Module: Introduction

Page: Introduction

0.1

Introduction
Please give a general description and introduction to your organization

The Commonwealth Bank of Australia ('the Bank') is one of Australia's leading providers of integrated financial services including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance, investment and share broking products and services.
The Bank's vision is to be Australia's finest financial services organisation through excelling in customer service. The Bank's strategic direction focuses on five areas of significant opportunity:
• Customer service,
• Business banking,
• Technology and operational excellence,
• Trust and team spirit, and
• Profitable growth.
Fully owned subsidiaries of the Bank include:
• The Bank's asset management business, Colonial First State Global Asset Management, which provides asset management services to wholesale and institutional investors across a diverse range of domestic and global asset classes.
• The Bank's wealth management business, Colonial First State, is one of Australia's leading wealth management groups, and provides investment, superannuation and retirement products to individuals as well as to corporate and superannuation fund investors.
• The Bank's insurance business, CommInsure, provides general, life and travel insurance products.
• The Bank of Western Australia (Bankwest) is an award winning bank that is strongly capitalised and funded while being fully regulated by the Australian Prudential Regulatory Authority (APRA). Bankwest is a market leader within Western Australia with approximately one quarter of all bank advances and deposits.
• The Bank's New Zealand business, Auckland Savings Bank (ASB) is a fully owned subsidiary of the Commonwealth Bank of Australia. ASB has a history of more than 150 years of service to New Zealanders, and is one of the country's leading financial services companies.
It should be noted that the Commonwealth Property Office Fund (CPA) and the Retail Property Trust (CFX) managed under Colonial First State Global Asset Management, report separately under the 2011 Carbon Disclosure Project.
It should also be noted that the Kiwi Income Property Trust (KIP) managed under the Bank's New Zealand business, Auckland Savings Bank, report separately under the 2011 Carbon Disclosure Project.
Sustainability and climate change strategy:
For the Bank, sustainability is an integral part of delivering our strategic priorities and creating value for our shareholders.
The Bank has a number of initiatives in place to:

• Deliver cost-savings through eco-efficiency,
• Build an organisational culture that supports customer service excellence,
• Manage risks and identify new commercial opportunities associated with climate change and carbon trading,
• Create strong and lasting relationships with our community,
• Provide a workplace that attracts and retains the best people.
These activities are part of being a well-managed organisation committed to delivering long-term shareholder value.
We take a considered, long-term view towards sustainability in everything that we do. We take responsibility for the effect we have on our key stakeholders and the environment. Our activities and achievements are centered around five foundations:
• Customers,
• People,
• Community,
• Environment,
• Governance.
The 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 key role in addressing climate change. We are committed to measuring and reducing our own greenhouse gas emissions, and to engage our customers, stakeholders, regulators and communities more broadly to encourage the understanding and management of climate change issues.

0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Wed 01 Jul 2009 - Wed 30 Jun 2010

0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country
Australia
New Zealand

0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

AUD ($)

0.5

Please select if you wish to complete a shorter information request

0.6

Modules
As part of the Investor CDP information request, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors and companies in the oil and gas industry should complete supplementary questions in addition to the main questionnaire.
If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will be marked as default options to your information request. If you want to query your classification, please email respond@cdproject.net.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Module: Management [Investor]

Page: 1. Governance

1.1

Where is the highest level of direct responsibility for climate change within your company?

Individual/Sub-set of the Board or other committee appointed by the Board

1.1a

Please identify the position of the individual or name of the committee with this responsibility

David Turner - Chairman of the Commonwealth Bank of Australia

1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Environment/sustainability managers	Recognition (non-monetary)	Communicating and raising awareness of climate change issues
Other: Majority of employees	Monetary reward	For the majority of the Colonial First State staff, key performance indicators (KPIs) forms a small component of each staff member’s annual performance review (i.e. 5% of total KPIs) which can impact the size of the short term incentive (STI) bonus allocated. While each staff member’s STI will be determined by their overall

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
		performance, the following targets currently exist: • Meets Expectations: Year-on-year (YOY) reduction of power consumption (carbon emissions) of 3-4% and YOY reduction of paper consumption of 4-5%. • Exceeds: YOY reduction of power consumption (carbon emissions) of >4% and YOY reduction of paper consumption of >5%.

