1 Risks and Opportunities

Objective: To identify strategic risks and opportunities and their implications.

General Introduction

This is the first submission made by The Commonwealth Bank of Australia (CBA) to the Carbon Disclosure Project and covers the period 1 July 2006 to 30 June 2007. In 2001 CBA signed the Federal Government's Greenhouse Challenge Co-Operative Agreement and committed to put in place appropriate, practical and cost-effective actions to reduce its greenhouse gas emissions. Since then CBA has been working on improving the energy efficiency of its buildings to reduce their carbon footprint. The Bank has been monitoring its greenhouse gas emissions via a third party energy data management system that has enabled CBA to track progress.

Climate change and energy issues are considered to be sustainable business issues for the Commonwealth Bank and are taken very seriously. Climate change impacts CBA businesses both directly (such as damage to CBA property) and indirectly through potential impacts in our supply chain and also our institutional and business banking customers, our equity investments on behalf of clients and retail customer base. The Bank is therefore reviewing the risks and opportunities of climate change by engaging with its stakeholders. Future climate change regulation will impact the Bank but not as significantly as it will our institutional and business banking customers, particularly those in heavy industry, mining and agribusiness and some of our equity investments.

Risks: (CDP5 Question 1 a)

i) **Regulatory Risks: How is your company exposed to regulatory risks related to climate change?**

<u>Federal Regulation</u>

<u>Mandatory Requirements:</u>

Australia has now ratified the Kyoto Protocol but during the Financial Year 2007 (FY07) Australia had not done so. The Australian Federal Government is in the process of an extensive public consultation program that includes the development of targets and the details of an emissions trading scheme.

It is expected that the Federal Government will receive the final Garnaut Report that will make recommendations mid 2008. This report will provide an understanding of the impacts that can be anticipated in the pursuit of particular greenhouse reduction targets and policies. While CBA will monitor closely the specific industry issues and impacts of the targets and emissions trading schemes it would be premature for us to act prior to the final details being known.

However this watching brief position will ensure that CBA is aware of, and operating in advance of, regulatory requirements. CBA is also taking a proactive position by responding to government discussions papers on emissions targets through industry associations, including the Investor Group on Climate Change and the Australian Bankers Association.

During this reporting period CBA was required to register for the Federal Government's Energy Efficiency Opportunities (EEO) program. This program encourages large energy-using businesses to develop greater energy efficiency through improving the identification, evaluation and implementation of cost effective energy savings opportunities. As CBA uses more than 0.5 Petajoules of energy we were required to submit an Assessment and Reporting Schedule (ARS) in December 2007. This sets out a forward looking program that defines how CBA will carry out assessments of our energy use in accordance with the EEO Key Requirements. As CBA has in place its own energy efficiency improvement program, including a process of improving our Australian Greenhouse Building Ratings (ABGR), the fulfilment of our obligations under EEO have aligned with this program.

The National Greenhouse and Energy Reporting Act 2007 has made public reporting on national energy and GHG emissions mandatory. CBA's energy uses as an entity will trigger the threshold set for this regulation and we will therefore be requited to comply with the regulations. Failure to do so could lead to civil penalties and includes CEO liability. CBA is preparing for the start of the data collection period (1 July 2008) and is confident that though our third party data collection process we will be able to fulfil our obligations.

Voluntary regulatory programs:

Since 2002 CBA has reported against the voluntary Greenhouse Challenge Plus program, the aim of which is to reduce greenhouse gas emissions and to accelerate the uptake of energy efficiency. Participating in this program has given CBA a goal for improvement and has enabled CBA to take a leadership role in emissions reduction.

State Regulation

The NSW Government's regulation on Energy Savings Action Plans (ESAP) meant that CBA developed an Energy Savings Action Plan (ESAP) for its 120 Pitt Street site in Sydney during FY07. This was incorporated into CBA's property energy efficiency improvement program.

CBA is also a participant in the NSW Greenhouse Gas Abatement Scheme (GGAS), a mandatory greenhouse gas emissions trading scheme under which electricity retailers and certain other parties must meet greenhouse emissions targets. Participants meet their targets either by improving their energy efficiency and creating greenhouse certificates or purchasing greenhouse certificates from third parties. CBA has registered a number of projects in the scheme resulting in the creation of approximately 1,700 NSW Greenhouse Gas Abatement Certificates (NGACs) each year since 2004.

ii) Physical Risks: How is your company exposed to physical risks from climate change?

