



RESPONSIBLE BUSINESS
CONSULTANTS

Annual Greenhouse Gas (GHG) Emissions Report

prepared for
Teachers Mutual Bank Limited

2023

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OVERVIEW

Teachers Mutual Bank Limited (referred to as TMBL¹) reports on its operational energy and greenhouse gas (GHG) emissions. TMBL has tracked its GHG emissions over several years. TMBL has also disclosed investments made in emissions reduction initiatives and carbon offsets in recent years.

TMBL collects energy and activity data to calculate greenhouse gas (GHG) emissions. Key data is reported in the Annual Report. This report, *Annual Greenhouse gas (GHG) emissions report FY2023* provides an update for the period July 1 2022 - June 30 2023, as well as presenting seven year trend data from FY2017-2023 (unless otherwise stated). Similar to previous periods, this report includes Scope 1 and Scope 2 GHG emissions. In addition, selected Scope 3 sources have also been estimated (refer to pages 5-6 and 11-16). Financed emissions were not calculated. It is typical for organisations to start by reporting Scope 1 and 2 emissions and then increase the number of Scope 3 sources over time. *Note:* The different scopes of emissions are explained in *Emissions sources* on page 5.

Responsible Business Consultants (RBC) prepared this report using energy and activity data supplied by TMBL. This data was entered into *TMBL CSR reporting spreadsheet* to calculate emissions. No verification or audit of the underlying data was undertaken. RBC would like to acknowledge that this report format is based on the report created by The Incus group prepared for TMBL for previous periods, as requested by TMBL.

RBC would also like to acknowledge and thank the staff at TMBL for providing the data for the calculations to be completed.

¹ TMBL includes Teachers Mutual Bank, Firefighters Mutual Bank, Health Professionals Bank, UniBank and Hiver

A period of business growth.....yet emissions have reduced

In the **seven years** between FY 2017 and FY 2023, TMBL has grown:

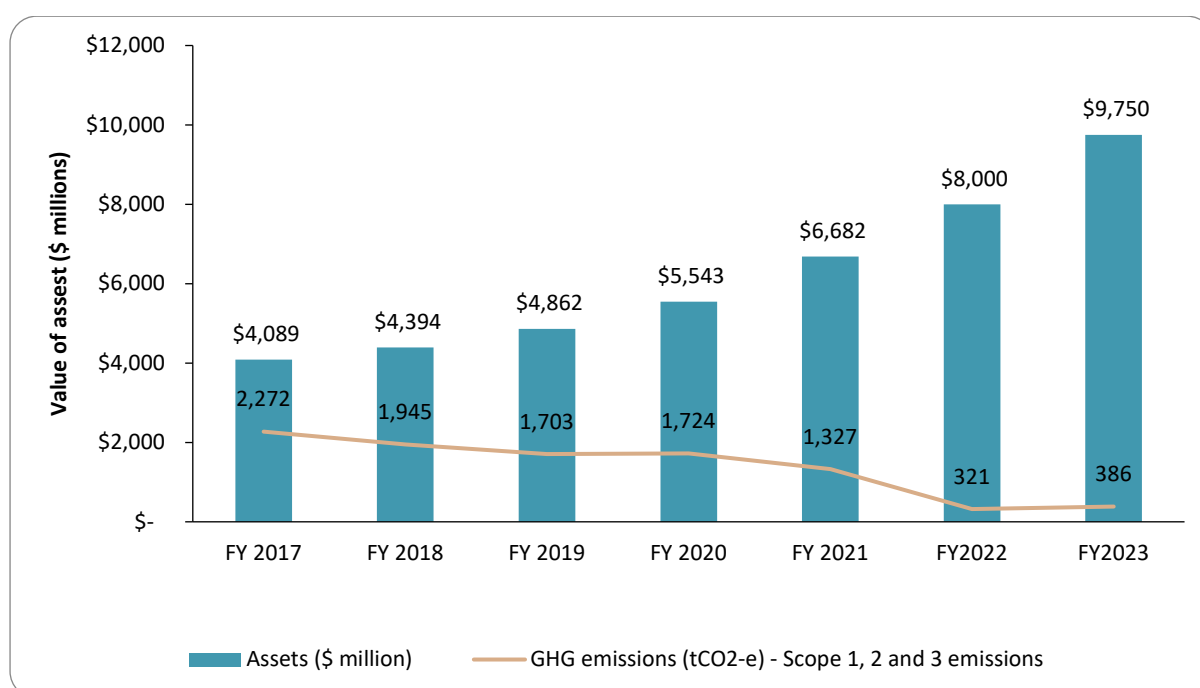
- Total assets have increased 60%
- Members have increased 22%
- Number of employees have increased 15%

Despite this growth, between FY2017 and FY2021, TMBL's operational emissions had reduced by over 900 tCO₂-e, a 40% reduction.

By purchasing Greenpower for FY2022 and FY2023, TMBL's Scope 2 emissions (electricity) effectively reduced to 0 tCO₂-e for the offices for which Greenpower is purchased². This resulted in a further 900 tCO₂-e reduction in emissions between FY2021 and FY2023.

Overall, this represents an 83% decrease in reported GHG emissions from FY2017 to FY2023. These trends are illustrated in Charts 1 and 3.

Chart 1: Value of assets (\$m) compared to GHG Emissions (tCO₂-e), FY2017 – FY2023



Note: Estimations of selected scope 3 emissions have been progressively added to the Scope 1 and 2 GHG emissions calculations over time. Emissions associated with flights were included from FY2017 (however were not available in FY2021), emissions associated with waste, paper, water were included from FY2020. Financed emissions have not been calculated.

² As per [Climate Active guidance](#) August 2023: 'GreenPower purchases are accounted for under the 'market-based' method, and treated as MWh of zero emissions electricity'.

EMISSION SOURCES

TMBL measure and report GHG emissions generated by the bank's operations in its buildings and by the vehicle fleet, and selected emissions that occur in the supply chain.

TMBL's operational emissions are from vehicle use and natural gas consumption (Scope 1) and electricity consumption at its owned and leased offices (Scope 2). There are also emissions in the supply chain generated by flights for business travel as well as the generation of waste, consumption of paper and water in offices (Scope 3). Emissions associated with the extraction, production and transport or distribution of electricity, gas and other fuels are also now included (Scope 3). The relative proportions of each emission source are illustrated in Figure 1 and Chart 2.