Page: 2. Strategy

2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

A specific climate change risk management process

2.1a

Please provide further details (see guidance)

The Bank acknowledges that it may have an indirect impact on the environment through the provision of financial services to customers in environmentally sensitive industries. To minimise this impact, the Bank's Credit Risk Policy requires that environmental risks be assessed at key stages in the lending process through the use of environmental questionnaires, independent assessments as well as the customer's own environmental policies, processes and licensing requirements.
Scope of Process:
The domestic scope covers operations within Australia. While similar risk management procedures are adhered to in New Zealand. The Bank's Corporate Sustainability team is responsible for understanding the impact of climate change developments, designing a strategy for the Bank and liaising directly with business units to implement mitigation actions. The Corporate Sustainability team also reports on all legislated requirements, as well as voluntary disclosures such as the CDP and Dow Jones Sustainability Index (DJSI) and an array of other questionnaires/surveys.
Within their business planning processes, the Bank's Wealth Management business units, Colonial First State (CFS) (retail distribution), Colonial First State Global Asset Management (CFSGAM) (asset management) and CommInsure (life and general insurance), identify and assess a broad range of risks and opportunities that may impact their businesses, including any related to climate change.
It should be noted that two of the funds managed under CFSGAM, namely the Commonwealth Property Office Fund and Retail Property Trust, will submit independent 2011 CDP reports.
Additionally, all business units work closely with risk and compliance teams within our Wealth Management area and across the Bank to incorporate risk assessments in their business strategy.
Company level:
The Bank's Corporate Sustainability Team actively monitors stakeholder perceptions of the Bank's reputation around sustainability issues and regularly identifies related risks and/or opportunities. The Bank's Corporate Sustainability Team works with all business units and actively monitors all legislative requirements. The

Bank engages in policy discussions on environmental issues both directly and through its industry representatives such as the Australian Bankers Association and the Australian Financial Markets Association.

The Bank's Institutional Banking and Markets division has also updated its 'Risk Appetite Statement' to include Environmental Social and Governance (ESG) risk mitigation.

The Bank's Wealth Management Business works closely with the risk and compliance teams within Wealth Management and throughout the wider business to incorporate risk assessments in their business strategy.

Asset level:

The Bank's Corporate Services team is responsible for managing appropriate property locations, technologies and strategic plans to ensure the Bank's assets are resilient against physical risks and attuned to opportunities resulting from climate change, while implementing the required technologies to monitor, maintain and report on these assets.

For example, the Bank has addressed risks arising from regulatory changes by developing a portfolio assessment schedule. This schedule has assisted in conducting an 'energy efficiency opportunities assessment' process, a core requirement of the Australian Government's Energy Efficiency Opportunities (EEO) program. The assessment is made up of 7 stages: Project plan; communication plan; understanding energy use; identifying potential opportunities; detailed investigation; business decisions, implementation and tracking; and communicating assessment outcomes. By establishing this process the Bank has been able to identify, and implement where appropriate, energy efficiency initiatives to further mitigate the risks to our portfolios.

The Bank's Wealth Management business also reports to the EEO program and is ultimately captured under the reporting obligations of the Bank. Additionally the Bank's Wealth Management business systematically considers all environmental, social and governance issues that have the potential to impact their investments as outlined in their commitments to the United Nations Principles for Responsible Investment (UNPRI).

The Bank's insurance arm, CommInsure, aims to be a responsible investor. To help achieve this, CommInsure has become a signatory to the United Nations Principles for Responsible Investment (UNPRI). The incorporation of environmental, social and corporate governance (ESG) factors into the investment research framework adds an additional risk management overlay and guides how CommInsure manages shareholder and policyholder funds.

Frequency of Monitoring:

Monitoring frequency of the Bank's climate change risk and opportunities management procedures is an everyday process. Risks and opportunities are constantly assessed and reassessed for appropriateness, accuracy and in present terms, via a process of continual improvement.

Within the Bank's Wealth Management businesses monitoring is also continual and embedded within the day to day expectations.