It is anticipated that Australia will face near term physical effects of climate change including drought, heat waves and increased frequency of severe weather events. This may directly impact on CBA via damage to property. But the more profound effect will be upon CBA's customers including those in agribusiness, where drought is having a major impact. The extent of the risk within this portfolio is yet to be established.

As a General Insurer we are exposed to the physical risks from climate change, particularly in our Home Insurance and Motor Insurance portfolios. Primarily this is driven through increased frequency and severity of weather related events (hail storms, cyclones, flooding etc). As part of Australia's largest bank with the largest distribution footprint and customer base, all our customers are affected, and as such so are we.

CBA is represented in New Zealand and the Pacific Island of Fiji and severe storms and the threat of rising sea levels will be monitored.

iii) General Risks: How is your company exposed to general risks as a result of climate change?

Having now ratified the Kyoto Protocol, Australia is now reviewing the implementation of a carbon trading scheme. This could impact on our retail customers if the cost of living rises (through increased utility costs and food bills) as it affects customers' abilities to pay mortgages and credit card debts. We understand that the Federal government is looking at how low and vulnerable income earners may be impacted through the full pricing of carbon in the economy and the way in which this cost will be distributed to consumers.

As a General Insurer, our Reinsurance arrangements and risk appetite are continually reviewed in order to meet the changing climate in which our business operates to ensure our ongoing business sustainability. We lobby through the industry body (Insurance Council of Australia). Environmental concerns are becoming an important consideration in our Product Development.

Carbon trading will have a profound effect on many of our institutional and business banking customers and the Bank will need to assess the risks associated with those relationships.

Similarly the companies and assets we invest in through our funds management business (equities and direct infrastructure and property) may also be impacted by climate change.

Suppliers that are not prepared for carbon trading and increased carbon-related regulation may find the increased costs and pressures difficult to handle. CBA has initiated a sustainable supply chain policy and during 2008 will be working on implementing that policy, understanding the impacts of carbon within the supply chain and encouraging suppliers to take action to reduce their carbon footprint.

CBA is aware of the reputational risk associated with its carbon emissions. In the last few years the Bank has worked to raise the level of awareness about climate change issues amongst its employees and in January 2008 launched a sustainability page on the CBA intranet site.

iv) Risk Management: Has your company taken or planned action to manage the general and regulatory risks and/or adapt to the physical risks you have identified?

The Commonwealth Bank Group has had an environmental policy in place since 2001 that states: "The Bank takes environmental factors into consideration in its risk analysis and decision making process". See our policy at: http://about.commbank.com.au/group_display/0,1922,CH2102,00.html

As a result we consider all the potentially material business risks in lending, including climate change.

As a signatory to the United Nations Principles for Responsible Investment we also consider the environmental, social and governance issues (including climate change) associated with the investments through our Asset Management business Colonial First State Global Asset Management.

As a General Insurer, our Reinsurance arrangements and risk appetite are continually reviewed in order to meet the changing climate in which our business operates to ensure our ongoing business sustainability. We lobby through the industry body (Insurance Council of Australia). Environmental concerns are becoming an important consideration in our Product Development.

v) Financial and Business Implications: How do you assess the current and/or future financial effects of the risks you have identified and how those risks might affect your business?

From an institutional financing perspective we look at the potential impact climate change risks will have on cash flows over the life of the proposed loans.

From an asset management perspective we look at the materiality of the risk relative to the current share price for listed equities, and over the life of the investment for unlisted asset classes.

As a General Insurer we are exposed to the physical risks from climate change, particularly in our Home Insurance and Motor Insurance portfolios. Primarily this is driven through increased frequency and severity of weather related events (hail storms, cyclones, flooding etc). As part of Australia's largest bank with the largest distribution footprint & customer base, all our customers are affected, and as such so are we.

b) Opportunities: (CDP5 Question 1 b)

i) Regulatory Opportunities: How do current or anticipated regulatory requirements on climate change offer opportunities for your company?

