



PUBLIC DISCLOSURE STATEMENT


REDZED LENDING SOLUTIONS

ORGANISATION CERTIFICATION

FY2022-23

Australian Government
Climate Active
Public Disclosure Statement



NAME OF CERTIFIED ENTITY	RedZed Lending Solutions Pty Ltd
REPORTING PERIOD	Financial Year 1 July 2022 – 30 June 2023 Arrears report
DECLARATION	<p><i>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.</i></p>  <p>Calvin Cordle Managing Director 30/10/2023</p>



Australian Government
**Department of Climate Change, Energy,
the Environment and Water**

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Version August 2023.



1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	620 tCO ₂ -e
OFFSETS USED	100% ACCUs
RENEWABLE ELECTRICITY	96.48%
CARBON ACCOUNT	Prepared by: Organisation
TECHNICAL ASSESSMENT	17/5/2022 Encader Consulting Next technical assessment due: FY 2025

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2. CARBON NEUTRAL INFORMATION

Description of certification

This organisation certification covers the Australian business operations of RedZed Lending Solutions Pty Ltd, ABN: 31 123 588 527.

This Public Disclosure Statement (PDS) supports the certification of the Australian business operations of RedZed Lending Solutions Pty Ltd as an organisation going carbon neutral under the 'Climate Active Carbon Neutral Certification Standard for Organisations'.

This carbon inventory has been prepared for the financial year from 1 July 2022 to 30 June 2023. The emissions boundary has been defined based on the operational control approach and covers the Australian operations of the business. Emissions associated with the loans provided by RedZed are excluded and outside of the emissions boundary.

Organisation description

RedZed was founded in 2006 with a clear vision; to become the preferred lender to Australia's self-employed. We take a holistic, common-sense approach to business and income, and prioritise financial inclusion for self-employed people, a segment that has traditionally been underserved by mainstream banking institutions.

Our range of residential and commercial loan options are designed to help small business owners and sole traders achieve their personal and business goals, and we strive to deliver outstanding customer experiences through our simple processes, fair assessments, and fast turnaround times. Throughout RedZed's 17-year history, we have advanced over \$7 billion to more than 20,000 self-employed Australians.

Whilst financial inclusion for the self-employed community is RedZed's central focus, we are also committed to being environmentally and socially responsible. Our ultimate sustainable mission is to become a nationally recognised leader in Environmental, Social and Governance (ESG) across the non-bank lending sector, through helping our customers secure loans from ESG responsible investment sources, reducing the social and environmental impacts of our operations, and connecting communities through outreach activities.

3. EMISSIONS BOUNDARY

Inside the emissions boundary

All emission sources listed in the emissions boundary are part of the carbon neutral claim.

Quantified emissions have been assessed as relevant and are quantified in the carbon inventory. This may include emissions that are not identified as arising due to the operations of the certified entity, however are **optionally included**.

Non-quantified emissions have been assessed as relevant and are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. All material emissions are accounted for through an uplift factor. Further detail is available at Appendix C.

Outside the emissions boundary

Excluded emissions are those that have been assessed as not relevant to an organisation's operations and are outside of its emissions boundary or are outside of the scope of the certification. These emissions are not part of the carbon neutral claim. Further detail is available at Appendix D.

Inside emissions boundary

Quantified

Accommodation and facilities
Cleaning and Chemicals
Electricity
Food
ICT services and equipment
Office equipment & supplies
Postage, courier and freight
Professional Services
Stationary Energy (gaseous fuels)
Transport (Air)
Transport (Land)
Waste
Water
Working from home
Sydney office

Non-quantified

Refrigerants

Outside emission boundary

Excluded

Investments (loans to customers)

4. EMISSIONS REDUCTIONS

Emissions reduction strategy

RedZed's emissions reduction strategy is the business' roadmap to reduce emissions across the value chain (scopes 1, 2 and 3) by 50% by 2025 from a FY2020-2021 base year.

Our emissions level has risen since FY2021-22 due to the organic growth of the business and the end of Covid-19. The growth of RedZed along with the return of interstate travel and commuting has seen emissions rise in the FY2022-23 period, however this has been offset by a degree due to the successful implementation of our emission reduction strategy.

Our emission reduction strategy includes the following actions:

- Scope 2 emissions will be reduced by
 - Monitoring and improving the energy efficiency of our office lighting
 - Maintaining 100% GreenPower for energy usage in the Melbourne and Sydney office
- Scope 3 emissions will be reduced by
 - Continuing to work with the building manager to establish mature waste management using multiple bin types. Encourage staff to reduce waste overall
 - Encourage staff commuting via public transport and walking/cycling
 - Reviewing major procurement choices to favour products and services that are addressing and minimizing their carbon emissions.