Figure 1: TMBL's footprint includes Scope 1, Scope 2 and Scope 3 emissions

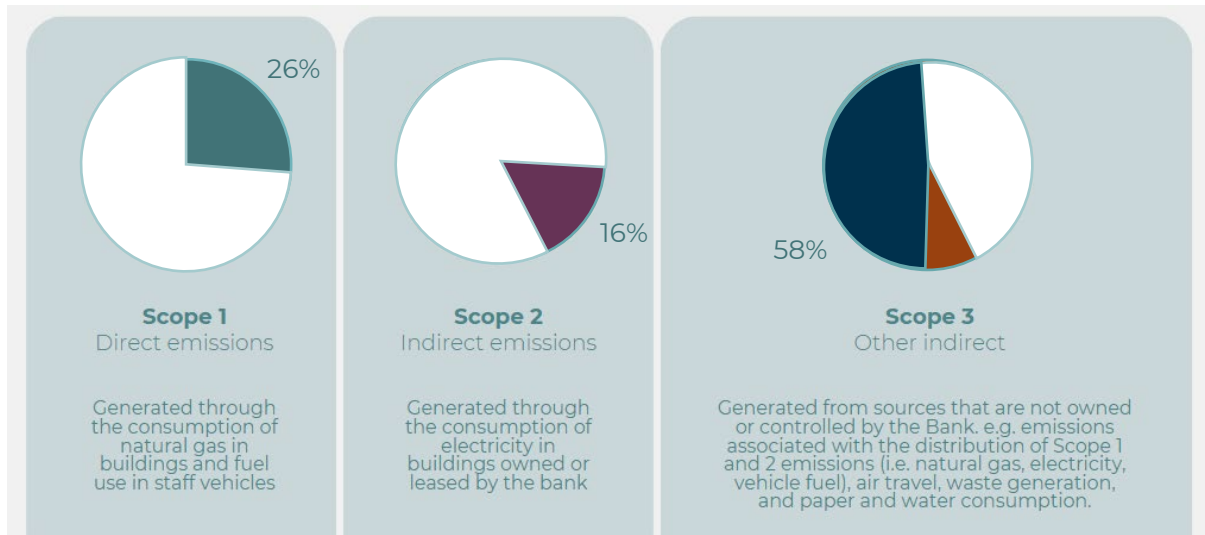
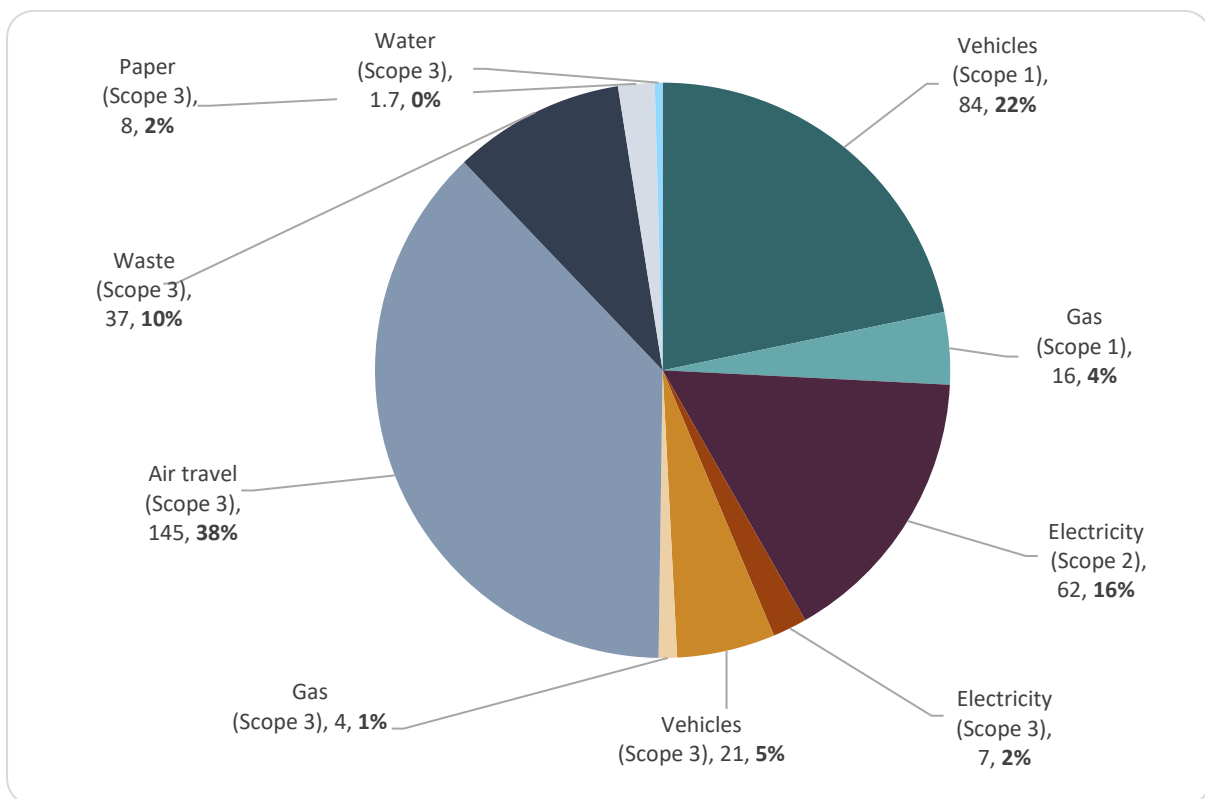


Chart 2: Sources of GHG emissions (tCO₂-e) and their relative proportions (%), FY2023