Opportunities for the Commonwealth Bank Group arise from the emerging environmental markets, in particular carbon trading. The group has long been involved in carbon markets. For example the Commonwealth Bank was the manager for the BP Global Choice™ program launched in 2001. We were responsible for sourcing and vetting greenhouse reduction projects. This was one of the first carbon market initiatives in Australia and we have since financed 29% of the projects under the Greenhouse Friendly program. The Group also provides the payment gateway and sources and retires the carbon credits for the Federal Governments Climate Clever campaign.

ii) Physical Opportunities: How do current or anticipated physical changes resulting from climate change present opportunities for your company?

For the economy to manage the physical impacts of climate change significant investment in infrastructure will be required. The Group is well positioned to finance and invest in that infrastructure.

Climate change also presents opportunities for the General Insurance company to develop products that reduce or encourage reductions in environmental impacts eg distance based pricing for motor insurance, energy efficient replacement goods for homes etc.

iii) General Opportunities: How does climate change present general opportunities for your company?

There is a changing customer understanding of climate change issues. As a result we are well positioned to respond to customer interest in the issues by changing the way we interact with the customer. For example, CBA now offer customers online statements and a series of 'eco options' for their credit card loyalty points.

iv) Maximizing Opportunities: Do you invest in, or have plans to invest in products and services that are designed to minimize or adapt to the effects of climate change?

We are always considering new products from a business development perspective and products that address climate change are considered in the same way. We have invested considerable time and intellectual property into our asset management businesses integration of the Principles for Responsible Investment into the investment process across all asset classes in our funds management business.

v) Financial and Business Implications: How do you assess the current and/or future financial effects of the opportunities you have identified and how those opportunities might affect your business?

On a project-by-project basis they are considered in line with all of our other investment and lending frameworks. The opportunities discussed above are not 'material' in the overall scheme of our business in the next 5 years.

2 Greenhouse Gas (GHG) Emissions Accounting Objective: To determine actual absolute Greenhouse Gas emissions.

The term GHG Protocol below refers to The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). This may be found on the GHG Protocol Website www.ghgprotocol.org

a) Accounting Parameters (CDP5 Question 2a)

i) Reporting Boundary: Please indicate the category that best describes the company, entities or group for which your response is prepared:

A Companies over which financial control is exercised – per consolidated audited Financial Statements.

B Companies over which operational control is exercised.

C Companies in which an equity share is held.

D Other (please provide details).

The scope of Commonwealth Bank of Australia's CDP6 submission includes all commercial properties in Australia and CBA defines its reporting boundary as Option B in Australia (Companies over which operational control is exercised).

The emissions generated are from a total portfolio of 1,124 properties and 237 ATMs in Australia. The total square meterage is 744,542 (buildings and ATMs). This submission does not include data for CBA operations outside Australia.

The total Group's GHG emissions will be reported in future submissions.

Please use the same approach for all answers.

ii) Reporting Year: Please explicitly state the dates of the accounting year or period for which GHG emissions are reported.

Reporting year is the Financial Year 1 July 2006- 30 June 2007.

iii) Methodology: Please specify the methodology used by your company to calculate GHG emissions.

The methodology used is as per the AGO Factors and Methods Workbook of December 2006 produced by the Department of the Environment and Heritage Australian Greenhouse Office.

b) Direct and Indirect Emissions – Scope 1 and 2 of the GHG Protocol (CDP5 Question 2b)

i) Are you able to provide a breakdown of your direct and indirect emissions under Scopes 1 and 2 of the GHG Protocol and to analyse your electricity consumption? If so, please provide the following information together with a breakdown of the emissions reported under each category by country where possible. If not, please proceed to question 2b ii:

Emissions Overview:

Commonwealth Bank of Australia's total greenhouse gas emissions for activities reported against Scopes 1, 2 and 3 are 163,509 CO_2 equivalent tonnes, calculated using methods approved by the Australian Greenhouse

Office. The majority of emissions are from energy used in buildings (approx 91%), followed by fuel usage in tool-of-trade vehicles (approx 8.3%), natural gas (approx 0.4%) and paper (approx 0.2%). Note: two significant figures have been reported and this results in a rounding error of 0.1%.

Scope 1 Direct GHG Emissions

a) Total global Scope 1 activity in metric tonnes CO2-e emitted.

Scope 1 emissions for CBA are from natural gas consumption and from fleet vehicles owned or controlled by CBA.

<u>Natural Gas</u>

Gas burned on CBA sites for space heating and hot water accounts for a total of 522 metric tonnes of CO_2-e emitted. Additional metric tonnes have been allocated to Scope 3 because they are indirect emissions attributable to the extraction, production and transport of fuel burned at generation.

