



PUBLIC DISCLOSURE STATEMENT

**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**

**ORGANISATION
2019-20**

Australian Government
Climate Active
Public Disclosure Statement



NAME OF CERTIFIED ENTITY: Australia and New Zealand Banking Group Limited

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.

Date 30 October 2020

Name of Signatory Jeff Elliott

Position of Signatory Environmental Sustainability Change Lead



Australian Government
Department of Industry, Science,
Energy and Resources

Public Disclosure Statement documents are prepared by the submitting organisation. The material in Public Disclosure Statement documents represents the views of the organisation and do not necessarily reflect the views of the Commonwealth. The Commonwealth does not guarantee the accuracy of the contents of the Public Disclosure Statement documents and disclaims liability for any loss arising from the use of the document for any purpose.

1. CARBON NEUTRAL INFORMATION

Description of certification

Since 2010, Australia New Zealand Banking Group Limited (ANZ) business operations have been carbon neutral.

Organisation description

ANZ is a publicly listed company, and was incorporated on 14 July 1977 in Australia. Australia and New Zealand Banking Group Limited is the main holding and operating company for the Group and our registered office is ANZ Centre, Level 9, 833 Collins Street, Docklands, Victoria, Australia.

ANZ is one of the top ten largest listed companies in Australia by market capitalisation, one of four major banks in Australia (by total assets) and the largest bank in New Zealand (by total assets). ANZ had a market capitalisation of AU\$48.1 and total assets of \$AUD1,150.0 billion as at 31 March 2020¹. We operate in more than 33 markets across Australia, New Zealand, Asia, Pacific, Europe, America and the Middle East².

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.

Australia is ANZ's largest market, serving approximately six million Retail and Commercial customers through a network of around 600 branches, 30 business centres, 2,000 ATMs (including 800+ Smart ATMs) and leading online and mobile banking applications (as at 29 December 2018)³.

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 Climate Active Carbon Neutral Standard (CACNS).

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)

"Certification under Climate Active substantiates our commitment to achieving net zero operational emissions."

¹ 2020 Half Year Results, Dividend Announcement & Appendix 4D <https://www.anz.com/shareholder/centre/investor-toolkit/asx-announcements/#>

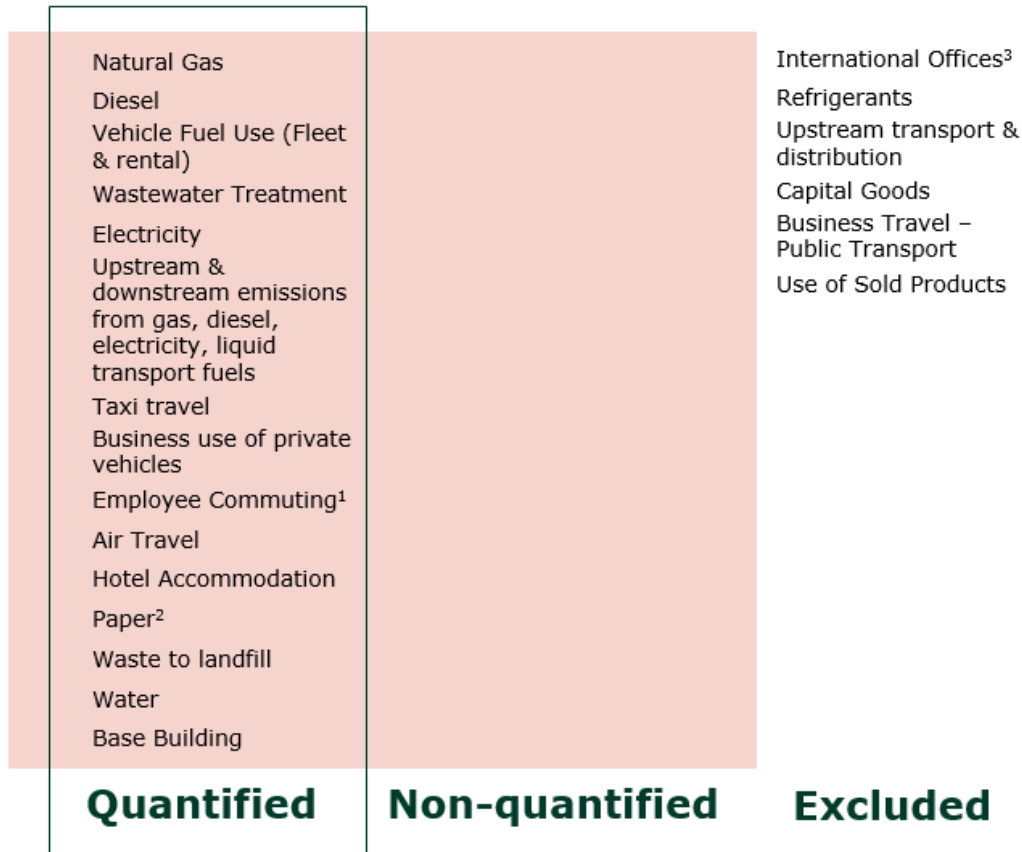
² <https://www.anz.com/shareholder/centre/about/>

