool | Greenhouse Gas Protocol \(ghgprotocol.org\)](https://ghgprotocol.org/) with the exception of Singapore which has been taken from: [EMA: Singapore Energy Statistics | Energy Transformation](https://www.ema.gov.sg/energy-statistics/)

Total Market based emissions including international: 24.83 + 133.59 = 158.42 tonnes CO2e

Location-based summary

Table 5

Location Based Approach	Activity Data (kWh)	Emissions (kgCO ₂ e)
New South Wales, Australia	72,039	64,835
Victoria, Australia	81,521	88,858
Grid electricity (scope 2 and 3)	153,560	153,693
Non-grid electricity (Behind the meter)	0	0
Total Electricity Consumed	153,560	153,693
Australian Emission Footprint (TCO₂e)	153.69	

Country	Electricity Inventory items	kWh	Full Emission factor (Scope 2 +3)	Emissions (tonnes CO ₂ e)
China (Shanghai)	<i>Electricity Total</i>	5,411	0.80	4.35
Spain (Barcelona, Madrid)	<i>Electricity Total</i>	33,951	0.45	15.31
Italy (Milan)	<i>Electricity Total</i>	2,774	0.49	1.35
United States (New York, Nevada and California)	<i>Electricity Total</i>	7,180	0.46	3.31
Singapore	<i>Electricity Total</i>	277	0.41	0.11
Total – international	<i>Electricity Total</i>	46,265	-	24.43
Total – Australia & International	24.43 + 153.69			178.12

Note: international emissions factors have been taken from GHG protocol tool: [The GHG Emissions Calculation Tool | Greenhouse Gas Protocol \(ghgprotocol.org\)](#) with the exception of Singapore which has been taken from: [EMA: Singapore Energy Statistics | Energy Transformation](#)

Total Location-based emissions including international: 24.43 + 153.69 = 178.72 tonnes CO₂e

4. CARBON OFFSETS

Offset purchasing strategy: in arrears

Table 6

Offset purchasing summary: In arrears	
1. Total offsets previously forward purchased for this reporting period	0
2. Total offsets required for this reporting period	8,591.06
3. Net offset balance for this reporting period	8,591.06
4. Total offsets to be forward purchased for next reporting period	0

Offsets summary

Table 7

1. Total offsets required for this report				8,591.06					
2. Offsets retired in previous reports and used in this report				0					
3. Net offsets required for this report				8,591.06					
Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO2-e)	Quantity used in previous report	Quantity banked for future years	Quantity used in this report
Wind power project by Sargam Retails Pvt. Ltd. in Gujarat, India	VCU	Verra	28/10/21	11525-337775744-337784335-VCS-VCU-290-VER-IN-1-926-01012020-31122020-0	2020	8,592	NA	0	8,592
Total offsets retired this report and used in this report							8,592		
Total offsets retired this report and banked for future reports							0		

5. USE OF TRADE MARK

Table 8

Description where trademark used	Logo type
Afterpay ASX announcements	Certified Organisation
Afterpay website	Certified Organisation
Internal communications	Certified Organisation
Blog posts and social media announcements	Certified Organisation

6. ADDITIONAL INFORMATION

There is no additional information.

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 9

Relevance test					
Excluded emission sources	<i>The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions</i>	<i>The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.</i>	<i>Key stakeholders deem the emissions from a particular source are relevant.</i>	<i>The responsible entity has the potential to influence the reduction of emissions from a particular source.</i>	<i>The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.</i>
Printing, postage and couriers	No	No	No	Yes	No
Cleaning and chemicals	No	No	No	No	No
Water consumption	No	No	No	No	No

APPENDIX 2

Non-quantified emissions for organisations

Table 10

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>
Staff commute	No	No	Yes	No
Base building electricity and gas	Yes	Yes	No	No
WeWork and other co-working spaces electricity and gas.	Yes	Yes	No	No
Accommodation for staff business travel	Yes	Yes	No	No
Staff car travel	Yes	Yes	No	No
Working from home (International employees)	No	No	Yes	No
Business travel - flights (international employees)	No	No	Yes	No