<u>Fleet</u>

Vehicles are used by bank personnel primarily for client visits. The majority of the fuel used is currently unleaded petrol, with a small amount of diesel. Total metric tonnes of CO_2-e emitted under Scope 1 from Fleet is 12,582. Additional transport emissions have been classified under Scope 3 because they are indirect emissions attributable to the extraction, production and transport of fuel burned.

<u>Total Scope 1 emissions</u>

Scope 1 emissions are for Australia only and total 13,104 tonnes CO_2-e.

b) Total Scope 1 activity in metric tonnes CO2-e emitted for Annex B countries.

Scope 1 emissions are for Australia only and total 13,104 tonnes CO_2-e.

Scope 2 Indirect GHG Emissions

c) Total global Scope 2 activity in metric tonnes CO2-e emitted.

<u>Electricity</u>

Total Australian metric tonnes of CO_2-e emitted from electricity under Scope 2 is 128,984. Additional metric tonnes of CO_2-e emitted is attributable to Scope 3 as this covers both the emissions from the extraction, production and transport of fuels used in the production of the purchased electricity and also the emissions associated with the electricity lost in transmission and distribution on the way to the consumer.

Total Scope 2 activity in metric tonnes CO2-e emitted for Annex B countries.

Scope 2 emissions are for Australia only and total 128,984 tonnes of CO_2-e.

Electricity consumption

d) Total global MWh of purchased electricity.

Total MWh of purchased electricity in Australia is 148,814.

Total MWh of purchased electricity for Annex B countries.

Total MWh of purchased electricity in Australia is 148,814.

e) Total global MWh of purchased electricity from renewable sources.

Under the Federal Mandatory Renewable Energy Targets for FY07 2.4% of electricity purchased must come from renewables. Therefore, this means that indirectly CBA purchased 3,572 MWh of electricity from renewables. No additional Green Power is purchased.

Total MWh of purchased electricity from renewable sources for Annex B countries.

As above.

2 Greenhouse Gas (GHG) Emissions Accounting Objective: To determine actual absolute Greenhouse Gas emissions.

c) Other Emissions – Scope 3 of GHG Protocol: (CDP5 Question 2c)

How do you identify and/or measure Scope 3 emissions? Please provide where possible:

a) Details of the most significant Scope 3 sources for your company.

In this section CBA lists the Scope 3 emissions associated with its energy consumption and has taken great care to align this reporting with the AGO Factors and Methods Workbook 2006 as well as the requirements of the CDP. Our submission is as follows:

<u>Natural Gas</u>

159 metric tonnes have been allocated to Scope 3 because they are indirect emissions attributable to the extraction, production and transport of fuel burned at generation and to the electricity lost in delivery in the T&D network.

<u>Fleet</u>

1,570 metric tonnes have been classified under Scope 3 because they are indirect emissions attributable to the extraction, production and transport of fuel burned.

<u>Electricity</u>

19,906 metric tonnes have been allocated to Scope 3 because this covers both the emissions from the extraction, production and transport of fuels used in the production of the purchased electricity and also the emissions associated with the electricity lost in transmission and distribution on the way to the consumer.

<u>Waste</u>

Paper/ cardboard produce 378 metric tonnes of CO_2e.

<u>Total Scope 3 emissions</u>

22,013 CO_2e

Data of employee business travel is not complete for this reporting period but we plan to have this available for the next reporting year. (Amanda to confirm)

b) Details in metric tonnes CO2-e of GHG emissions in the following categories:

i) Employee business travel.

Data of employee business travel is not complete for this reporting period but we are considering the possibility of having this data in the future.

c) Details of the methodology you use to quantify or estimate Scope 3 emissions.

The methodology used is as per the AGO Factors and Methods Workbook of December 2006 produced by the Department of the Environment and Heritage Australian Greenhouse Office.

d) External Verification (CDP5 Question 2a iii)

i) Has the information reported in response to Questions 2b – c been externally verified or audited or do you plan to have the information verified or audited? If so:

ii) Please provide a copy of the audit or verification statement or state your plans for verification.

iii) Please specify the Standard or Protocol against which the information has been or will be audited or verified.

