

**AN ASSESSMENT OF ENERGY AND  
EMISSIONS PERFORMANCE AT  
TEACHERS MUTUAL BANK LIMITED**

SEPTEMBER 2022

## Overview

Teachers Mutual Bank Limited, which includes Teachers Mutual Bank, Firefighters Mutual Bank, Health Professionals Bank, UniBank and Hiver has invested significantly over the past seven years in improving its environmental performance.

Each year, the Bank undertakes an accounting of its environmental and greenhouse gas (GHG) data. This report provides an assessment of the environmental credentials of the Bank, with a focus on Scope 1 and 2 (electricity, gas and fuel use) GHG emissions performance and emissions reduction measures between FY 2016 – FY 2022.

## Highlights

- **In the seven years between FY 2016 and FY 2022, Teachers Mutual Bank Limited (TMBL) has grown considerably:**
  - + Total assets have increased from \$5.5 billion to \$10.4 billion (+88%)
  - + Members have increased from approx. 177,000 to 221,000 (+24%)
  - + Employees have increased from 461 FTE to 546 FTE (+18%)
  - + The number of offices occupied have doubled from 6 to 12
- Over this period, TMBL has reduced its annual Scope 1 and 2 GHG emissions **by nearly 1200 tCO<sub>2</sub>-e**, from 2,093 tCO<sub>2</sub>-e in FY 2016 to 920 in FY 2022, **a 56% reduction.**
- Given the increased size and activity at TMBL, this means **a significant reduction in emissions intensity over time:**
  - + In terms of assets, the Bank's emissions intensity reduced by 77% from 0.38 to 0.09 tCO<sub>2</sub>-e per million \$ of assets
  - + In terms of employee FTE, the Bank's emissions intensity reduced by 63% from 4.54 to 1.68 tCO<sub>2</sub>-e per FTE
- The majority (93%) of TMBL's Scope 1 and 2 emissions are from electricity consumption at its offices, and the remainder are from employee vehicle use and natural gas consumption.
- **Since FY 2016, TMBL has invested \$938,000 in emissions reduction measures at its buildings and these have contributed to reductions and avoidance of emissions.**
  - + 70% (\$656k) of total expenditure has been on solar PV and LED installations
  - + \$386k to upgrade lighting in all owned offices with 3,300+ energy efficient LED lamps
  - + \$270k to install 641 solar PV panels in all of its owned offices, which have generated approx. 18% of the Bank's total electricity consumption
  - + Purchase of 2 Kia electric vehicles in FY 2021 for \$135k
  - + Commissioning of a new Building Management System at two of its largest offices to better manage energy consumption
- **Given the Bank's growth in offices and employee numbers, emissions would have increased even more in a BAU scenario without these measures.**
- **The Bank offsets its remaining GHG emissions and has been a net zero and carbon neutral bank for all Scope 1 and 2 emissions (electricity and fuel use) since 2012.**
  - + Prior to FY 2022, less than 20% of electricity used by the Bank was sourced from renewable energy (through solar panels) and the remainder was offset through the purchase of carbon offsets from an accredited provider.
  - + In FY 2022, renewable power represented 99% of all electricity used due to Greenpower contracts at nearly all of the Bank's offices

Table 1 - Summary of Bank's performance over the seven years

Metric	FY 2016	FY 2022	% change between FY 16 – FY 22
Bank's assets (\$ million)	\$5,543	\$10,444	+ 88%
Number of staff at the Bank (FTE)	461	546	+ 18%
Number of offices	6	12	+100%
Scope 1 and 2 GHG emissions (tCO <sub>2</sub> -e)	2,093	920	- 56%
Emissions intensity, by assets (tCO <sub>2</sub> -e / \$ million)	0.38	0.09	- 77%
Emissions intensity, by staff numbers (tCO <sub>2</sub> -e / FTE)	4.51	1.68	- 63%

## Emissions calculations

Teachers Mutual Bank Ltd's emissions footprint is created through Scope 1, Scope 2 and Scope 3 emissions:

- Scope 1 emissions are direct emissions generated through the consumption of natural gas in buildings and fuel use in staff vehicles.
- Scope 2 emissions are indirect emissions generated through the consumption of electricity in buildings owned or leased by the Bank.
- Scope 3 emissions are all other indirect GHG emissions generated from sources that are not owned or controlled by the Bank. For TMBL, this currently includes the emissions associated with the distribution of Scope 1 and 2 emissions (i.e. natural gas, electricity, vehicle fuel), employee air travel, waste and recycling, paper consumption, and water consumption.