More specifically, individual teams involved in undertaking this monitoring, include: Corporate Sustainability, Divisional Sustainability teams, Group Corporate Services, Carbon Solutions, Risk and Legal Services, Institutional Credit Risk teams, Colonial First State (CFS), CFSGAM and CommInsure. These teams meet at least once a month as a minimum, while the Corporate Sustainability team meets weekly, to address climate change risks and opportunities. Each of these teams is sponsored by a Group Executive who sits on the Bank's Group Executive Committee, chaired by the Bank's CEO.

Determining Materiality:

The Bank's Institutional Banking and Market Risk teams analyse climate change related risk as part of the standard client 'Risk Review' process. Materiality is assessed through the Bank's lending policy and requires that climate change risks be considered at deal initiation, risk assessment and annual review. Any direct impacts will be taken into account in assessing the client's ability to service loans, the potential impacts associated with the client's asset valuations, and in loan covenants.

Additionally, the Bank's Carbon Solutions team analyses the developments in carbon markets and their implications for the Bank and its clients.

CFSGAM systematically considers environmental, social and governance issues that may impact their investments as outlined in their commitments to the UNPRI. Materiality is considered every time an investment decision is made, with the investment teams holding ultimate responsibility.

Intended audience:

The Bank's risk management procedures relating to climate change span across the entire business, therefore reaching all employees, investors, company shareholders, regulators and communities, as well as the Bank's executive committee and Board. This encourages the understanding and management of climate change related risks and opportunities associated with the Bank's operations.

Ultimate responsibility for climate change matters rests with the Bank's Board, which are provided with regular updates on relevant climate change related issues.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes (see guidance)

i. The Bank's business strategy is shaped to deliver sustainable business practices through its engagement of staff, stakeholders and clients. The Bank's overarching mechanism for addressing climate change risks and opportunities is the Bank's Environment Policy. The Group-wide policy sets out a framework for understanding and managing the Group's environmental impacts, risks and opportunities. The Bank's Corporate Sustainability strategy is influenced by and has been developed to address a number of specific climate change issues.

Colonial First State's business strategy reflects its role as a portfolio manager and platform provider. Its strategy links into its partnering approach with asset managers and its ability to provide its investors access to a wide range of investment options and choices (e.g. Al Gore's Generation Fund).

ii. Within the Bank's risk management approach, the Bank's Credit Risk and KeyOps manuals address the potential impacts of a carbon price on a client's capacity to repay. The Bank will continue to assess climate change aspects and implications that influence the Bank's strategy as further details surrounding the Australian government's proposed carbon price strategy becomes known.

iii. Emissions Reduction Targets:

One of the Bank's core climate change strategies is to reduce its own carbon emissions. This is directly linked and addressed within the regulatory and physical risks identified in section 5 of the CDP. In May 2009 the Bank announced a commitment to a domestic carbon emissions reduction target of 20 percent to be achieved by 2013 from a 2008-09 baseline figure. The Bank is implementing a number of projects including:

• Energy efficiency projects for commercial and retail properties
• Utilising vehicles that are less carbon-intensive
• Increasing use of E10 and biodiesel fuels
• Providing driver education
• Relocating employees to energy-efficient buildings
• Staff awareness and engagement programs.

One key initiative is the rollout of the Refreshingly Green branch refit program. A successfully completed proof of concept pilot program identified a number of opportunities. From this pilot program, more than 750 branches are to be fitted with energy and water efficiency improvements. Other programs will focus on air-conditioning efficiency in the retail network, and further energy efficiency initiatives in our commercial building portfolio.

The construction of Commonwealth Bank Place, (the Bank's Six-Star Green Star targeted commercial premises) is nearing completion, with Bank employees scheduled to occupy in June 2011.

Colonial First State also has high-level targets in place to reduce its use of certain resources such as energy and paper.