The data used for this submission has been sourced from data used for CBA's last three submissions to the Greenhouse Challenge Plus (GHC+). CBA has been a voluntary member since 2001 and has been collating and reporting on CO_2e emissions since then. The GHC+ report for 2005/6 was independently verified by GHD Pty Ltd on 08/06/07. (See attached verification document). Data methodologies used for the 2006/7 report have remained consistent with previous years. It should also be noted that 2006/7 data used in the GHC+ report may also be subject to verification.

e) Data Accuracy (New to CDP6)

i) Does your company have a system in place to assess the accuracy of GHG emissions inventory calculation methods, data processes and other systems relating to GHG measurement? If so, please provide details. If not, please explain how data accuracy is managed.

The Commonwealth Bank has been monitoring its electricity and gas consumption and purchase cost (via billing data) for all Commercial and Retail buildings using a third party energy management and utilities database Enterprize.EM™ (EEM) since 2002. Electricity and gas data in EEM is checked monthly for accuracy and any missing data is requested.

For motor vehicle emissions, the Bank utilises the fleet data records (fuel type and consumption) maintained by its fuel suppliers based on employee fuel card usage. The fuel supplier via the fleet card system provides fuel usage data. The tool of trade vehicles are required to provided their odometer readings each time they fill up. The fuel supplier also provides this information to the Bank. This information allows the analysis of the fleets fuel consumption based upon litres of fuel used per kilometre travelled and also greenhouse gas emissions per kilometre travelled. This data is collected annually.

Paper/waste data has been provided by waste contractors based on estimates from numbers of waste bins collected.

f) Emissions History (CDP5 Question 2a iv)

i) Do the emissions reported for your last accounting year vary significantly compared to previous years? If so, please explain the reasons for the variations.

This is the first year that CBA has reported. Below is a comparison of CBA's total gross emissions as well as area in m2 over three financial years.

	FY05	FY06	FY07
Total Gross GHG Emissions	149,089	163,282	163,509
Area m^2	665,838	764,941	744,542

The 9.5% increase in emissions between FY05 and FY06 is attributable to a 14.8% increase in floor space.

The slight increase in emissions between FY06 and FY07 is due to an increase in fleet size which resulted in an increase in fleet emissions of 35%.

g) Emissions Trading (CDP5 Question 4b)

i) Does your company have facilities covered by the EU Emissions Trading Scheme? If so:

No

a) Please provide details of the annual allowances awarded to your company in Phase I for each of the years from 1 January 2005 to 31 December 2007 and details of allowances allocated for Phase II commencing on 1 January 2008.

Not applicable

b) Please provide details of actual annual emissions from facilities covered by the EU ETS with effect from 1 January 2005.

Not applicable

c) What has been the impact on your company's profitability of the EU ETS?

Not applicable

ii) What is your company's strategy for trading or participating in regional and/or international trading schemes (eg: EU ETS, RGGI, CCX) and Kyoto mechanisms such as CDM and JI projects?

We are currently considering opportunities for the Group.

h) Energy Costs (CDP5 Question 4d)

i) Please identify the total costs in US $ of your energy consumption eg from fossil fuels and electric power.

Calculations are based on electricity and gas consumption only. The US exchange rate quoted is as of 19/03/08 which is A$1.00 = US$0.93.

Electricity

A$ 18,516,148

US$ 17,220,018

Gas

A$ 134,825

US$ 125,387

ii) What percentage of your total operating costs does this represent?

This represents 0.3% of Total Operating Expense

iii) What percentage of energy costs are incurred on energy from renewable sources?

Under the Federal Mandatory Renewable Energy Targets for FY07 2.4% of electricity purchased must come from renewables. Therefore, this means that indirectly CBA purchased 3,572 MWh of electricity from renewables. No additional Green Power is purchased.

3 Performance

Objective: To determine performance against targets and plans to reduce GHG emissions.

a) Reduction Plans (CDP5 Questions 1 d and 4a)

i) Does your company have a GHG emissions reduction plan in place? If so, please provide details along with the information requested below. If there is currently no plan in place, please explain why.

CBA is in the process of developing a GHG emissions reduction plan. This should be complete for next year's submission.

Over the last few years CBA has been focused on improving energy efficiency. The intention is to develop a formal 3 and 5 year energy/carbon savings plan and associated sustainability initiatives, including assessment objectives, timing and budgets, and to ensure that these align with the requirements of the Australian Energy Efficiency Opportunity Act.

ii) What is the baseline year for the emissions reduction plan?