**This report considers the Scope 1 and 2 emissions generated by TMBL for the seven-year period between FY 2016 and FY 2022, i.e. between July 2015 and June 2022.**

This assessment is based on data provided directly by TMBL and its suppliers between August 2016 and August 2022. All emissions calculations are based on prevailing guidance from the [Department of Industry, Science, Energy and Resources](#) and [Environment Protection Authority Victoria](#)

## Overall emissions

**In FY 2022, the total GHG emissions for Teachers Mutual Bank Ltd were 920 tonnes CO<sub>2</sub>-e.**

This means that the Bank's annual GHG footprint is equivalent to 115 households<sup>1</sup>.

The Bank's emissions have declined each year and the FY 2022 emissions are **1,173 tonnes or 56% lower than FY 2016**, when emissions were 2,093 tonnes CO<sub>2</sub>-e.

The majority of emissions each year are generated from the buildings owned by the Bank across NSW, QLD, WA, VIC and the ACT. In FY 2022, emissions from buildings represented 94% of the Bank's emissions.

TMBL GHG emissions for FY 2022, by source

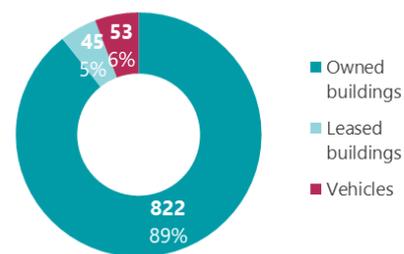


Figure 1 - Teachers Mutual Bank Ltd's GHG emissions for FY 2022, by source

As can be seen in Figure 2, **the Bank has reduced its overall emissions every year since FY 2016 at an average of 167 tonnes per year.**

<sup>1</sup> Based on an average household footprint in Australia of 8 tonnes in 2016, calculated using [this data on household GHG emissions](#) and [this data on number of households](#)

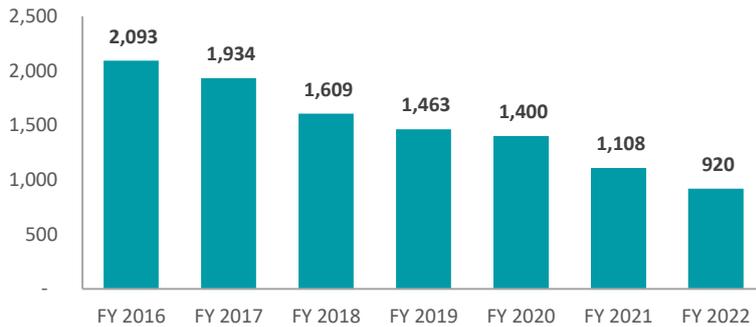


Figure 2 – Bank's Scope 1 and 2 GHG emissions between FY 2016 - FY 2022

The breakdown of emissions by source reveals the largest declines were in energy consumption at buildings owned by TMBL in FY 2017 and FY 2021, and vehicle fuel use in FY 2018 and FY 2021.

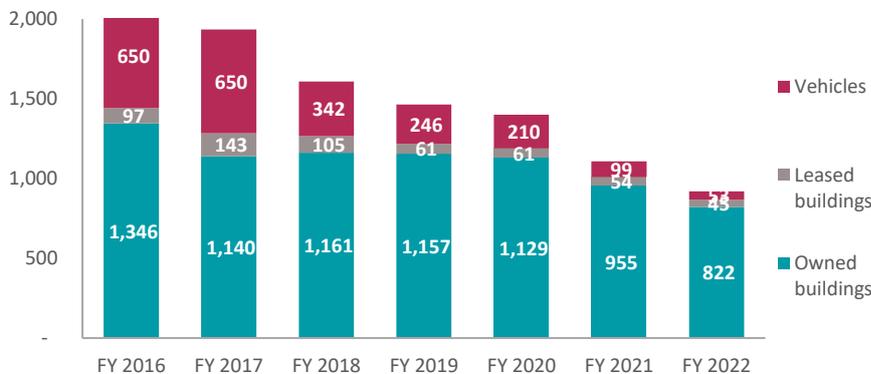


Figure 3 – Bank's Scope 1 and 2 GHG emissions between FY 2016 - FY 2022, by source<sup>2</sup>

These reductions were due to emissions reduction measures that are detailed in the next section.