Emissions reduction actions

A key priority action for us to reduce our emissions going forward was to purchase renewable energy for energy usage within our office tenancies. In August 2022 we began purchasing 100% GreenPower for all energy usage in both our Melbourne and Sydney office. This had a significant effect on our emissions from electricity, with a year-on-year reduction of 93%, saving 48 t CO₂-e had we not switched to GreenPower.

We have also implemented more energy efficient lighting in our Melbourne office by installing timed lighting. This change reduced our energy usage in the Melbourne office by 5% year on year.

5. EMISSIONS SUMMARY

Emissions over time

		Emissions since base year	
		Total tCO ₂ -e (without uplift)	Total tCO ₂ -e (with uplift)
Base year:	2020–21	417.51	N/A
Year 1:	2021–22	507.22	N/A
Year 2:	2022–23	619.19	N/A

Significant changes in emissions

Emission source	Previous year emissions (t CO ₂ -e)	Current year emissions (t CO ₂ -e)	Reason for change
Storage (ICT Services and Equipment)	81.47	139.68	Organic growth of the business. The investment in various platforms across the period has meant that more storage costs were incurred year on year.
Short economy class flights	4.82	68.59	As COVID-19 border restrictions and restrictions on large groupings were still in place throughout the FY22 period, most events and conferences were unable to take place meaning our sales team had little need to travel interstate. Along with the organic growth of the company, the removal of the restrictions enabled considerably more air travel to various events and conferences to take place.

Use of Climate Active carbon neutral products, services, buildings or precincts

N/A

Emissions summary

The electricity summary is available in the Appendix B. Electricity emissions were calculated using a market-based approach.

Emission category	Scope 1 emissions (t CO ₂ -e)	Scope 2 emissions (t CO ₂ -e)	Scope 3 emissions (t CO ₂ -e)	Total emissions (t CO ₂ -e)
Accommodation and facilities	0.00	0.00	11.25	11.25
Cleaning and chemicals	0.00	0.00	6.30	6.30
Electricity	0.00	4.00	0.53	4.53
Food	0.00	0.00	27.94	27.94
ICT services and equipment	0.00	0.00	160.03	160.03
Office equipment and supplies	0.00	0.00	44.34	44.34
Postage, courier and freight	0.00	0.00	24.82	24.82
Professional services	0.00	0.00	95.13	95.13
Refrigerants	0.00	0.00	0.00	0.00
Stationary energy (gaseous fuels)	7.83	0.00	0.79	8.62
Stationary energy (liquid fuels)	0.05	0.00	0.01	0.06
Transport (air)	0.00	0.00	112.96	112.96
Transport (land and sea)	0.00	0.00	81.32	81.32
Waste	0.00	0.00	2.10	2.10
Water	0.00	0.00	1.24	1.24
Working from home	0.00	0.00	38.56	38.56
Total	7.88	4.00	607.31	619.19

Uplift factors

N/A

6. CARBON OFFSETS

Offsets retirement approach

This certification has taken in-arrears offsetting approach. The total emissions to offset are 620 t CO₂-e. The total number of eligible offsets used in this report is 620. Of the total eligible offsets used, 44 were previously banked and 700 were newly purchased and retired. 124 are remaining and have been banked for future use.

Co-benefits

The Catchment Conservation Alliance - Great Barrier Reef Avoided Clearing initiative is set in Strathmore, within the Burnett Catchment of the Great Barrier Reef. It is home to cattle grazing enterprise alongside an array of native vegetation. The project is enabling the Dempsey Family to move away from clearing and into the protection of the native forest, ensuring the much-needed support of fragile ecosystems and the controlling of erosion, reducing the amount of sediment runoff into the Great Barrier Reef.

Key benefits resulting from the project include:

- Carbon sequestration to mitigate climate change
- Protection of native forest for 25 years.
- Supporting sustainable land management and a productive agricultural enterprise
- Supporting endangered regional ecosystems
- Protecting habitat for priority species
- Reducing runoff to the Great Barrier Reef

Eligible offsets retirement summary

Offsets retired for Climate Active certification											
Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Stapled quantity	Eligible quantity retired (tCO ₂ -e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total (%)
Catchment Conservation Alliance - Great Barrier Reef Initiative Site #15	ACCU	ANREU	24 October 2023	8,356,920,585 - 8,356,921,284	2022-23	-	700	0	124	576	92.90%
Arbon-Tooligie Human Induced Regeneration Project	ACCUs	ANREU	26 October 2022	8,345,891,265 - 8,345,891,814	2021-22	-	550	506	0	44	7.10%
Total eligible offsets retired and used for this report										620	
Total eligible offsets retired this report and banked for use in future reports									124		

Type of offset units	Eligible quantity (used for this reporting period)	Percentage of total
Australian Carbon Credit Units (ACCUs)	620	100%

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

There are two international best-practice methods for calculating electricity emissions – the location-based method and the market-based method. Reporting electricity emissions under both methods is called dual reporting.

Dual reporting of electricity emissions is useful, as it provides different perspectives of the emissions associated with a business's electricity usage.