This is to be decided.

What are the emissions reduction targets and over what period do those targets extend?

iii) What activities are you undertaking to reduce your emissions eg: renewable energy, energy efficiency, process modifications, offsets, sequestration etc? What targets have you set for each and over what timescales do they extend?

<u>Energy efficiency:</u>

There are a number of methods CBA has used for identifying energy efficiency opportunities:

- Detailed investigation of appropriate commercial sites, utilising interval data, sub metering and logging as required to provide accuracy of ±30%;
- As part of the maintenance process for all retail sites by identifying voltage reduction opportunities;
- Site benchmarking to identify sites where energy consumption is high and reduction opportunities may be possible;
- Evaluations of exiting tenancy fittings and occupancy intentions for intelligent lighting controls;
- Capital expenditure programs for air-conditioning maintenance and upgrades; and
- Acquisition of new major tenancies targeting 4 star ABGRs or higher. Processes undertaken by the Banks contractors and consultants will design the new buildings and/or fitouts to achieve a minimum 4 Star ABGR.

Opportunities are discussed and documented at monthly energy efficiency operations meetings.

During 2008 CBA plans to develop an additional 'Projects Database' that tracks progress of energy efficiency projects from identification through to implementation. The database will include:

- Estimated energy and cost savings;
- Project costs;

- Payback periods;
- Accuracy of savings and costs;
- Non-energy savings eg: water, maintenance etc;
- Assigned responsibilities for follow up;
- Decision maker identified;
- Next project steps eg: obtain formal quotes, install logging;
- Other project relevant information.

The Projects Database will be discussed at monthly energy efficiency operations meetings.

Where the decision maker is not part of the energy efficiency operations meetings, a document outlining recommendations and containing all relevant information will be produced for all opportunities with a 4 year or less payback.

iv) What investment has been or will be required to achieve the targets and over what time period?

CBA looks at allocating funds on a project by project basis.

v) What emissions reductions and associated costs or savings have been achieved to date as a result of the plan?

Since 2001 CBA has reported for the Greenhouse Challenge Plus which requires CBA to put in place GHG abatement initiatives.

During 2006/07, CBA implemented a number of actions to reduce greenhouse gas emissions resulting from building occupancy. Annual savings from these activities are expected to be 2,428 t CO_2 equivalent. Initiatives have included the installation of energy efficient lighting and improved lighting schedules at a number of major buildings, the upgrade of Building Management Systems in selected branches, and the continuation of the LCD flatscreen roll out together with the replacement of CRT monitors.

b) Emissions Intensity (CDP 5 Question 4c)

i) What is the most appropriate measurement of emissions intensity for your company?

Per square meter.

ii) Please state your GHG emissions intensity in terms of total tonnes of CO2-e reported under Scope 1 and Scope 2 per US $m turnover and EBITDA for the reporting year.

Total reported under Scopes 1 & 2 = 142, 088 tonnes of CO_2.

This equates to 5.4 CO2 tonnes per US$m revenue. The EBITDA calculation is not relevant.

iii) Has your company developed emissions intensity targets? If so:

a) Please state your emissions intensity targets.

Not applicable

b) Please state what reductions in emissions intensity have been achieved against targets and over what time period.

Not applicable

If not, please explain why.

Not applicable

c) Planning (CDP5 Question 4e)

Do you forecast your company's future emissions and/or energy use? If so:

i) Please provide details of those forecasts, summarize the methodology used and the assumptions made.

No

ii) How do you factor the cost of future emissions into capital expenditure planning?

CBA does not factor the cost of future emissions into capital expenditure planning. However, there are numerous projects planned that will reduce the Bank's emissions over the next few years.

CBA has made commitments to reduce the emissions associated with its commercial office space by signing up to the 3 CBDs program. Participants in the 3CBDs program make a commitment to improve the ABGR of their tenancies to 5 Stars where financially viable.

In new developments, CBA is committing to improve the overall sustainability of the buildings via the green star program. The green star program encourages not only energy efficiency and carbon reduction, but also water efficiency, use of recycled building materials, reducing the impact of transport (private automobiles), improving indoor air quality and reducing the usage of ODP and GWP refrigerant gases in cooling systems.

iii) How have these considerations made an impact on your investment decisions?

See above.