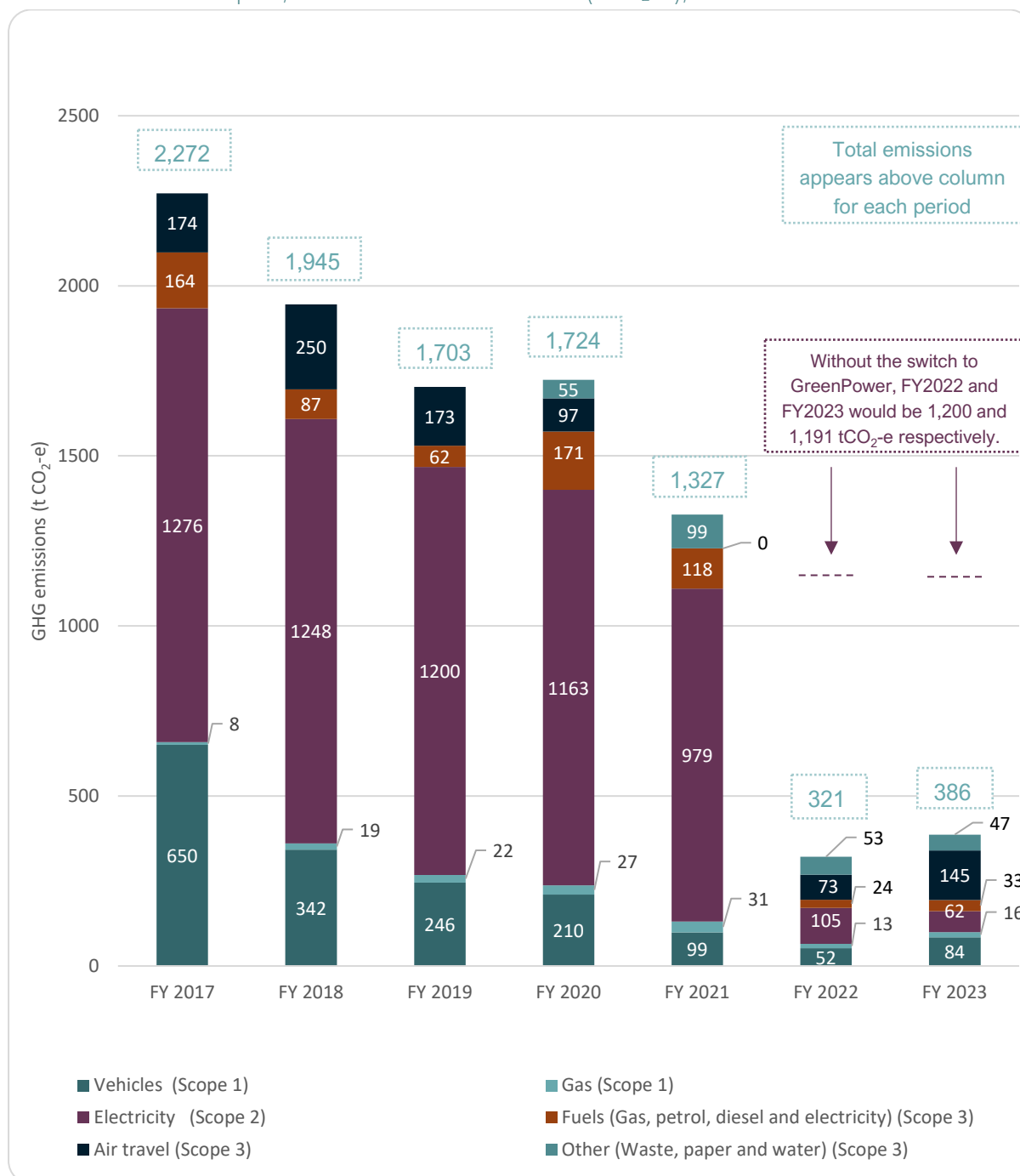


EMISSIONS OVER TIME

In FY2023, the operational GHG emissions for TMBL were 386 tCO₂-e, a small increase on the previous year. As illustrated in Chart 3, the Bank has reduced reported Scope 1, 2 and 3 emissions since FY2017. Over this time, additional sources of Scope 3 emissions have been progressively added for example, emissions related to paper and water consumption and waste generation were included from FY2020.

The emissions reduction measures that are detailed in the next section *Emissions reductions and offsets* help to explain some of these declines in emissions, others are due to reduced business operations for example reduced kilometres travelled by vehicles or temporary changes to business operations during Covid-19 restrictions.

Chart 3: Scope 1, 2 and 3 GHG Emissions (tCO₂-e), FY2017-2023



*Note: data to estimate emissions related to air travel was not available for FY2021.

EMISSIONS REDUCTIONS AND OFFSETS

Reducing and offsetting emissions

TMBL has been committed to reducing emissions and then purchasing carbon offsets to 'offset' its remaining GHG emissions for several years. This is with the aim of being considered as having 'net zero'³ emissions.

TMBL has achieved this by:

- reducing its emissions over time through investments in upgrades such as transitioning to more efficient lighting
- installing solar power at owned premises and switching to purchasing Greenpower⁴ for the majority of offices rather than standard grid electricity (generated by fossil fuels)
- offsetting the remaining emissions through the purchase of offsets for renewable energy projects.

In October 2023, TMBL purchased offsets for the FY2022 and FY2023 periods. See Table 1 for further information. The offsets purchased were equivalent to the GHG emissions generated as disclosed in this report.

- 170 t of offsets were purchased to cover Scope 1 and 2 emissions generated in FY22
- 386 t of offsets were purchased to cover Scope 1 and 2 emissions, as well and Scope 3 emissions (for the first time) generated in FY23

Expenditure in energy and emissions reductions

Since FY2016, TMBL has invested over \$1.4 million in emissions reduction measures at its operations and purchasing offsets. These investments are summarised in Table 1. Given the bank's growth over recent years, emissions would have increased without investing in initiatives to reduce emissions.

Previous investments included:

- 641 Solar Photovoltaic (PV) panels installed at 4 buildings - Homebush, Rooty Hill, Parramatta, UniBank Perth
- The purchase of 2 Kia electric vehicles
- Over 3,300 lights replaced with energy efficient LED lamps at all owned offices
- Installation of a Building Management System at Homebush and Parramatta offices to monitor energy usage.

FY2023 investments included:

- Investment in 5 electric vehicles
- Installation of charging stations
- New LED lighting as part of ceiling upgrade for level 1 Homebush.

Since FY2022, TMBL has purchased Greenpower for the majority of offices. GreenPower is purchased at a premium above the standard grid electricity price and is therefore another investment TMBL has made to reduce emissions.

³ 'net zero' is defined as achieving an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere (www.climatecouncil.org.au)

⁴ Greenpower is an Australian Government program offering certified sources of renewable energy through electricity retailers.