## Emissions reductions and offsets

### Reduced and avoided emissions

The decline in the Bank's emissions reflects a series of emissions reduction measures undertaken by the Bank to reduce its footprint since FY 2016, most notably:

1. 641 Solar Photovoltaic (PV) panels installed on 5 owned offices with a total 216 kWp output<sup>3</sup>
2. Over 3,300 lights replaced with energy efficient LED lamps at all owned offices
3. The purchase of 2 Kia electric vehicles in FY 2021
4. The installation of a Building Management System at its Homebush and Parramatta offices to better manage and reduce energy usage associated with working hours
5. The purchase of carbon credits annually from Verified Carbon Standard projects to offset the Bank's residual emissions<sup>4</sup>

**In total, these measures represent an investment of \$938,000 over the past seven years to reduce and offset GHG emissions generated by the Bank's energy use and travel.**

<sup>2</sup> Accurate vehicle data was not available for FY 2020 so the previous year's figures were used

<sup>3</sup> In 2016, PV panels were installed at 4 buildings (Homebush, Rooty Hill, Parramatta, UniBank Perth). In 2018, solar PV panels were installed at a fifth building in Brisbane while the UniBank Perth building was sold in 2020.

<sup>4</sup> The Bank purchases accredited carbon offsets for its residual emissions annual and the most recent purchases have been renewable energy projects in India and Vietnam

Table 2 - Investment in emissions reduction measures and offsets since FY 2016

Reduction and offset measures	Total investment (\$)	% of total investment
LED replacements	\$386,000	41%
Solar panel installation	\$270,000	29%
Electric vehicles purchased	\$135,256	14%
New Building Management System	\$120,000	13%
Carbon offsets	\$26,700	3%
<b>Total expenditure</b>	<b>\$937,956</b>	<b>100%</b>

Over two-thirds of the expenditure has been in LED replacements and solar panel installations while a nearly 30% has been in new electric vehicles and an improved building management system.

#### TMBL expenditure on emissions reductions measures since 2016

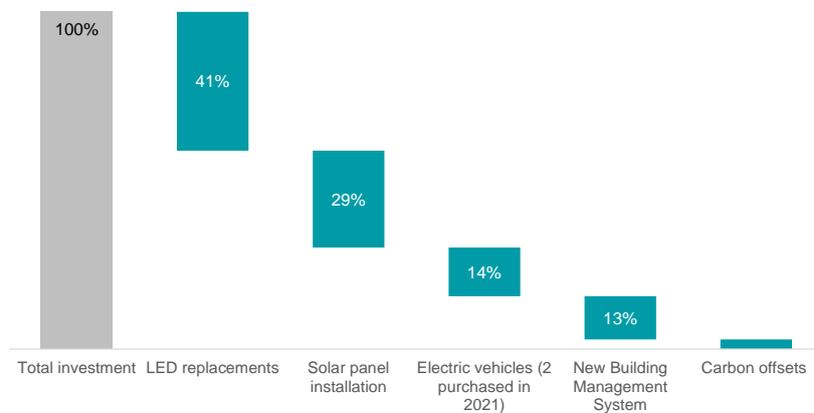


Figure 4 – Breakdown of emissions reduction and offset investment by the Bank between FY 2016 – FY 2022

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

- Procuring carbon neutral paper for most of its paper needs
- 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 of its main offices to improve energy efficiency

### Emissions intensity

It is common practice for organisations to track and report both their *absolute* emissions and their *relative* emissions over time. This enables an understanding of how emissions have changed in line with business activity and comparison across organisations of varying size and complexity. At an international level, for example, it is accepted practice for countries to use emissions per unit of GDP as an intensity metric. If GDP grows faster than emissions, this suggests that there are efficiency improvements in terms of emissions generated relative to economic activity.

TMBL’s emissions reductions can be placed in context by considering the intensity of emissions, i.e. the rate of change in its emissions relative to change in business activity. The Bank uses its total assets as an emissions intensity metric (tCO<sub>2</sub>-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 its size as an organisation.