4 Governance

Objective: To determine responsibility and management approach to climate change.

a) Responsibility (CDP5 Question 5a)

Does a Board Committee or other executive body have overall responsibility for climate change? If not, please state how overall responsibility for climate change is managed. If so:

No. Responsibility sits at the business unit level. For example, Premium Business Services is responsible for considering carbon market opportunities and Colonial First State Global Asset Management for wholesale fund opportunities. On the risk side Finance and Risk Management are responsible for ensuring that our risk processes consider the climate change risks.

i) Which Board Committee or executive body has overall responsibility for climate change?

Not applicable.

ii) What is the mechanism by which the Board or other executive body reviews the company's progress and status regarding climate change?

Not applicable.

b) Individual Performance (CDP5 Question 5b)

Do you assess or provide incentive mechanisms for individual management of climate change issues including attainment of GHG targets? If so, please provide details.

No.

c) Communications (New to CDP6)

Please indicate whether you publish information about the risks and opportunities presented to your company by climate change, details of your GHG emissions and plans to reduce emissions through any of the following communications:

i) the company's Annual Report or other statutory filings, and/or

See (iv) below.

ii) formal communications with shareholders or external parties, and/or

See (iv) below.

iii) voluntary communications such as Corporate Social Responsibility reporting.

See (iv) below.

iv) If so, please provide details and a link to the document(s) or a copy of the relevant excerpt.

Shareholder communications include the following, publicly available on the CBA and other websites:

Chairman's Annual General Meeting speech:
http://shareholders.commbank.com.au/GAC_File_Metafile/0,1687,19319%255F2007%252520agm%252520chairmans%252520address%2525207%252520november%2525202007,00.pdf

Half year results (slide 87):
http://shareholders.commbank.com.au/GAC_File_Metafile/0,1687,21615%255Fanalyst%252520presentation%252520%252D%2525202008%252520half%252520year%252520results%25252013%252520february%2525202008%25252011,00.pdf

Shareholder letter:

http://shareholders.commbank.com.au/GAC_File_Metafile/0,1687,18501%255Ffinal%252520october%2525202007%252520shareletter,00.pdf

Voluntary reporting:

Greenhouse challenge reporting:
http://www.greenhouse.gov.au/cgi-bin/challenge/dbsearch.pl?page=agree_detail;aid=1717

3CBDs progress report (page 11 and 12):
http://www.cityofsydney.nsw.gov.au/3cbds/Who/documents/3CBDs-ProgressReportSnapshot.pdf

d) Public Policy (New to CDP6)

Do you engage with policymakers on possible responses to climate change including taxation, regulation and carbon trading? If so, please provide details.

Public Policy engagement is primarily undertaken collaboratively and through our industry bodies for example:

+ Australian Bankers Association

+ Investor Group on Climate Change

+ IFSA

+ AFMA

+ Environment Business Australia

+ Business Council of Australia

+ Insurance Council of Australia

This engagement includes actively contributing to policy and position papers, providing feedback to submissions, contributing to research and meeting face to face with Government to providing input into programs and policy feedback.

CommInsure as a member of the Insurance Council of Australia and actively contributes in any climate change related working groups and industry responses.

Important Information about Carbon Disclosure Project

This is the sixth time the Carbon Disclosure Project has made an information request. Your company may be receiving this for the first time because in 2008, at the request of signatory investors, we have expanded further the number of companies receiving the questionnaire. To find out more about the previous responses from other major companies, please refer to our website at www.cdproject.net where you can also find full details on the background and structure of CDP.

Why is this request from a group of shareholders to a group of companies rather than from an individual shareholder to an individual company?

a) To facilitate ease of reporting for companies by providing for one response to be delivered to numerous investors.

b) To receive data in a common format from the largest companies in the world.