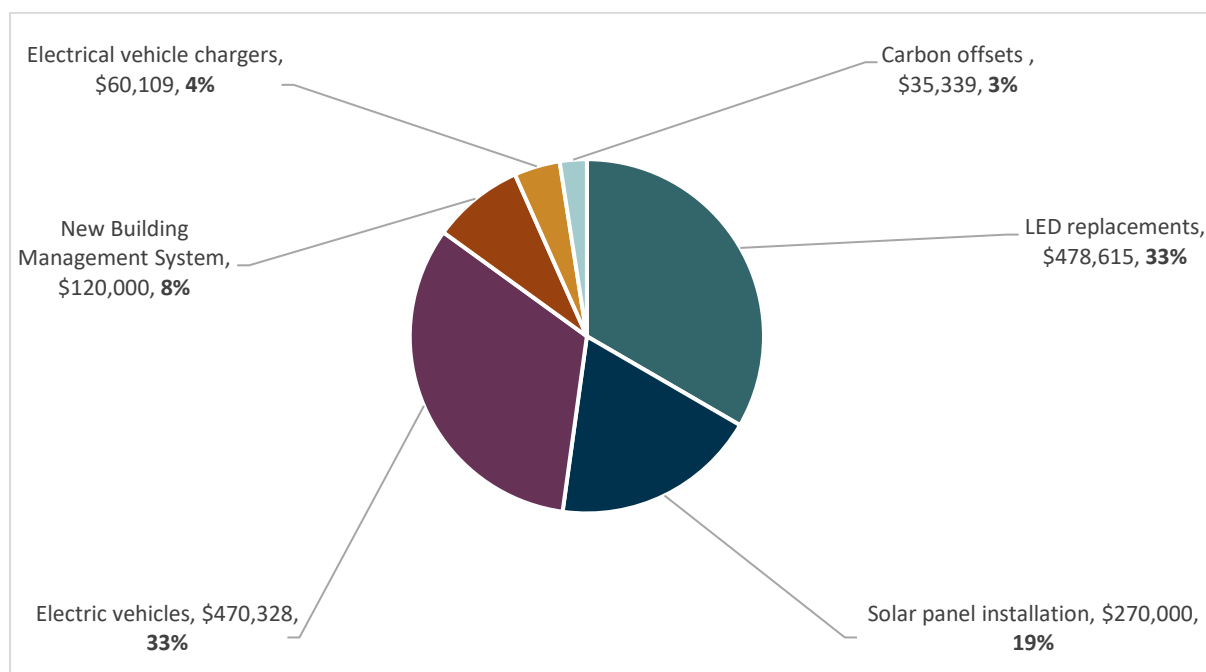
Carbon offsets are purchased to compensate for the bank's annual GHG emissions. Offsets associated with projects are purchased through reputable service providers and care is taken to select projects that are certified e.g. Gold Standard Voluntary Emissions Reduction (GSVER).⁵ TMBL has a preference for supporting renewable energy projects.

Table 1 - Expenditure on emissions reduction measures and offsets (\$ and %), FY 2016 – 2023

Emission reduction measures and offsets	FY2016 – FY2022 investment (\$)	FY2023 investment (\$)	Total investment (\$)	% of total investment
LED replacements	\$ 386,000	\$92,615	\$478,615	34%
Solar panel installation	\$ 270,000	0	\$270,000	19%
Electric vehicles purchased	\$135,256	\$335,072	\$470,328	34%
New Building Management System	\$ 120,000	0	\$120,000	9%
Electrical vehicle chargers	0	\$ 60,109	\$60,109	4%
Carbon offsets	\$26,700	\$8,639.07 ⁶	\$35,339	3%
Total expenditure	\$937,956	\$ 496,434	\$1,434,390	100%

Over a third of the expenditure has been on purchasing electric vehicles and installing charger facilities, a further third has been on LED replacements with the remainder spent on installing solar panels and other initiatives. These relative proportions are illustrated in Chart 4.

Chart 4: Expenditure on emissions reduction initiatives and offsets (\$ and %), FY 2016 - 2023



⁵ The Bank purchases accredited carbon offsets for its residual annual emissions (e.g. recent examples include renewable energy projects in India, Vietnam and Sri Lanka).

⁶ Carbon offsets for a solar project in Sri Lanka were purchased in October 2023 for the FY2022 (Scope 1 + 2) and FY2023 (Scope 1, 2 and 3) periods.

In addition to these investments which can be quantified and linked to emissions reductions, in previous periods the Bank has also pursued other measures that have indirectly reduced or avoided emissions:

- Procuring carbon neutral paper for paper needs. (In FY2023, 75% was carbon neutral, which was estimated to avoid 24 tCO₂-e).
- Switching staff vehicles to smaller cars, which reduces fuel consumption and associated GHG emissions, and reducing staff salary incentives for cars.
- Upgrading the air-conditioning system at two offices to improve energy efficiency.

The electric vehicle strategy announced during FY2023, committed TMBL to spending \$2 million on electric cars (31 Kia Niro cars and 2 electric utes) and charging stations (x10) to achieve a target of 100% electric vehicles by 2027. For more information: [TMBL's fleet will be electric by 2027 | Teachers Mutual Bank Limited](#)

EMISSIONS INTENSITY

TMBL tracks both **absolute emissions** as well as **emissions intensities** over time. The priority should be to reduce absolute emissions over time, however it is useful to track emissions intensity as the organisation's growth increases or slows.

TMBL reports emissions against the following metrics:

- value of current assets (tCO₂-e per \$ million of assets). This includes all assets (e.g. cash, securities, loans, property, plant, etc.) owned by the Bank during the financial year and is a reflection of the size as an organisation.
- number of FTE staff employed (tCO₂-e per employee)

Over the past seven years, TMBL has increased its value of assets while reducing emissions. Since FY 2017, TMBL has increased total assets by 60% while reducing its emissions by over 80%. As illustrated in Chart 5, TMBL has reduced its emissions intensity, from 0.34 to 0.04 tCO₂-e per million \$ of assets over that time.

Staff numbers have also increased (from 491 to 563). The emissions intensity per FTE has reduced from 4.63 to 0.69 tCO₂-e per FTE as illustrated in Chart 6.

The switch to Greenpower for the majority of offices for FY2022 and FY2023 has helped to reduce both intensities measures. Without moving to GreenPower the intensities would have remained above 0.10 tCO₂-e per million \$ of assets and 2.0 tCO₂-e per FTE respectively.

Chart 5: GHG Emissions (t CO₂-e) intensity by value of assets (\$m)