CommInsure's business strategy is to seek profitable growth. Given the risks and opportunities pertaining to climate change, CommInsure continues to fine-tune its product offering and pricing to ensure it can grow profitably.
iv. In order to address the risks and opportunities posed by regulatory aspects of climate change, the Bank has taken a proactive approach that involves regulatory compliance and public participation. In addition, the refresh of the Bank's Corporate Sustainability Strategy Framework, addresses long term risks and opportunities associated with climate change. A component of long term strategic focus is the incorporation of new IT technologies to reduce the risks of higher electricity price rises, associated with climate change.
The Bank directly engages with clients regarding climate change as well as the Federal and State governments in relation to policy development and implementation. It does this through its business unit groups such as the Carbon Solutions, Corporate Sustainability and Government Relationship teams, as well as through representation in industry bodies such as the Australian Bankers Association and the Australian Financial Markets Association.
The Bank has hosted a number of thought leadership events with key clients and key government climate change officials, presented at a number of public events and published articles regarding climate change and the Bank's carbon risk solutions.
CommInsure embeds a Statement of Investment Principles and Practice document which sets out its investment philosophy, framework for investment decision-making, and formulation of investment strategies.
Colonial First State Global Asset Management (CFSGAM) has a significant opportunity to engage its client base on climate change issues that potentially impact its business. CFSGAM builds strong relationships with its clients leading to longer term client retention. Given the long term nature of superannuation investing, there is a strong level of alignment with clients' interests.
v. One advantage over competitors is the Bank's Carbon Solution Group which helps clients manage their carbon risk and capture opportunities as they move to a low-carbon economy. The Group leverages the Bank's core capabilities around financing, trading and distribution and it works with market-leading companies that have expertise across a wide range of energy-related sectors to deliver innovative and integrated solutions to the Bank's clients. The Bank also has a Utilities, Energy and Renewables Group that provides project finance to large-scale renewable energy projects, as well as having a dedicated in-house engineering team that looks at environmental and social aspects for all project financing solutions.
The Federal Government's proposed Emissions Trading Scheme, the increasing price of electricity and the opportunities across the renewable energy space are consistent discussion points with clients. Many clients believe that there will be a price on carbon in the near future, and the transition towards a low-carbon economy creates significant risks and opportunities for corporate Australia. By taking advantage of specialist advice early, understanding the options available and developing appropriate strategies, the Bank is able to help clients manage their risks, make the most of opportunities and establish market-leading positions. By providing support and innovative financing and risk management solutions, we are able to assist our clients and build stronger relationships.
vi. Continual review and update of the Bank's Group-wide Environment Policy is a direct influence of the move to mitigate climate change related matters. The Policy states that we are committed to ensuring compliance with all relevant environmental legislation. In order to meet this commitment, the Bank remains abreast of regulatory obligations via many internal streams, such as our legal teams, dedicated Carbon Solutions group, Risk and Corporate Sustainability.

The Bank's Institutional Banking and Markets division has also updated its 'Risk Appetite Statement' to include Environmental Social and Governance (ESG) risk mitigation.
The introduction of the Bank's carbon reduction target is also a substantial business decision that was directly influenced by climate change.

2.2b

Please explain why not

2.3

Do you engage with policy makers to encourage further action on mitigation and/or adaptation?

Yes

2.3a

Please explain (i) the engagement process and (ii) actions you are advocating

i. Engagement process
Method of engagement:
The Bank engages in policy discussions on environmental issues directly and through its industry representatives, such as the Australian Bankers Association and the Australian Financial Markets Association, to encourage climate change mitigation and adaptation.
The Bank's Wealth Management business, Colonial First State (CFS), engages with policy makers directly and through its associations, such as the Investments and Financial Services Association and the Association of Superannuation Funds of Australia. CFS has Board representation on both of these organisations.
Colonial First State Global Asset Management (CFSGAM) engages directly with policy makers at a State and Federal level and through their representative bodies, the Investor Group on Climate Change (IGCC) and Financial Services Council (FSC). They are also increasingly engaged in the global policy dialogue with development institutions such as the International Finance Corporation (IFC), African Development Bank and Asian Development Bank. They also engage through industry bodies of which they are members such as the IGCC, the Property Council of Australia and the Green Building Council of Australia.
The Bank's insurance business, CommInsure, contributes to the work of a number of industry associations including the Insurance Council of Australia and the Financial Services Council. The focus is generally on the impacts of climate change on claim profiles through more frequent and severe natural disasters. It is through these forums that CommInsure seeks to engage and influence policy makers on possible responses to climate change, such as improved planning and disaster mitigation measures.
Topic of engagement:
The Bank has been an active participant in the public policy dialogue associated with the development of the Federal Government's response to climate change.
Key activities include:
Exhibited at:
Business and Climate Change conference and Carbon Expo
Presented at a range of public events including:
Energy Efficiency Academy conference
Environment Business Australia
Energy Efficiency Council conference
Queensland Local Government conference
The Bank is also active in industry discussions around climate change and its mitigation and adaptation:
Published articles in:
Australian Institute of Company Directors
Institutional Investor featured article
Hosted lunch and dinner with Department of Resources, Energy and Tourism.
CFS's engagement with Policy makers centres primarily on industry and regulatory issues. The impacts of climate change are discussed within this context.
Nature of engagement:

Topics that are discussed when engaging with policy makers to encourage further action on mitigation and/or adaptation include emissions trading schemes and the supportive mechanisms which government can take to increase capital flows to climate solutions.
CFSGAM and CommInsure were signatories to the Global Investor Statement on Climate Change: Reducing Risks, Seizing Opportunities & Closing the Climate Investment Gap. The statement can be viewed at http://www.igcc.org.au/Resources/Documents/Global_Investor_Statement_Nov2010.pdf
(ii) actions you are advocating:
The Bank has been an active member of the United Nations Environment Program for Financial institutions (UNEPFI) since 2009. UNEPFI identifies & promotes the adoption of best environmental and sustainability practice at all levels of financial institution operations to understand the impact of environmental and social considerations on financial performance. The UNEPFI encourages action around mitigation, adaptation and prevention of pollution surrounding climate change.
The Bank has been an active member of the World Business Council of Sustainable Development (WBCSD), since 2009 – The WBCSD is a platform for companies to explore sustainable development, advocate business positions on climate change-related issues, and share knowledge, experiences and best practices.
The Bank has also been an active member of the Global Compact since 2009, which aims to advance two initiatives:
• Align businesses with its 10 principles in the area of human rights, labour, the environment and anti-corruption, and
• Garner support for broader UN goals.
CFS advocacy occurs at a high level, primarily through its participation at industry conferences where its leadership team participates in discussions, panels and forums with the objective of raising awareness of climate change impacts.
CommInsure is a signatory to the Carbon Disclosure Project, and has signed the Global Investor Statement on Climate Change.
CFSGAM discusses issues surrounding emissions trading schemes and the supportive mechanisms government can take to increase the capital flows to climate solutions. Items that affect its direct property/real estate business at industry level through these industry bodies are also reviewed. These include mandatory reporting, energy efficiency and carbon.

Page: 3. Targets and Initiatives

3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
CBAAU	Scope 1+2	100%	20%	2009	172752	2013	This target will be achieved by implementing a number of projects including: • Energy efficiency projects for commercial and retail properties • Utilising vehicles that are less carbon-intensive • Increasing the use of E10 and biodiesel fuels • Providing driver education programs • Relocating employees from inefficient buildings to energy efficient properties • Undertaking staff awareness and engagement programs. Much progress has been made through specific initiatives that have already been implemented. The utilisation of vehicles that are less carbon-intensive, coupled with the increased use of E10 and biodiesel fuels, has achieved a 10% reduction in emissions within its own boundaries, assisting the Bank in its overall 20% reduction target.
CBANZ	Scope 1+2+3	100%	20%	2008	12133	2012	The Bank's New Zealand business has an extensive environmental program, which includes the following activities: • Lighting and air conditioning upgrades in offices and branches • Improvements in energy data systems and control mechanisms, leading to improved day-to-day management of energy use • Automated overnight PC shutdown across ASB • Green technology projects to improve energy efficiency • Encouraging itspeople to use video and phone conferencing technology instead of air or vehicle travel • Improving the environmental performance of the NZ vehicle fleet, by increasing the number of hybrid vehicles • A waste reduction and recycling program • Reducing the amount of paper used internally and on behalf of customers

