PUBLIC DISCLOSURE STATEMENT

BANK AUSTRALIA LIMITED

ORGANISATION CERTIFICATION
FY2020-21

Climate Active
Public Disclosure Statement

An Australian Government Initiative

NAME OF CERTIFIED ENTITY: Bank Australia

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.

Name of Signatory: Damien Walsh

Position of Signatory: Managing Director

Date 31 October 2021

Australian Government

Department of Industry, Science, Energy and Resources

Version number February 2021

2. CARBON NEUTRAL INFORMATION

Description of certification

This certification is for the Australian business operations of Bank Australia Limited (ABN: 21 087 651 607).

The Climate Active certification sets the standard for estimating and reporting on carbon emissions and offsets.

Organisation description

Bank Australia Limited is an authorised deposit taking institution headquartered in Melbourne, Victoria with a national network of 18 branches and five office sites around Australia. We report on our organisation's scope 1, 2 and 3 emissions as per the Greenhouse Gas Protocol and are seeking carbon neutral certification as an organisation.

We use the operational control approach to set our organisational boundary. We have three subsidiaries over which we have full operational control: Ed Credit Services Pty Ltd, ECS Unit Trust and Buloke Funding Trust No. 1. Our emissions inventory covers Bank Australia Limited and these subsidiaries, as the subsidiaries are located on the same premises and do not have separate operations to the consolidated entity.

Bank Australia holds equity investments in two unincorporated entities, Data Action Pty Ltd and Cuscal Limited, which provide banking and payment services to Bank Australia and other mutual financial institutions. These entities are excluded from the organisational boundary as Bank Australia does not have operational control over them1. In FY20-21, emissions from these entities have been included as Scope 3 emissions in Bank Australia's supply chain.

Our emissions inventory incorporates the seven greenhouse gases considered listed under the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).

4. EMISSION BOUNDARY

Diagram of the certification boundary

Quantified	Non-quantified	Excluded
Land and sea transport	*Building refrigerants*	*Portfolio investments*
Gas consumption and Distribution	*Food & catering*	*Embodied emissions relevant to operation spend*
Electricity consumption and distribution		*External consultants*
Fuel distribution		
Key suppliers		
Employees' working-from-home		
Air transport		
Hotel accommodation		
Water		
Waste		
Base building services		
Paper		
Printing		

Non-quantified sources

Some emissions sources are relevant to Bank Australia's organisational boundary yet satisfy the exclusion criteria per sections 2.3.1 and 2.6 of the Climate Active Carbon Neutral Standard for Organisations. These have been deemed immaterial as each individually contributed less than 1.0% of the total inventory and less than 5.5% combined. Non-quantified sources include:

- Building refrigerants
- Food & catering

Data management plan

Data availability is one of the reasons why Building refrigerants and Food & catering haven't been quantified. In relation to building refrigerants, we will work with property managers at our new head office location to better understand data availability and accessibility as this would be the most material site for this source. In relation to Food & catering, we will commence work internally with our Finance team to determine appropriate accounting measures once face-to-face meetings return to our workplace.

Excluded sources

Some emissions sources have been excluded from Bank Australia's organisational boundary as they satisfy the exclusion condition using the relevance test as per the Climate Active Carbon Neutral Organisations s2.3.1 Standard. Excluded sources include:

- Portfolio investments
- Embodied emissions relevant to operation spend
- External consultants

5. EMISSIONS SUMMARY

Emissions reduction strategy

While the impact of the pandemic and associated restrictions was the primary driver for Bank Australia's emissions reductions over FY20-21, there were some initiatives and other organisational changes that added to the decline and provided a foundation for further cuts into the future. For example, we invested in transparent utility metering to provide real-time insights and form baseline data to plan and track our performance into the future. We expanded the size of our Conservation Reserve to enable us to explore opportunities for home-grown carbon offsets in the future. We also commenced work on developing a new climate strategy to firm up our response to the crisis over the medium to long term, helping to clarify our short term action plan. The strategy process considered re-aligning our long-term emissions targets with the latest science; emissions reduction initiatives, including an offset strategy; and an assessment of our portfolio emissions.

Emissions over time

Since Bank Australia's base year with Climate Active in FY18, total gross emissions have declined by 57.3%. Declines were almost universal across all emissions sources relative to the base year, largely reflecting implementation of Bank Australia's 100% renewable electricity claim, implications of the pandemic, as well as some changes to the Bank's branch and office footprint. From FY21-22, we will rebase our inventory against FY20-21.

The biggest falls were driven by:

- Electricity (-1,056.8 tCO2-e, or -100.0%) reflecting the Bank's switch to 100% renewable electricity for every megawatt hour of electricity consumed across all of our offices and branches;
- Air travel (-189.7 tCO2-e, or -85.8%) and hotel accommodation (-73.6, or -82.4%) reflecting the mobility restrictions in response to the pandemic;
- Waste (-34.9 tCO2-e, or -56.2%) and land transport (-17.6 tCO2-e, or -89.7%) reflecting limited employee and customer office and branch visitation in response to the pandemic; and
- Base building services (-18.7 tCO2-e, or -50.7%) reflecting branch closures and improve energy efficiency measures implemented in some shopping centres.