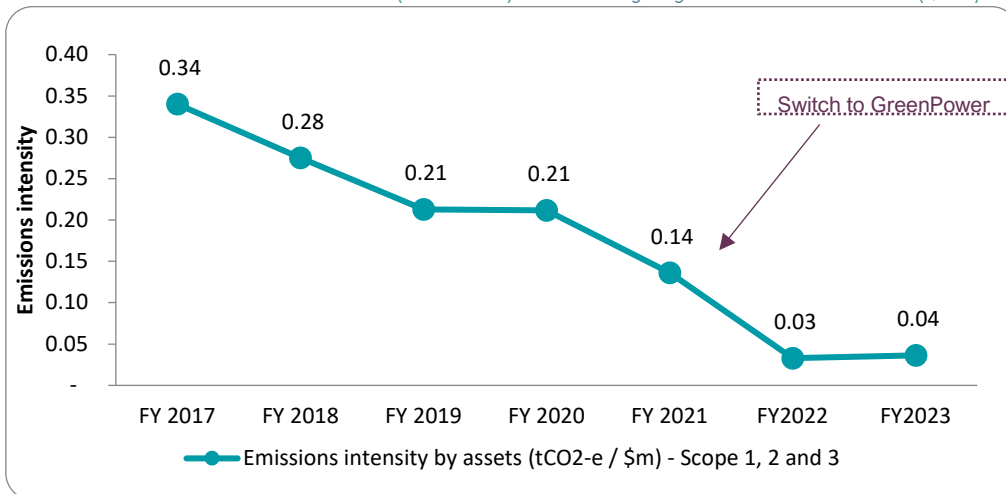
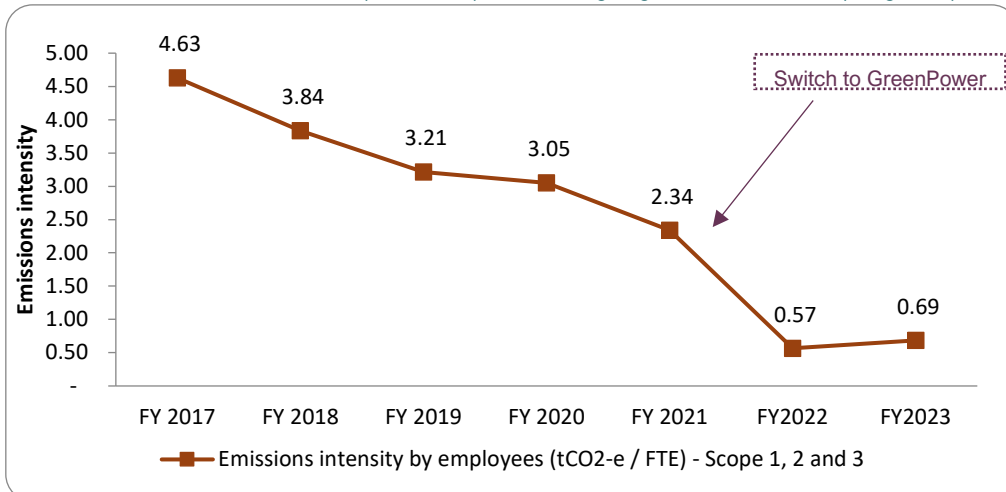


Chart 6: GHG Emissions (t CO₂-e) intensity by full time employee (FTE)



SCOPE 3 EMISSIONS

This edition of the *TMBL Energy and Emissions Report FY2023* is the first time that Scope 3 emissions have been disclosed. This is important as Scope 3 emissions can contribute to a large portion of an organisation's emissions as illustrated in Figure 1 and Chart 2 and on page 5.

The GHG Protocol *Corporate Value Chain (Scope 3) Accounting and Reporting Standard* (p.32) includes a list of 15 categories. These are divided into upstream and downstream. The categories that TMBL currently include in reporting are described and reported on in this section.

In future reporting periods, TMBL should consider calculating and reporting further Scope 3 sources. This would include, but not be limited to, financed emissions which is emissions related to TMBL's investments.

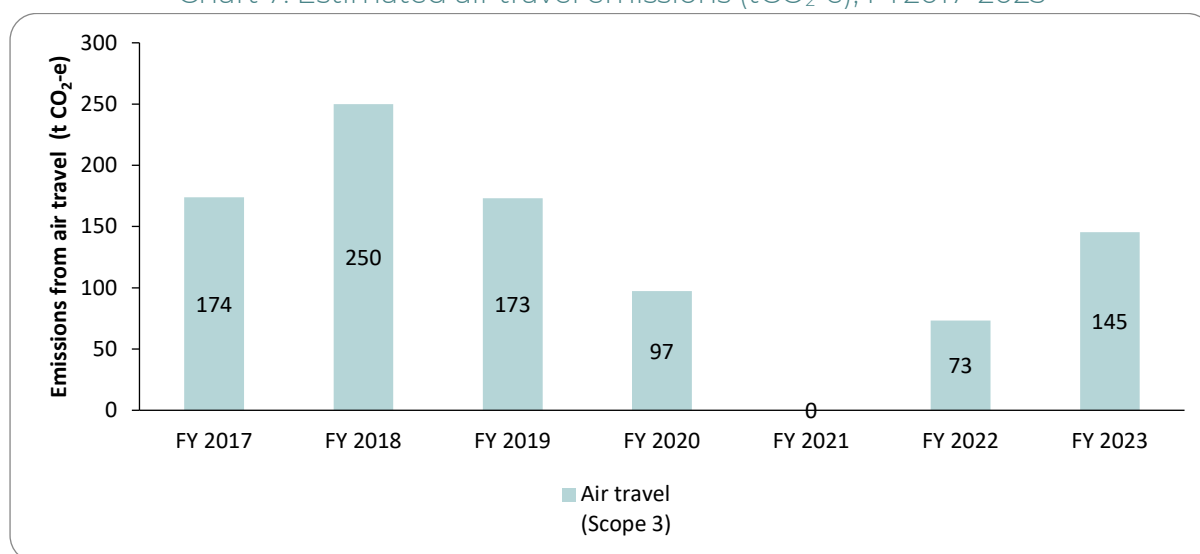
TMBL commenced estimating Scope 3 emissions in recent years. Some data was already available as part of the annual collection of environmental data sets such as paper and water consumption and waste generation. Activity data for business travel (flights) was also collected. Scope 3 emission factors have also been applied to gas and electricity used in buildings and fuel used in vehicles.

Emissions associated with business travel (GHG Protocol - Category 6)

Air travel

During FY, TMBL staff took over 450 domestic flights and 35 international flights. It is estimated that TMBL employees travelled 870 thousand km by air, two thirds of which were on short haul (domestic flights) flights. Air travel generated approximately 145 tCO₂-e of Scope 3 emissions in FY23. Although several years of data has been collected, a trend is not evident in chart 7 and comparisons between years is difficult as the availability of data and methodology has been refined.

Chart 7: Estimated air travel emissions (tCO₂-e), FY2017-2023



Note: Data was not available for FY2021.