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment

3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comments

3.1d

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
CBAAU	25%	0%	The 2009/10 reporting year represents the Bank's first year of the carbon emissions reduction program. The program has been designed to achieve the target over a four year period. Many of the initiatives were implemented only part way through the reporting year or are due to commence in the next reporting period. Therefore positive progress against the target in future reporting years will be seen. The Bank's carbon emissions reduction target only relates to the Bank's emissions and excludes Bankwest and its Wealth Management business. Although The Bank's overall emissions (including Bankwest and its Wealth Management business) have reduced since last year, this has not resulted in progress against the Reduction Target. This is despite the successful implementation of the Emission Reduction Program which has resulted in over 9,237 tonnes of CO2-e emissions savings, some of which are outlined in the responses to Question 3.3a. Despite the success of these emissions reduction activities, the emissions associated with the Bank's Carbon Emission Reduction Target has increased from last year. The primary reason that progress has not been made against the Target is due to concurrent operation of locations during transition to a consolidated property portfolio. The new buildings at Commonwealth Bank Place and Darling Park have best practice environmental design (including 6 Star Green Star Rating) and energy efficiency (including 5 Star NABERS Energy Rating) and will result in reduced overall emissions following transition. The net benefit against the baseline will be savings of over 4,300 tonnes of CO2-e per annum once the moves are complete. Improvements to the Bank's carbon reporting system also identified that emissions from a number of branches had not been captured in previous years. During the reporting period the Bank continued to grow its FTE base as well as consolidating and increasing occupation density, contributing to the increase in overall emissions, despite both FTE and revenue intensity based emissions decreasing as outlined in the response to Question 13 of this submission.
CBANZ	25%	81%	The Bank's New Zealand operations are on track to exceed their emissions reduction target, achieving over 81% of the target within the first year of the Target Program. Over 90% of the 1,673 tonnes CO2-e saving made from last year can be attributed to emission reduction activities targeted at reducing electricity, vehicle fuel and air travel (the target and emission reduction initiatives include scope 3 emissions). In the 2009 calendar year the Bank's New Zealand operations reduced its carbon footprint by 16 percent from 2008 levels (2.3 tonnes per FTE). While this represents a significant reduction and

ID	% complete (time)	% complete (emissions)	Comment
			demonstrates good progress towards achieving the 20 percent target by December 2012, success in achieving this milestone has encouraged the business to search for additional reductions.

3.1e

Please explain (i) why not; and (ii) forecast how your emissions will change over the next five years

3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

3.2a

Please provide details (see guidance)

Response 1:
i. How the emissions were avoided
The Bank has increased the use of online banking and electronic communications in its Australian and New Zealand business. The Bank now provides customers with the option to view electronic Statements online in lieu of receiving a traditional paper-based statement by post, thus reducing emissions generated through postal delivery.
ii. Amount of emissions avoided over time in metric Tonnes Co2-e, e.g. reduction per year from a 2007 baseline??
The initiative achieves emissions savings by eliminating postal delivery. It is estimated that 37 tonnes CO2-e per year are saved in Australia and 13 tonnes CO2-e per year are saved within the Bank’s New Zealand business operations.
As a baseline of 2007-08, the reductions achieved to date reach 74 tonnes Co2-e.
iii. Methodology, assumptions, emission factors and global warming potentials used for your estimation
Estimating assumptions include average postal delivery distances derived from Bank data and the fuel emissions per km by the delivery vehicle as supplied by Australia Post. For the New Zealand business, the Bank applied emissions factors from the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year.
Emission factors and Global warming potentials used:
• National Greenhouse Accounts (NGA) Factors

• UNFCCC - Global warming potential (CO2 of 1 GWP)

iv. Are you considering generating CERs or ERUs Re CDM or JI
Not at this stage.

Response 2:
i. How the emissions were avoided
The Bank enables GHG emissions to be avoided by third parties through the financing of renewable energy projects. The Bank is a senior debt lender in Australia and this aspect of our service offering contributes to a significant avoidance of GHG emissions by project owners operating in the electricity sector. Through the Bank's financing, these operators are able to produce zero-emissions electricity which may otherwise be generated using conventional, carbon-intensive fossil fuels technology.
ii. Amount of emissions avoided over time in metric Tonnes Co2-e, e.g. reduction per year from a 2007 baseline??
Since our involvement with these projects in mid 2004 (baseline year), over 30 million tonnes CO2-e has been avoided compared to an average fossil fuel-based energy supply.
iii. Methodology, assumptions, emission factors and global warming potentials used for your estimation
Methodology includes the assumption that the Bank's portfolio of renewable energy projects operates at 50% capacity.
The Bank's involvement with these projects began in 2004 with a single wind farm at Lake Bonney in South Australia. Since then, the Bank has invested in a range of renewable energy projects globally, including wind farms, landfill gas, biomass and coal seam methane that collectively generate more than 7,000MW of energy in Australia alone.
Emission factors and Global warming potentials used:
• National Greenhouse Accounts (NGA) Factors
• UNFCCC - Global warming potential (CO2 of 1 GWP)
iv. Are you considering generating CERs or ERUs Re CDM or JI
Not this stage.