These declines were only slightly offset with rises in emissions associated with printing (+2.1 tCO2-e, or +11.3%) and paper (+12.4 tCO2-e), as well as the addition of emissions sources added to our quantified boundary since FY18.

Table 1

	Base year 2017-18	Current year Year 2: 2020-21
Total gross tCO2-e	1,640.2	699.8

Emissions summary (inventory)

Scope 1 emissions were reported at 49.9 tCO2-e in FY21, representing a decline of 20.0 tCO2-e (or -27.8%) relative to FY18.

- Land and sea transport – formerly 'Car travel – pool cars' – emissions were reported at 2.0 tCO2-e in FY21, representing a decline of 17.6 tCO2-e (or -89.7%) relative to FY18. The decline reflects the pandemic and associated mobility restrictions, as well investment in more fuel efficient company-owned vehicles.

- Gas consumption – emissions associated with this source were reported at 47.8 tCO2-e in FY21, representing a decline of 1.7 tCO2-e (or -3.3%) relative to FY18. This demonstrates that Bank Australia's investment to improve the energy efficiency of existing gas infrastructure is reducing our emissions intensity of gas consumption as employee numbers grow.

Scope 2 emissions, using the market based approach, were reported at 0.0 tCO2-e reflecting the second consecutive full year that Bank Australia operated on 100% renewable electricity.

Scope 3 emissions were reported at 649.9 tCO2-e, representing an increase of 135.6 tCO2-e (or +26.4%) relative to FY18.

- Land and sea transport – formerly 'Car travel – packaged and job needs cars', 'Car travel – employee owned', 'Staff commute', 'Taxis and rideshare' and 'Fuel distribution' – emissions were reported at 166.8 tCO2-e, representing an increase 89.1 tCO2-e (or 114.7%) relative to FY18. This rise largely reflects the addition of emissions associated with staff commute, which was partly offset by declines associated with pandemic-related mobility restrictions.

- Employees working-from-home emissions were reported at 248.7 tCO2-e – an emissions source added to our quantified boundary since FY18. Year-on-year, emissions from this source increased 235.8 tCO2-e (or + 1,828.3%) relative to FY20. This sharp increase reflects the significant impact of employees working-from-home in several capital cities during FY21, as well as a change in methodology.

- Air transport emissions were reported at 31.5 tCO2-e, representing a decline of 189.7 tCO2-e (or -85.8%) relative to FY18. This decline reflects the pandemic and associated mobility restrictions.

- Hotel accommodation emissions were reported at 15.8 tCO2-e, representing a decline of 73.6

tCO2-e (or -82.4%) relative to FY18. This decline reflects the pandemic and associated mobility restrictions.

- Paper emissions were reported at 12.4 tCO2-e, representing an increase of 12.4 tCO2-e relative to FY18. This reflects a change in protocol requiring that consumption procured through sources not accredited by Climate Active cannot be considered carbon neutral.
- Water emissions were reported at 1.8 tCO2-e, representing a decline of 1.5 tCO2-e (or -46.1%) relative to FY18. This decline reflects the pandemic and associated mobility restrictions limiting staff numbers on-site.
- Waste emissions were reported at 27.2 tCO2-e, representing a decline of 34.9 tCO2-e (or -56.2%) relative to FY18. This decline reflects the pandemic and associated mobility restrictions limiting staff numbers on-site.
- Printing emissions were reported at 21.1 tCO2-e, representing a rise of 2.1 tCO2-e (or +11.3%) relative to FY18. This decline reflects initiatives to promote uptake of online statements and communications with customers.
- Postage emissions were reported at 69.9 tCO2-e – an emissions source added to our quantified boundary since FY18. Year-on-year, emissions from this source declined 7.9 tCO2-e (or -10.2%) relative to FY20. This decline reflects initiatives to promote uptake of online statements and communications with customers.
- Base building emissions were reported at 18.2 tCO2-e, representing a decline of 18.7 tCO2-e (or -50.7%) relative to FY18. This decline reflects several branch closures as well as improved energy efficiency of Vicinity Centres.
- Key suppliers emissions were reported at 32.6 tCO2-e – an emissions source added to our quantified boundary since FY18. Year-on-year, emissions from this source declined 0.2 tCO2-e (or -0.7%) relative to FY20.
- Gas distribution emissions were reported at 3.7 tCO2-e, representing no change from FY18. This demonstrates that Bank Australia's investment to improve the energy efficiency of existing gas infrastructure is reducing our emissions intensity of gas consumption as employee numbers grow.
- Fuel distribution emissions were reported at 0.1 tCO2-e, representing a decline of 0.9 tCO2-e (or -89.9%) relative to FY18. The decline reflects the pandemic and associated mobility restrictions, as well investment in more fuel efficient company-owned vehicles.