Emissions associated with waste generation (GHG Protocol - Category 5)

Water consumption

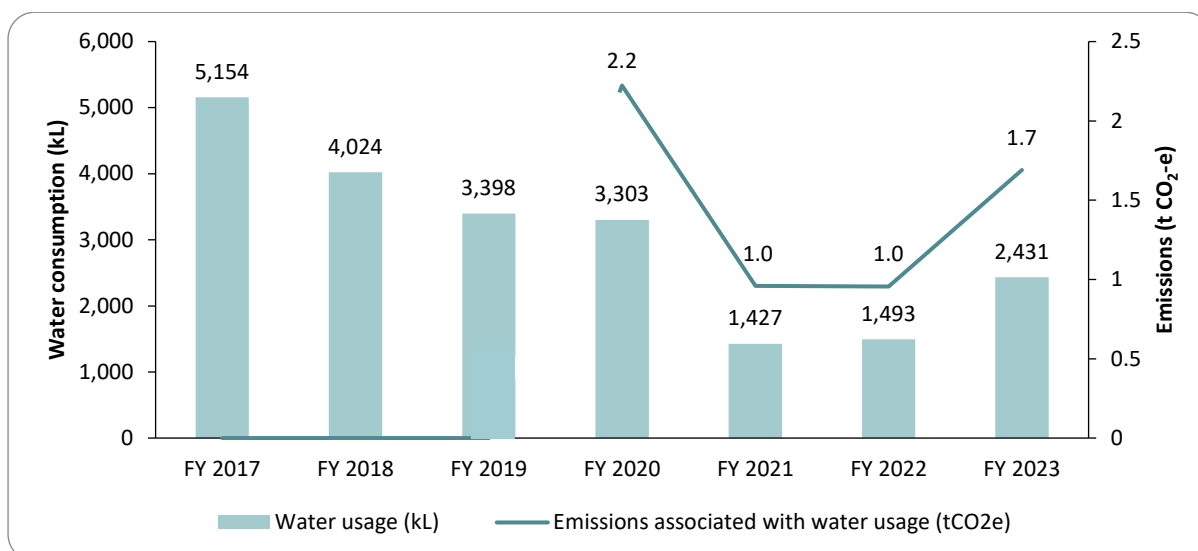
Emissions attributed to water consumption are due to the estimated emissions associated with treating waste water. Therefore water consumption is relevant for estimating emissions for the GHG Protocol's *Category 5: Waste generated in operations*.

In FY 2023, reported total water consumption for TMBL was 2,431 kilo litres (kL). Water consumption increased by 63% in FY 2023 compared to the previous financial year, from 1,493 kL to 2,431 kL. This is likely due to a return of employees to the offices after Covid-19 restrictions.

However, the bank's water consumption has almost halved over the past seven years, with water consumption in FY 2023 44% lower than FY 2017, when consumption was 5,154 kL. Chart 8 illustrates this trend in water consumption. The volume consumed per employee has also reduced from 10 kL per FTE in FY 2017 to 4 kL per FTE in FY2023.

Also illustrated in chart 8 are the emissions associated with water consumption. In FY 2023, 1.7 tCO₂-e were generated by water consumption. This was an increase on FY2022 (1.0 tCO₂-e) however a decrease since first calculated in FY2020 (2.2 tCO₂-e).

Chart 8: Water Consumption (kL) and associated emissions (tCO₂-e), FY2017-2023



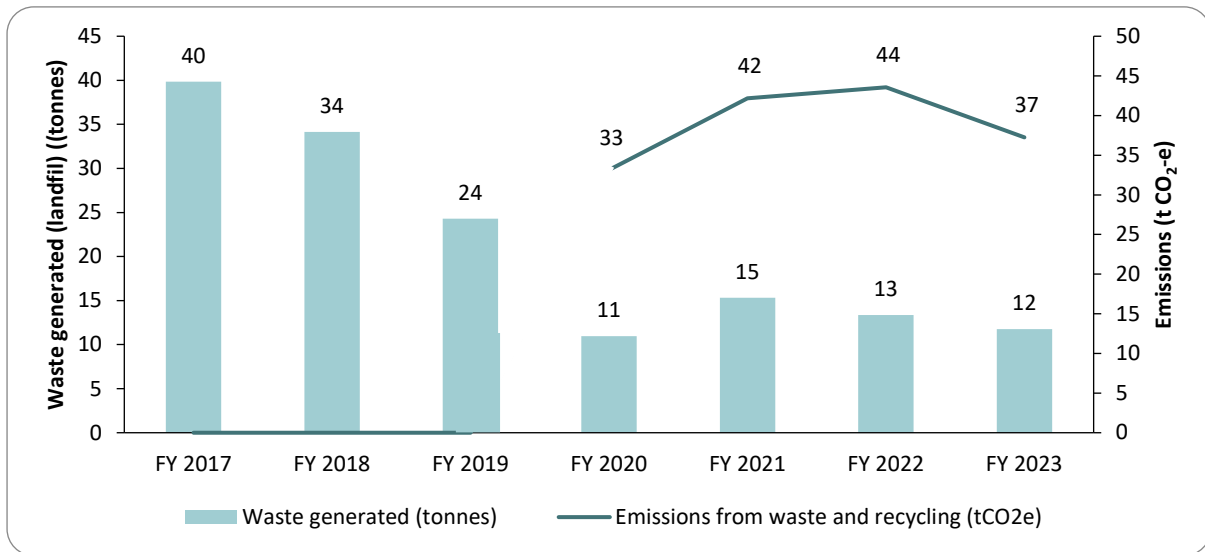
Waste generation

According to available data, TMBL generated 17 tonnes of waste recyclable and non-recyclable waste in FY2023, which is just above 20 kg per employee. The recycling rate was calculated to be 59%.

Emissions associated with the 2 tonnes (approximately) of waste being disposed of in landfill was estimated to be 37 tCO₂-e.

As illustrated in chart 9, over the past seven years, the amount of waste generated has fluctuated, however there is a general trend of less waste being generated per employee and the proportion of waste recycled has increased. As waste data become more reliable TMBL will be able to identify initiatives to reduce waste and its associated emissions.