3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

3.3a

Please provide details in the table below

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Energy efficiency: processes	Nature of Activity: In August 2009, the Bank implemented software to reduce the idle energy time of IT equipment across the Bank's commercial offices and retail branches. Computer equipment is shutdown centrally after hours and on weekends. This initiative replaces previous practices where staff were requested to keep computer equipment on to allow for overnight updates to occur. Scope: This is a Scope 2 emissions reduction activity. Voluntary/Mandatory: This is a voluntary initiative. Stage of Development: The initiative commenced in 2009 across the entire Bank's property portfolio. As centralised software was used, it took effect immediately across the portfolio and is a completed project. Expected Lifetime: Savings will be monitored by the Bank until the end of the target period, being the end of financial year 2013. Although saving will continue beyond the four years, following this period the Bank will consider this software business as usual and will continue to seek further emission reduction activities to improve the Bank's performance.			<1 year
Energy efficiency: building services	Nature of Activity: The Bank recognises that occupying sustainable commercial office buildings is crucial in demonstrating its commitment to environmental performance and sustainability. Consolidating commercial office space in Sydney's CBD by moving to efficient, sustainable buildings with best practice environmental performance is a key emission reduction initiative. The new premises are Darling Park and Commonwealth Bank Place, with Commonwealth Bank Place having best practice environmental performance designed to achieve a 6-Star Green Star rating and an anticipated 5-Star NABERs Energy Rating. Scope: This is a scope 2 emissions reduction activity. Voluntary/Mandatory: This is a voluntary initiative. Stage of Development: This initiative commenced during the 2009-10 reporting period and the transition to the new premises will be substantially completed by 2010-2011 financial year with initial staff occupation commencing in June 2011. Expected Lifetime: Savings will be accounted for by the Bank until the end of the Target period, being the end of financial year 2013. Although saving will continue beyond the four years, following this period the Bank will consider the new premises as business as usual and will continue to seek further emission reduction activities to improve the Bank's performance.			<1 year
Transportation: fleet	Nature of Activity: The Bank's Fleet initiative is reducing emissions through fuel switching to biodiesel and E10 and replacing the Fleet with more efficient vehicles, from 6 cylinder Mitsubishi Lancers to 4 cylinder Hyundai Getz. The initiative also includes a compulsory driver education program to improve the efficient driving of vehicles and educate on the alternatives to car travel. Scope: This is a scope 1 emissions reduction activity. Voluntary/Mandatory: This is a voluntary initiative. Stage of Development: This initiative was launched in the 2009-10 reporting period and resulted in a saving of 1,200 tonnes of CO_2-e during that period. The savings from fuel switching and upgrading of the fleet to more efficient vehicles will continue into future reporting periods. Expected Lifetime: Savings			<1 year