Over the past six years, Teachers Mutual Bank has increased its assets each year while reducing emissions. **Since FY 2016, Teachers Mutual Bank Ltd has increased total assets by 88% while reducing its underlying emissions by 56%.**

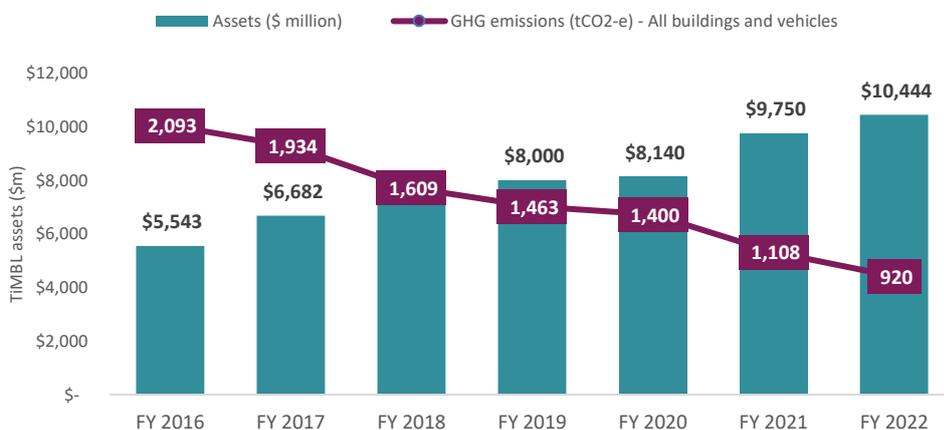


Figure 5 – Bank’s Scope 1 and 2 GHG emissions compared to assets, by year

In other words, Teachers Mutual Bank Ltd has **reduced its emissions intensity substantially**, from 0.38 to 0.09 tCO<sub>2</sub>-e per million \$ of assets.



Figure 6 - GHG emissions intensity per assets, by year

Another way to look at the Bank's emissions intensity is to compare the change in emissions generated against the number of staff at the Bank. In this regard, the Bank's emissions intensity has **more than halved from 4.54 to 1.68 tCO<sub>2</sub>-e per FTE.**

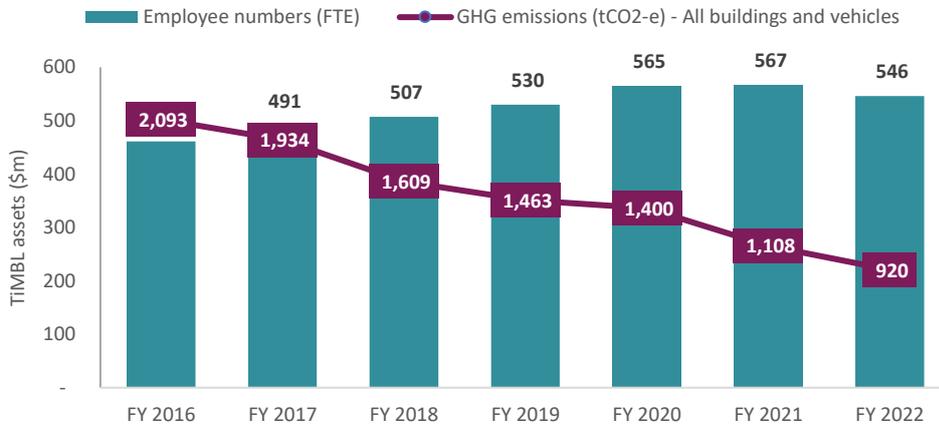


Figure 7 - Bank's Scope 1 and 2 GHG emissions compared to staff numbers (FTE), by year



Figure 8 - GHG emissions intensity per FTE, by year

## Report preparation

This report has been prepared by The Incus Group and is based on data provided to The Incus Group directly by Teachers Mutual Bank Ltd and data provided by its suppliers, Ilum-A-Lite and AGL. Teachers Mutual Bank Ltd includes Teachers Mutual Bank, Firefighters Mutual Bank, Health Professionals Bank, and UniBank.

All analyses were performed on data as made available by the Bank between August 2016 and August 2022 and no verification or audit of the underlying data was undertaken. The greenhouse gas emissions data reported here for Teachers Mutual Bank Ltd are based on calculations using best practice guidance from the [Department of Industry, Science, Energy and Resources](#) and [Environment Protection Authority Victoria](#)

This report was prepared in accordance with the scope of work agreed with Teachers Mutual Bank Ltd and is based on generally accepted practices and standards at the time it was prepared.

## About The Incus Group

The Incus Group is a purpose-driven consultancy that guides organisations through the life cycle of understand, measuring and managing their impact. Our expertise extends from the development of strategy through to impact measurement and capacity building and we seek to work with organisations to measure what matters and convert best intentions into successful outcomes.

For more information, please visit [www.theincusgroup.com](http://www.theincusgroup.com) or contact [info@theincusgroup.com](mailto:info@theincusgroup.com)