Table 2

Emission source category	tonnes CO_2-e
Land and sea transport	2.0
Gas consumption	47.8
Subtotal - Scope 1	**49.9**
Electricity (market based) – Scope 2	**0.0**
Land and sea transport	166.8
Employees working-from-home	248.7
Air transport	31.5
Hotel accommodation	15.8
Paper	12.4
Water	1.8
Waste	27.2
Printing	21.1
Postage	69.9
Base buildings	18.2
Key suppliers	32.6
Gas distribution	3.7
Fuel distribution	0.1
Subtotal – Scope 3	**649.9**
Total Net Emissions	699.8

Electricity summary

Electricity was calculated using a market-based approach.

Market-based approach summary

Market-based approach	Activity Data (kWh)	Emissions (kgCO2e)	Renewable %
Behind the meter consumption of electricity generated	21,795	0	3%
Total non-grid electricity	**21,795**	**0**	**3%**
LGC Purchased and retired (kWh) (including PPAs & Precinct LGCs)	773,114	0	97%
GreenPower	0	0	0%
Jurisdictional renewables (LGCs retired)	10,953	0	1%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	2,557	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	143,755	0	18%
Residual Electricity	-157,265	-168,758	-20%
Total grid electricity	**773,114**	**-168,758**	**97%**
Total Electricity Consumed (grid + non grid)	**794,909**	**-168,758**	**120%**
Electricity renewables	952,174	0	
Residual Electricity	-157,265	-168,758	
Exported on-site generated electricity	**15,188**	**-11,847**	
Emission Footprint (kgCO2e)		0	

Total renewables (grid and non-grid)	**119.78%**
Mandatory	**19.78%**
Voluntary	**97.26%**
Behind the meter	**2.74%**
Residual Electricity Emission Footprint (TCO2e)	**0**

Location-based approach summary

Location Based Approach	Activity Data (kWh)	Emissions (kgCO2e)
ACT	13,510	12,159
NSW	42,416	38,175
SA	44,484	23,132
Vic	671,930	732,404
Qld	774	719
Grid electricity (scope 2 and 3)	**773,114**	**806,589**
ACT	0	0
NSW	0	0
SA	0	0
Vic	21,795	0
Qld	0	0
Non-grid electricity (Behind the meter)	**21,795**	**0**
Total Electricity Consumed	**794,909**	**806,589**

Emission Footprint (TCO2e)	**807**

6. CARBON OFFSETS

Offsets strategy

Offset purchasing strategy: In arrears	
1. Total offsets previously forward purchased and banked for this report	1,657
2. Total emissions liability to offset for this report	700
3. Net offset balance for this reporting period	-
4. Total offsets to be forward purchased to offset the next reporting period	957
5. Total offsets required for this report	700

Co-benefits

Bank Australia acknowledges that carbon offsetting is used as a last-resort when accounting for the greenhouse gas emissions we are responsible for. However, offsets do play an important role in enabling our transition to a zero carbon future.

In FY21 we made a substantial purchase of carbon offsets to enhance environmental outcomes from forward-purchasing, while also benefiting from competitive prices that are set to rise. We retired offsets from a VCS-accredited project in Victoria, focused on conservation and protection of endangered species including the Brush-tailed Phascogale, stapled to renewable electricity offsets.

Offsets summary

Proof of cancellation of offset units

Offsets cancelled for Climate Active Carbon Neutral Certification										
Project description	**Type of offset units**	**Registry**	**Date retired**	**Serial number (and hyperlink to registry transaction record)**	**Vintage**	**Eligible Quantity (TCO2-e)**	**Quantity used for previous reporting periods**	**Quantity banked for future reporting periods**	**Quantity used for this reporting period claim**	**Percentage of total (%)**
Watchbox conservation project, Victoria **Stapled to** **Inner Mongolia Ximeng Zheligentu Wind Farm Phase I Project**	VCUs	VERRA	16 Sep 2021	9651-115152188-115154487-VCS-VCU-259-VER-CN-1-849-01012018-20072018-0	2018	2,300	643	957	700	100%
								Total offsets retired this report and used in this report	700	
							Total offsets retired this report and banked for future reports	957		

Type of offset units	Quantity (used for this reporting period claim)	Percentage of Total
Verified Carbon Units (VCUs)	700	100%

7. USE OF TRADE MARK

Table 8

Description where trademark used	Logo type
Bank Australia website	Network member

8. 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	*The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions*	*The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.*	*Key stakeholders deem the emissions from a particular source are relevant.*	*The responsible entity has the potential to influence the reduction of emissions from a particular source.*	*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.*
Portfolio investments	Yes	No	No	No	No
Embodied emissions relevant to operation spend	No	No	No	No	No
External consultants	Yes	No	No	No	No

APPENDIX 2

Non-quantified emissions for organisations

Table 10

Non-quantification test				
Relevant-non-quantified emission sources	*Immaterial <1% for individual items and no more than 5% collectively*	*Quantification is not cost effective relative to the size of the emission but uplift applied.*	*Data unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.*	*Initial emissions non-quantified but repairs and replacements quantified*
Building refrigerants	Yes	Yes	No	No
Food & catering	Yes	Yes	No	No

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