

Commonwealth Bank of Australia Environment Policy

1.	Context and purpose
1.1.	The Commonwealth Bank Group (“the Group”) recognises that our operations have direct and indirect impacts on the environment. Our objective is to manage these impacts so that we can better manage the costs of doing business and the risks to our portfolios, and enhance long term shareholder returns.
1.2.	The purpose of the Group’s Environment Policy is to create a framework for understanding and managing our direct and indirect environmental impacts, risks and opportunities.
2.	Scope
2.1.	The Policy covers the operations of the whole Group. The requisite approach to implementation of the policy by subsidiary businesses and off-shore operations may need to be considered on a case by case basis to comply with relevant requirements.
3.	Position on Climate Change
3.1.	The Commonwealth Bank believes climate change will have a major environmental, economic and social impact. We believe that climate change presents both risks and opportunities for our business and that as a financial intermediary we can play a role in addressing climate change.
3.2.	The Group is committed to measuring and reducing our own greenhouse emissions.
3.3.	We will engage our customers, stakeholders, the regulators and communities more broadly to encourage the understanding and management of climate change issues.
4.	Environmental compliance
4.1.	The Group is committed to ensuring compliance with environmental legislation relevant in all areas in which we operate.
5.	Management of direct environmental impacts
5.1.	The Group is committed to reducing direct environmental impacts through the implementation of the following practices: <ul style="list-style-type: none"> – Monitoring and reduction of our energy use and greenhouse gas emissions. – Investing in energy efficient technologies, where cost effective. – Monitoring and reduction of water usage, where possible. – Minimising waste through recycling and efficient use of resources. – Developing processes for assessing environmental impacts in our supply chain. – Ensuring the space we occupy is designed, occupied and operated with the objective of best practice environmental performance.
6.	Management of indirect environmental impacts
6.1.	The Group acknowledges that the companies we lend to and invest in may have an impact on the environment. Our lending policy requires that environmental risks be considered at deal initiation, risk assessment and annual review for relevant credit applications. As our understanding of environmental risk grows we will continually seek to enhance our governance processes, reporting practices and the training of our staff to ensure we strengthen our risk management policies and procedures.
6.2.	The products we offer may also potentially lead to an environmental impact. We will develop processes to assess the environmental issues associated with our products and identify ways to encourage an improved environmental outcome.
6.3.	We will actively seek to identify opportunities to assist our customers to meet their environmental goals through the provision of appropriate financial products and services. This includes carbon solutions to assist clients captured by the Carbon Pollution Reduction Scheme and environmentally focussed products and services for retail and business customers.
6.4.	Our asset management division, Colonial First State Global Asset Management, will integrate environmental considerations into the investment decision making processes across all asset classes in line with their commitments under the United Nations Principles for Responsible Investment.



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7.	Stakeholder Engagement and Reporting
7.1.	The Group will engage with our interested customers and stakeholders on our Environment Policy, initiatives, products and services, and seek their feedback on environmental issues relevant to the Group.
7.2.	We will develop an employee awareness and behaviour change program to empower our people to help reduce the Group's environmental impact.
7.3.	The Group will disclose material environmental performance by reporting at least annually to our shareholders on our environmental indicators and management of material risks and opportunities. In addition, we will comply with our reporting obligations under the relevant environmental legislation.
7.4.	Through our sponsorships and community programs we will partner with selected organisations that are actively working to protect the environment and educate the community about environmental issues.
7.5.	We will engage in policy discussions on environmental issues directly and through our industry representatives.
8.	Governance
8.1.	<p>The accountability for our Environment Policy is assigned as follows:</p> <ul style="list-style-type: none">– Board of Directors are responsible for overseeing the adherence to the policy via 12 monthly reporting to the Board.– Executive Committee are responsible for integrating the Policy into business and risk management processes in each business unit and for ensuring relevant governance processes are embedded.– Group Forum on Sustainability members are responsible for influencing successful implementation in their business unit.– Executive Manager, Sustainability is responsible for supporting the Group's implementation of this policy and reporting to the Board on progress.– Group Audit is responsible for providing assurance services to evaluate adherence to the Policy.
9.	Implementation process
9.1.	A 12 month transition period will commence following adoption of the policy, during which time the Executive Committee and Group Forum on Sustainability members are required to implement any actions required for their business unit to become compliant.
10.	Policy Review
10.1.	This policy will be reviewed annually.

October 2008