Chart 9: Waste generation (t) and associated emissions (tCO₂-e), FY2017-2023



Emissions associated with purchased goods and services (GHG Protocol - Category 1)

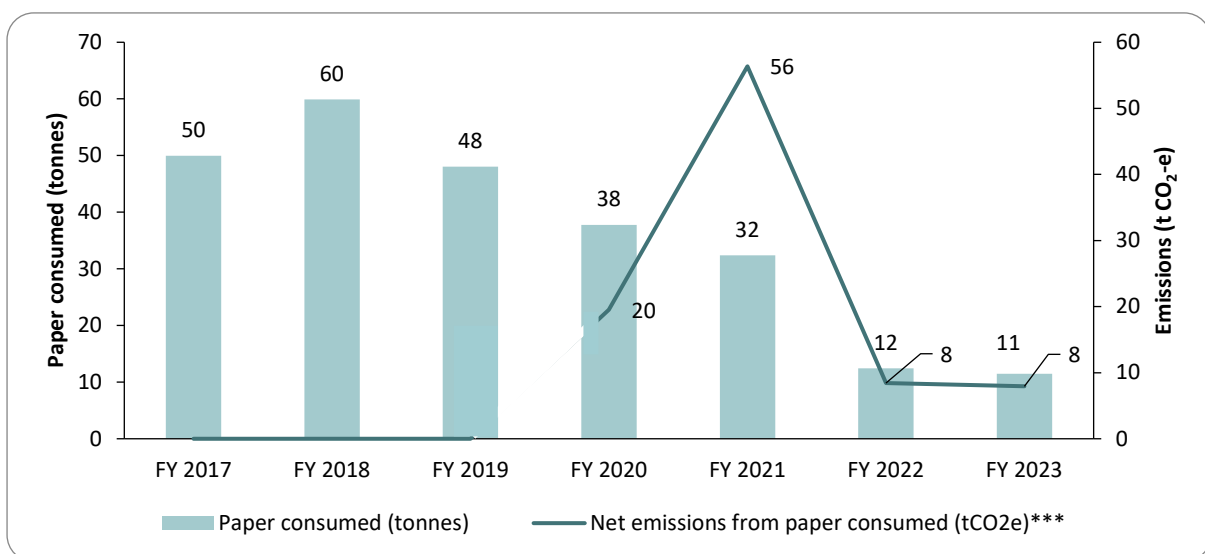
Paper consumption

In FY2023, TMBL paper consumption was estimated to be over 11 tonnes, approximately 20 kg per employee.

TMBL's paper consumption has steadily decreased over the past seven years, with paper consumption in FY2023 almost 80% lower than FY 2017, when consumption was 50 tonnes.

As illustrated in chart 10, TMBL seeks to reduce emissions associated with paper consumption by purchasing carbon neutral paper. It is estimated that, 8 t CO₂-e were generated by paper consumption in FY2023. This total is estimated to be over 30 t CO₂-e if standard paper was purchased.

Chart 10: Paper consumption (t) and associated emissions (tCO₂-e), FY2017-2023



Scope 3 emissions associated with fuel- and energy-related activities (not included Scope 1 and Scope 2) (GHG Protocol - Category 2)

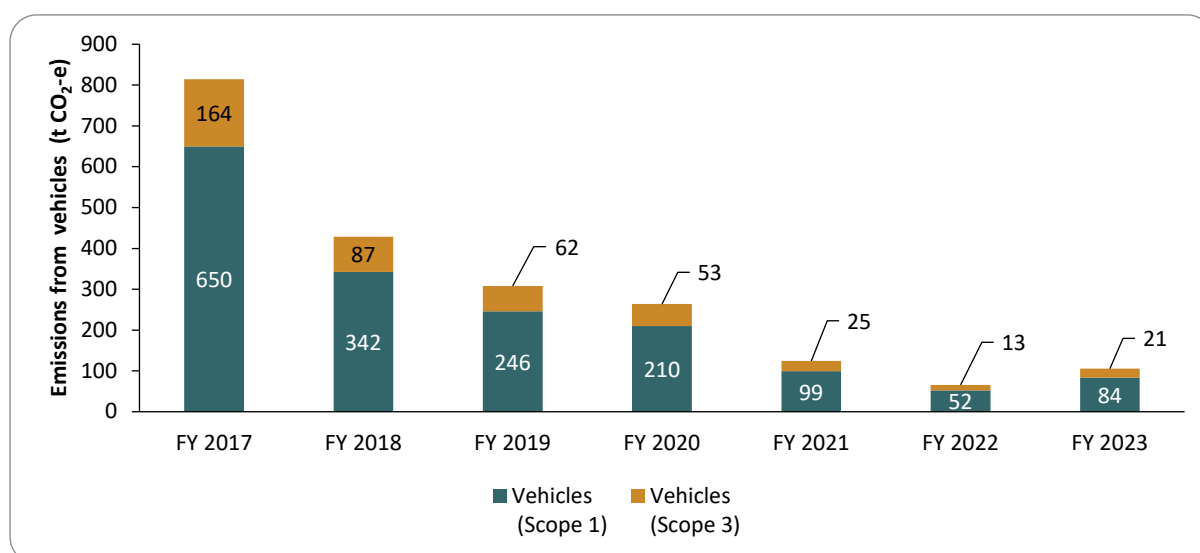
Emissions associated with gas consumed in buildings, fuel used in vehicles and electricity consumed in buildings are reported as Scope 1 and Scope 2 emissions respectively. These have been calculated and report by TMBL for several years and are illustrated in Figure 1 and Chart 2 and on page 5. In addition, it is accepted practice to also estimate Scope 3 emissions (upstream emissions) related to the production, transport, distribution and/or transmission of these fuels and energy sources.

Vehicle fleet

In FY2023, TMBL's fleet vehicles travelled over 300 thousand km, almost 10% of kilometres travelled were by electric vehicle. The consumption of petrol and diesel in vehicles generated 84 tCO₂-e of Scope 1 emissions and 21 tCO₂-e of Scope 3 emissions.

As illustrated in chart 11, vehicle emissions (Scope 1 and 3) increased by 60% in FY2023 compared to the previous financial year. This is likely due to a return of employees to the offices after Covid-19 restrictions and the organisations growth. Overall there is a decline in vehicle emissions.