³ <https://www.anz.com/shareholder/centre/about/business-structure/australia-retail-commercial/>

2. EMISSION BOUNDARY

Diagram of the certification boundary

The following emissions sources have been included in ANZ's Greenhouse Gas Inventory for 2019/20:



¹ 11 commercial office locations

² Office and customer paper use

³ Outside of Australian Climate Active certification, but within ANZ's Global Net Zero Carbon Boundary. ANZ's Global Net Zero Carbon includes many of the same emissions from other markets where we operate including New Zealand, Asia, Pacific, Europe and the Americas.

Non-quantified sources

No items are listed as non-quantified.

Data management plan

No items are listed as non-quantified due to “data unavailable”.

Excluded sources (outside of certification boundary)

The following emission sources have been excluded as they have been assessed as not relevant according to the relevance test:

- Leakage of hydrofluorocarbon refrigerants from commercial chiller units
- Upstream transportation and distribution
- Capital Goods
- Business Travel via Public Transport
- Use of sold products (internet and mobile banking)

Additionally, emissions from international offices, sit outside of Australian Climate Active certification, but are included within ANZ's Global Net Zero Carbon Boundary.

“Climate Active frameworks and guidance documents ensure consistent and rigorous reporting across all certified organisations.”

3. EMISSIONS SUMMARY

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 36% 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 Standard Carbon Neutral Program, CDP 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 2020 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 >10,000m²
- 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 >20,000m²

Emissions over time

The reduction in ANZ emissions over time has been achieved through a continued focus on energy efficiency, technology enablement, staff travel reductions and property portfolio consolidation and upgrade. Emissions from water consumption were reported for the first time in 2016-17. In 2016-17, water accounted for 329 tCO₂-e (equivalent to 0.18% of emissions reported in 2016-17). In 2019-20, ANZ used a market-based method of calculating electricity. As this is the first year we have had significant renewable energy generation from our wind turbines in Western Victoria, this data is comparable to our base year, where no market instruments such as LGCs were generated or retired.

Table 1

Emissions since base year								
	Base year: 2010-11	Year 4: 2013-14	Year 5: 2014-15	Year 6: 2015-16	Year 7: 2016-17	Year 8: 2017-18	Year 9: 2018-19	Current Year Year 10: 2019-20
<i>Total tCO₂e</i>	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	187,758 tCO ₂ -e	178,934 tCO ₂ -e	100,972 tCO ₂ -e

Emissions reduction actions

At the start of the COVID-19 pandemic we moved approximately 90% of our non-branch staff to working from home, closing off sections of our office buildings where appropriate. This, in addition to a number of temporary branch closures, has significantly reduced resource consumption across our property portfolio and has reduced our environmental footprint.

We recognise that our people working from home are creating waste, and using resources such as electricity, gas and water that would have previously been consumed in our offices. We are working towards understanding how to account for this consumption given the likelihood of increased flexible working arrangements in the future.

ANZ has achieved a 16% reduction in our overall Australian carbon footprint (scopes 1-3) for the year ending 30 June 2020. This trend has been mainly driven by:

- ~57% reduction in year on year natural gas emissions (and associated fuel extractions, transmission and distribution losses) with our co-generation system being offline for maintenance.
- ~12% reduction in year on year electricity emissions (and associated fuel extractions, transmission and distribution losses) as we consolidate and optimise our building portfolio; and
- ~44% reduction in year on year air travel and ~40% reduction in year on year accommodation as travel restrictions were put into place during the COVID-19 pandemic.
- Prior to COVID-19 impacts being felt, ANZ implemented a number of emissions reduction projects during the reporting year, including refurbishments, lighting and HVAC upgrades, energy audits and waste infrastructure upgrades. As at December 2019, ANZ had already achieved a 6% emissions reduction from our 2018-19 Total emissions tCO₂-e.