Location-based method:

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

Market-based method:

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

For this certification, electricity emissions have been set by using the **market-based approach**.

Market Based Approach Summary			
Market Based Approach	Activity Data (kWh)	Emissions (kg CO 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)	54,491 ¹	0	40%
GreenPower	50,192	0	37%
Climate Active precinct/building (voluntary renewables)	0	0	0%
Precinct/Building (LRET)	0	0	0%
Precinct/Building jurisdictional renewables (LGCs surrendered)	0	0	0%
Electricity products (voluntary renewables)	0	0	0%
Electricity products (LRET)	0	0	0%
Electricity products jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	25,336	0	19%
Residual Electricity	4,746	4,532	0%
Total renewable electricity (grid + non grid)	130,019	0	96%
Total grid electricity	134,764	4,532	96%
Total electricity (grid + non grid)	134,764	4,532	96%
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	4,746	4,532	
Scope 2	4,191	4,002	
Scope 3 (includes T&D emissions from consumption under operational control)	555	530	
Residual electricity consumption not under operational control	0	0	
Scope 3	0	0	

Total renewables (grid and non-grid)	96.48%
Mandatory	18.80%
Voluntary	77.68%
Behind the meter	0.00%
Residual scope 2 emissions (t CO₂-e)	4.00
Residual scope 3 emissions (t CO₂-e)	0.53
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	4.00
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	0.53
Total emissions liability (t CO₂-e)	4.53

Figures may not sum due to rounding. Renewable percentage can be above 100%

¹ Note: Dexus who manage the Melbourne building RedZed operates in, have surrendered the above mentioned LGCs to match 81.44% of the base building electricity consumption for the reporting period.

Location Based Approach Summary						
Location Based Approach	Activity Data (kWh) total	Under operational control			Not under operational control	
		(kWh)	Scope 2 Emissions (kg CO ₂ -e)	Scope 3 Emissions (kg CO ₂ -e)	(kWh)	Scope 3 Emissions (kg CO ₂ -e)
Percentage of grid electricity consumption under operational control	100%					
NSW	16,751	16,751	12,229	1,005	0	0
VIC	118,013	118,013	100,311	8,261	0	0
Grid electricity (scope 2 and 3)	134,764	134,764	112,539	9,266	0	0
NSW	0	0	0	0		
VIC	0	0	0	0		
Non-grid electricity (behind the meter)	0	0	0	0		
Total electricity (grid + non grid)	134,764					

Residual scope 2 emissions (t CO ₂ -e)	112.54
Residual scope 3 emissions (t CO ₂ -e)	9.27
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	112.54
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	9.27
Total emissions liability (t CO₂-e)	121.81

Operations in Climate Active buildings and precincts

Operations in Climate Active buildings and precincts	Electricity consumed in Climate Active certified building/precinct (kWh)	Emissions (kg CO ₂ -e)
N/A	0	0
<p><i>Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their building or precinct certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the building/precinct under the market-based method is outlined as such in the market based summary table.</i></p>		

Climate Active carbon neutral electricity products

Climate Active carbon neutral product used	Electricity claimed from Climate Active electricity products (kWh)	Emissions (kg CO ₂ -e)
N/A	0	0
<p><i>Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their electricity product certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the electricity product under the market-based method is outlined as such in the market-based summary table.</i></p>		

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following emissions sources have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. They have been non-quantified due to one of the following reasons:

1. **Immaterial** <1% for individual items and no more than 5% collectively
2. **Cost effective** Quantification is not cost effective relative to the size of the emission but uplift applied.
3. **Data unavailable** Data is unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.
4. **Maintenance** Initial emissions non-quantified but repairs and replacements quantified.

Relevant non-quantified emission sources	Justification reason
Refrigerants	Immaterial

Data management plan for non-quantified sources

N/A

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to this organisation's operations and are outside of its emissions boundary. These emissions are not part of the carbon neutral claim. Emission sources considered for relevance must be included within the certification boundary if they meet two of the five relevance criteria. Those which only meet one condition of the relevance test can be excluded from the certification boundary.

Emissions tested for relevance are detailed below against each of the following criteria:

1. **Size** The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.
2. **Influence** The responsible entity has the potential to influence the reduction of emissions from a particular source.
3. **Risk** The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
4. **Stakeholders** Key stakeholders deem the emissions from a particular source are relevant.
5. **Outsourcing** 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.

Excluded emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Investments	N	N	N	N	N	RedZed's Investments are Loans to Customers. These are outside of our Emissions boundary as they do not meet any of the criteria to be relevant. Loans to customers are not a source of emissions for RedZed. We do not have the potential to influence the emissions from this source and there are no relevant regulations relating to this source. Stakeholders would not consider this to be an emission source and we have not previously undertaken this activity within our emissions boundary. As such we have excluded Investments from our reporting.





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