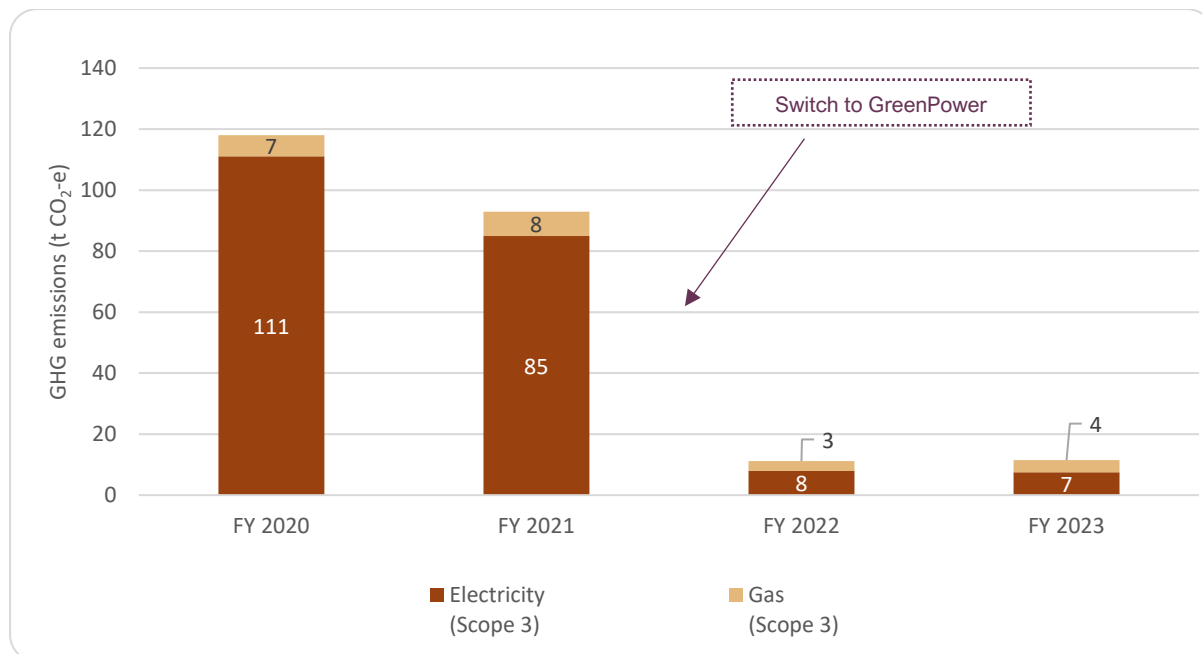
Chart 11: Vehicle emissions (Scope 1 and 3) (tCO₂-e), FY2017-2023



Gas and electricity

Chart 12 illustrates Scope 3 emissions associated with gas and electricity since FY2020. The noticeable decrease from FY2022 is due to the switch for the majority of offices to GreenPower (as discussed earlier on pages 4, 7 and 10). Scope 3 emissions from offices using GreenPower are assumed to be zero according to the 'market based' methodology applied by Climate Active.

Chart 12: Fuel- and energy-related Scope 3 emissions (gas and electricity) (tCO₂-e), FY2020-2023



SUMMARY DATA

Table 2 - Summary of Bank's performance over seven years

Metric	FY 2017	FY 2023	% change
Bank's assets (million)	\$6,682	\$10,700	+ 60%
Number of staff at the Bank (FTE)	491	563	+ 15%
Number of offices	6	10	+ 67%
Scope 1 and 2 GHG emissions (tCO ₂ -e)	1,934	161	- 92%
Scope 1, 2 and 3 GHG emissions (tCO ₂ -e)	2,272	386	- 83%
Emissions intensity, by assets (tCO ₂ -e / \$ million) (Scope 1,2 and 3)	0.34	0.04	- 89%
Emissions intensity, by staff numbers (tCO ₂ -e / FTE) (Scope 1,2 and 3)	4.63	0.69	- 85%
Scope 1	FY 2017	FY 2023	% change
Gas - Scope 1 (tCO ₂ -e)	7.8	15.7	+101%
Vehicles - Scope 1 (tCO ₂ -e)	650	84	- 87%
Scope 2	FY 2017	FY 2023	% change
Electricity – Scope 2 (tCO ₂ -e)	1,276	62	- 95%
Scope 3	FY 2020	FY 2023	% change
Air travel – Scope 3 (tCO ₂ -e)	97	145	+ 50%
Gas - Scope 3 (tCO ₂ -e)	6.9	4.0	- 43%
Vehicles - Scope 3 (tCO ₂ -e)	53	21	- 60%
Electricity – Scope 3 (tCO ₂ -e)	111	7	- 93%
Waste – Scope 3 (tCO ₂ -e)	33	37	+ 12%
Paper – Scope 3 (tCO ₂ -e)	20	8	- 59%
Water – Scope 3 (tCO ₂ -e)	2.2	1.7	- 24%

REPORT PREPARATION

This report was prepared by RBC and relies on data provided to RBC by TMBL.

All data related to reporting years prior to FY2023 was provided by TMBL and reported again in this report for the purposes of illustrating trends. Data provided for the FY2023 was entered into the *TMBL CSR reporting spreadsheet* to calculate emissions for this year's report. No verification or audit of the underlying data was undertaken. GHG calculations are subject to estimation and measurement uncertainty. The *TMBL CSR reporting spreadsheet* uses best practice guidance and emission factors from the Department of Climate Change, Energy the Environment and Water, Environment Protection Authority Victoria and other accepted sources.

The report was prepared in accordance with the scope of work agreed with TMBL and is based on generally accepted practices and standards at the time it was prepared.

Methodology and factors

- Gas - NGA⁷ Factors Workbook (2022), Stationary combustion of gaseous fuels, Table 4
- Electricity - NGA Factors Workbook (2022) Consumption of purchased electricity from a grid, Table 1
- Vehicles - NGA Factors Workbook (2022) Consumption of transport fuels, Table 8
- Flights - DEFRA (2022) Greenhouse gas reporting: conversion factors 2022
- Paper - EPA Victoria (2021) Greenhouse gas (GHG) inventory and management plan
- Waste - NGA Factors Workbook (2022) Waste mix methane conversion factors and emission factors, Table 14 and 15
- Water - emission factor derived from Sydney Water Annual Reports
- Scope 3 – World Business Council for Sustainable Development (WBCSD) (2011) *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*

About Responsible Business Consultants

At Responsible Business Consultants, our business is about helping others do well by doing good. We help businesses measure and report their impact to decision makers and other stakeholders.



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⁷ Department of Climate Change, Energy the Environment and Water *Australian National Greenhouse Accounts Factors (NGA)*

Disclaimer

Responsible Business Consultants ("RBC") has used what it believes is currently the best practice standards to conducting this baseline calculation for FY2023. This included the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and Corporate Value Chain (Scope 3) Standard, relevant Guidelines provided by the Australian Commonwealth Government, Victorian EPA and UK Government and other reputable sources.

The calculations and report draw on information provided by TMBL and other sources. RBC has relied on this information. RBC provides the services within the context of an evolving regulatory regime. While RBC has used the best reasonable endeavours to correctly interpret the content and meaning of relevant requirements, RBC cannot warrant or guarantee that the services will always be compliant with the Guidelines. Given the pace of change in climate reporting and upcoming mandatory reporting, the Guidelines are likely to be replaced with revised criteria and procedures over time. RBC used the *TMBL CSR reporting spreadsheet* and what it considered to be the best practice methods and information available ("Methodology") to produce this report. The Methodology is likely to be updated over time to ensure that it remains current. RBC expressly reserve the right to vary the use of the Methodology in the future and will not be liable for any different results or outcomes from the use of a different Methodology.

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