Emissions summary (inventory)

Table 2

Scope	Emission source	Emissions (t CO ₂ -e)
1	Natural Gas (for stationary energy and electricity generation purposes)	1,067
1	Diesel (for stationary energy and electricity generation purposes)	348
1	Liquid Fuel Use (tool-of-trade & rental vehicles)	2,541
1	Wastewater Treatment (Commercial Wastewater)	119
2	Electricity purchase from grid (Market based)	52,181
3	Natural Gas (Stationary Energy and Electricity Generation) – Transmission and Distribution Losses	81
3	Diesel (Stationary Energy and Electricity Generation) – Fuel Extraction, Production and Transport	18
3	Liquid Fuel Use (tool-of-trade vehicles & rental vehicles) – Fuel Extraction, Production and Transport	133
3	Electricity Purchases – (Fuel extractions, transmission and distribution losses)	5,947
3	Other business-related road travel (taxis and private vehicles)	932
3	Employee Commuting	11,639
3	Air Travel	10,767
3	Hotel Accommodation	2,039
3	Paper use (internal and customer end use)	3,846
3	Waste to landfill	550
3	Other building energy use (proportionate base building emissions)	8,532
3	Water	233
3	Climate Active certified carbon neutral product – Office Paper 162 tonnes	-
Total Net Emissions		100,972⁴

Uplift factors

Table 3

Reason for uplift factor	tonnes CO ₂ -e
No uplift factors applied	0.00
Total Footprint to offset (uplift factors + net emissions)	100,972

Carbon neutral products

Carbon Neutral (Climate Active Certified): Office Paper in Australia – 162 tonnes.

⁴ Whilst emissions in this table total 100,973 tCO₂-e we have cited the figure to which ANZ's FY20 Climate Active Carbon Neutral Program assurance opinion relates (100,972 tCO₂-e) noting the 1tCO₂-e variation is attributable to rounding.

Electricity summary

Electricity was calculated using a Market-based approach.

The Climate Active team are 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 by July 2020. Given a decision is still pending on the accounting way forward, a summary of emissions using both measures has been provided for full disclosure and to ensure year on year comparisons can be made.

Market-based approach electricity summary

Table 4

Electricity Inventory items	kWh	Emissions tonnes CO ₂ e)
Electricity Renewables	50,680,317	0
Electricity Carbon Neutral Power	0	0
Electricity Remaining	53,767,633	58,128
Renewable electricity percentage	49%	
<i>Net emissions (Market-based approach)</i>		58,128 ⁵

⁵ As requested by Climate Active, this figure represents a combined scope 2 & 3 market-based figure and accounts for LGCs retired within the reporting year. For this reason, this differs from the reported scope 2 market-based figure reported in other ANZ publications.

Location-based summary

Table 5

State/ Territory	Electricity Inventory items	kWh	Full Emission factor (Scope 2 +3)	Emissions (tonnes CO2e)
ACT/NSW	Electricity Renewables	268,743	-0.90	-241.87
ACT/NSW	Electricity Carbon Neutral Power	-	-0.90	-
ACT/NSW	Netted off (exported on-site generation)	-	-0.81	-
ACT/NSW	Electricity Total	16,001,464	0.90	14,401.32
SA	Electricity Renewables	-	-0.53	-
SA	Electricity Carbon Neutral Power	-	-0.53	-
SA	Netted off (exported on-site generation)	-	-0.44	-
SA	Electricity Total	3,145,558	0.53	1,667.15
Vic	Electricity Renewables	30,295,245	-1.12	-33,930.67
Vic	Electricity Carbon Neutral Power	-	-1.12	-
Vic	Netted off (exported on-site generation)	-	-1.02	-
Vic	Electricity Total	72,431,413	1.12	81,123.18
Qld	Electricity Renewables	-	-0.93	-
Qld	Electricity Carbon Neutral Power	-	-0.93	-
Qld	Netted off (exported on-site generation)	-	-0.81	-
Qld	Electricity Total	6,675,112	0.93	6,207.85
NT	Electricity Renewables	-	-0.71	-
NT	Electricity Carbon Neutral Power	-	-0.71	-
NT	Netted off (exported on-site generation)	-	-0.63	-
NT	Electricity Total	636,945	0.71	452.23
WA	Electricity Renewables	-	-0.74	-
WA	Electricity Carbon Neutral Power	-	-0.74	-
WA	Netted off (exported on-site generation)	-	-0.69	-
WA	Electricity Total	4,714,693	0.74	3,488.87
Tas	Electricity Renewables	-	-0.17	-
Tas	Electricity Carbon Neutral Power	-	-0.17	-
Tas	Netted off (exported on-site generation)	-	-0.15	-
Tas	Electricity Total	842,765	0.17	143.27
<i>Total net electricity emissions</i>			0.00	73,311.33 ⁶

⁶ As requested by Climate Active, this figure represents a combined scope 2 & 3 location-based figure and accounts for LGCs retired within the reporting year. For this reason, this differs from the reported scope 2 location-based figure reported in other ANZ publications.