Which companies have been written to and who are the CDP6 partners? This information request has been sent to:

- **500 of the largest companies globally based on market capitalization (FT 500)**
- **500 of the largest companies in the USA based on market capitalization (S&P 500)**
- **350 of the largest companies in the UK based on market capitalization (FTSE 350)**
- **250 of the largest electric utilities globally based on market capitalization**
- **200 of the largest companies in Australia and 50 of the largest companies in New Zealand based on market capitalization (ASX 200 & NZX 50), in partnership with the Investor Group on Climate Change Australia/New Zealand**
- **200 of the largest companies in Canada based on market capitalization, in partnership with The Conference Board of Canada**
- **200 of the largest companies in Germany based on market capitalization, in partnership with BVI Bundesverband Investment und Asset Management e.V (German Investment and Asset Management Association) and WWF Germany**
- **200 of the largest companies in India based on market capitalization, in partnership with WWF India**
- **193 of the largest companies in the Nordic region based on market capitalization, in partnership with Nutek (the Swedish Agency for Economic and Regional Growth), Folksam and KLP**
- **150 of the largest companies in Japan based on market capitalization**
- **120 of the largest companies in France based on market capitalization (SBF 120), in partnership with AXA**
- **100 of the largest companies in China based on market capitalization**
- **100 of the largest companies in South Africa based on market capitalization (FTSE/JSE 100), in partnership with the National Business Initiative (NBI)**

- **100 of the largest companies in Switzerland based on market capitalization (SPI Large & Mid Cap (SOCI)), in partnership with Ethos and Pictet Asset Management**

- **100 of the largest companies in the transport sector globally based on market capitalization**

- **75 of the largest companies in Brazil, listed on the BOVESPA Sao Paolo Stock Exchange, in partnership with the Brazilian Association of Pension Funds – ABRAPP and BANCO ABN AMRO REAL**

- **50 of the largest companies in Asia ex-Japan, selected by and in partnership with the Association for Sustainable and Responsible Investment in Asia (ASrIA)**

- **50 of the largest companies in Korea based on market capitalization**

- **50 of the largest companies in the Netherlands based on market capitalization (AEX & AMX), in partnership with VROM (the Dutch Ministry of Housing, Spatial Planning and the Environment)**

- **40 of the largest companies in Italy based on market capitalization (S&P/MIB)**

- **40 of the largest companies in Latin America based on market capitalization (S&P Latin America 40)**

- **35 of the largest companies in Spain based on market capitalization (Ibex 35)**

Important Information about Carbon Disclosure Project

What are the legal/financial implications for responding corporations?

The legal implications are the same as those associated with standard disclosure. There may be some internal costs associated with answering the questionnaire.

Companies responding to CDP do so without any assertion of ownership of the data provided and on the basis that CDP has license to use the data provided without restriction whatsoever, subject to the comments in the paragraph below.

What will happen to the data received?

The full submitted responses will be made available to signatory investors, CDP partners, report writers and selected ratings agencies as they are received. Unless you notify us to the contrary, simultaneously with your response, your response will be made publicly available at www.cdproject.net in September 2008. Should you notify us at the time you submit your response that you do not want your information publicly disclosed, we will use it only in the production of aggregate statistics. The CDP Secretariat will appoint consultancies to write reports on responses from FT500 companies and others. CDP6 partners may also publish reports based on the data received and will share these data with their consultants.

From September 2008 CDP6 reports will be sent to participating investors and responding companies and made publicly available at www.cdproject.net. In addition, all submitted responses where permission to publish has not been withheld will be made available from the same website.

What if a company wishes to change or update a response?

In order for responses and any revisions to be included in the report, they must be received by 31 May 2008. Where responses are submitted via the website, CDP can accept responses or revisions to responses at any time and will aim to make these available from www.cdproject.net within five days of receipt.

How can a company confirm its participation?

On receipt of these documents, please e-mail responses@cdproject.net to confirm your participation in the Carbon Disclosure Project.

What is the legal status of CDP?

The Carbon Disclosure Project is a Special Project of Rockefeller Philanthropy Advisors, with United States IRS 501(c) (3) charitable status, with the sole purpose of providing a co-ordinating secretariat for the participating investors. CDP aims to create a lasting relationship between shareholders and corporations regarding the implications for shareholder value and commercial operations presented by climate change. Its goal is to facilitate a dialogue, supported by quality information, from which a rational response to climate change will emerge.

CDP provides a co-ordinating secretariat for many of the world's largest institutional investors. On their behalf CDP seeks information on the business risks and opportunities presented by climate change and greenhouse gas emissions data from the world's largest companies.

Will there be publicity?

The CDP secretariat will issue a press release in consultation with the participating investors on 1 February 2008. The Secretariat does not have authority to make statements on behalf of this group.

Global Reporting Initiative

The CDP secretariat works closely with the Global Reporting Initiative (GRI) to ensure that this request and the GRI indicators are closely aligned and complementary.