4. CARBON OFFSETS

Offset purchasing strategy: Forward purchasing

Table 6

Forward purchasing summary	
1. Total offsets previously forward purchased for this reporting period	491,518
2. Total offsets required for this reporting period	154,664 (for ANZ's Net Zero Carbon commitment noting FY20 audited global footprint was 154,664 tCO ₂ -e)
3. Net offset balance for this reporting period	336,854
4. Total offsets to be forward purchased for next reporting period	0 (Sufficient offsets in net offset balance for next reporting period)

Offsets summary

Table 7

1. Total offsets required for this report				154,664					
2. Offsets retired in previous reports and used in this report				8,518					
3. Net offsets required for this report				146,146					
Project description	Eligible offset units type	Registry unit retired in	Date retired	Serial number (including hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO2-e)	Quantity used for previous report	Quantity to be banked for future years	Quantity to be used this report
Negros Island Solar Power Inc.	VCUs	Verra	12 June 2019	5920-266930053-266951052-VCU-029-APX-PH-1-1735-02032016-31122016-0	2016	21,000	12,482	0	8,518
Ningxia Xiangshan Wind Farm Project	VCUs	Verra	15 Jan 2020	7419-393910953-393913952-VCU-034-APX-CN-1-1867-01012018-31122018-0	2018	3,000	0	0	3,000
Ningxia Xiangshan Wind Farm Project	VCUs	Verra	15 Jan 2020	7411-393197221-393200220-VCU-034-APX-CN-1-1867-01012018-31122018-0	2018	3,000	0	0	3,000
Ningxia Xiangshan Wind Farm Project	VCUs	Verra	15 Jan 2020	7411-393200221-393677220-VCU-034-APX-CN-1-1867-01012018-31122018-0	2018	477,000	0	336,854	140,146
Total offsets retired this report and used in this report							154,664 (for ANZ's Net Zero Carbon commitment noting FY20 audited global footprint was 154,664 tCO2-e)		
Total offsets retired this report and banked for future reports							336,854		

Co-benefits

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.

For the 2019/20 year ANZ sponsored three projects. 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. Ningxia Xiangshan Wind Farm Project

The proposed has a total installed capacity of 397.5MW consisting of 265 wind turbines with unit capacity of 1,500kW. The expected annual power delivered to the grid is 970,432MWh. The power generated will be delivered to the Northwest Power Grid (NWPG) via Ningxia Power Grid.

The Tiverton Farm

ANZ purchased Natural Capital Units (NCU) to accompany a one-tonne wind VCU from Ningxia Xiangshan Wind Farm Project to form an ANZ Community Credit (ANZCC), enabling ANZ to meet its Climate Active requirements as well as the ability to support the Victorian based Tiverton property. The Tiverton farm is an 800-hectare Merino sheep farm in the Western District of Victoria. Co-owned by Harry Youngman, whose company Tiverton Ag manages close to 13,000 hectares of arable land in the state, and Nigel Sharp, who also runs the Mt Rothwell Biodiversity Interpretation Centre, the team behind Tiverton measure their economic goals against environmental ones with the intention of not only minimising environmental impact, but improving the land quality for the future. Tiverton Ag has set aside 3,000 Natural Capital Units (NCU) for ANZ with each NCU representing 1m² of government-accredited habitat protection, with a covenant being placed on the land title to ensure the vegetation is managed for conservation in perpetuity.

5. USE OF TRADE MARK

Table 8

Description where trademark used	Logo type
ESG Supplement Report	Certified organisation
Selected staff email signatures	Network member

6. ADDITIONAL INFORMATION

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

APPENDIX 1: EXCLUDED EMISSIONS

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

Excluded Emission sources	Relevance test				
	<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>
Leakage of hydrofluorocarbon refrigerants from commercial chiller units	No	No	Yes	No	No
Upstream transportation and distribution	No	No	No	No	No
Capital Goods	No	No	No	Yes	No
Business Travel (Public Transport)	No	No	No	No	No
Use of sold products (internet and mobile banking).	No	No	No	No	No

APPENDIX 2

Non-quantified emissions for organisations

No items are listed as non-quantified.