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
	will be accounted for by the Bank until the end of the Target period, being the end of financial year 2013. Although saving will continue beyond the four years, following this period the Bank will consider the fleet initiatives as business as usual and will continue to seek further emission reduction activities to improve the Bank's performance.			
Energy efficiency: building services	Nature of Activity: The Bank's Refreshingly Green initiative is a large-scale program to improve the environmental performance of 782 of the Bank's retail branches. The initiative is made up of a number of energy efficiency activities including de-lamping, switching to more efficient lighting technologies (including incandescent bulbs to CFLs, T8 to T5 adaptors, improved halogen bulbs and/or replacing with LED), installation of occupancy sensor lighting controls and timers on appliances (including hot water systems). Internal procedures are also being updated through the Green Branch Tool and contractor's contractual terms, to ensure the Bank's energy efficiency standards are being met for all new and existing branches. Scope: This is a scope 2 emissions reduction activity. Voluntary/Mandatory: This is a voluntary initiative. Stage of Development: During the 2009-10 reporting period, the Refreshingly Green program was successfully implemented at 25 retail branches as a proof of concept, saving 236 tonnes of CO2-e. Expected Lifetime: The initiative will continue to roll-out for all remaining 757 branches across Australia over the next 1-2 years. The initiative is anticipated to save 3,700 tonnes of CO2-e in the next reporting period with an ongoing annual savings of 7,000 tonnes of CO2-e.			1-3 years
Energy efficiency: building services	Nature of Activity: Under the Bank's Project Harvest initiative, it is upgrading the environmental performance of its existing commercial buildings, complimenting the Refreshingly Green Program and Sydney commercial office consolidation. The initiative consists of a number of energy efficiency activities including de-lamping, switching to more efficient lighting technologies (including incandescent bulbs to CFLs, T8 to T5 adaptors, improve halogen bulbs and/or replace with LED), installation of occupancy sensor lighting controls and timers on appliances including hot water systems. Scope: This is a scope 2 emissions reduction activity. Voluntary/Mandatory: This is a voluntary initiative. Stage of Development: Project Harvest was planned during the 2009-10 reporting year, with implementation commencing in 2010-2011 with emission savings of approximately 800 tonnes CO2-e per year. Expected Lifetime of the Project: The project is expected to roll-out across commercial buildings requiring upgrades within the 2010-2011 period. Although the savings of 800 tonnes CO2-e per year will continue for many years, the lifetime of this project is until the end of the Target period in 2013. Following that time, the upgrades will be considered business as usual and will not be reported as savings.			1-3 years
Energy efficiency: building services	Nature of Activity: Under the HVAC Improvement Program, the Bank will be improving the energy efficient operation of HVAC systems in retail branches under its operational control. Scope: This is a scope 2 emissions reduction activity. Voluntary/Mandatory: This is a voluntary initiative. Stage of Development: The HVAC Improvement Program was planned during the 2009-10 reporting year,			>3 years

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
	with implementation commencing over two years from 2011 to 2013. Annual savings are expected as a result of the implementation. Expected Lifetime of the Project: The project is anticipated to be completed by the end of the 2011-2012 reporting period, providing ongoing annual savings. The complete lifetime of this project is until the end of the Target period in 2013.			
Energy efficiency: building services	Nature: At New Zealand's Branch Network and selected commercial sites, specific activities have been undertaken, under the 'Save Watt' program (where a number of energy efficiency process improvements across both commercial offices and retail branches were actioned): •Remote control of electrical load in branches – The 'K relay" system was checked to ensure all loads were correctly connected and switching on/off when required. •Upgrading of air conditioning systems •Automatic lighting control in response to occupancy levels in meeting rooms, open plan office areas and other suitable areas to minimise power use and maximise life expectancy of equipment. "C:Drive" Energy Saving initiatives include, air balancing, cold aisle containment, maximised temperature set-points and installation of CO_2 sensors to control fresh air intake, PIR sensors. These projects are delivering a 15 percent reduction against 2007 levels unadjusted and will deliver 10.2 percent of the total expected savings for 2010. Computer centre energy saving initiatives include, air balancing, cold aisle containment, maximised temperature set points and 100 percent free cooling with outside air which has provided up to a 30 percent reduction on same month comparison to 2008 levels and overall a 14 percent reduction against 2007 levels unadjusted and will deliver 7 percent of the total expected savings for 2010. Support centre initiatives include modification to HVAC systems so the central plant can be switched off during the night shift. These projects are providing a 13 percent reduction against 2007 levels unadjusted, and deliver 3.4 percent of the total anticipated savings for 2010. Computer management software, "Ei Power", is anticipated to deliver 15.6 per cent of the total expected savings for 2010 by switching PCs into sleep mode when they are not in use. Scope: These are scope 2 emission reduction activities. Mandatory / Voluntary: This is a voluntary initiative Stage: The various projects were implemented during the 2009-10 reporting year. Savings of an 1190 tonnes of CO_2-e were achieved as a result of the implementation of the above projects. Expected Lifetime: The "SaveWatt" program is an ongoing project with an indefinite lifetime, ongoing annual savings of 1190 tonnes of CO_2-e per annum are currently being achieved with a further 5% improvement targeted for the 2010-2011 period.			1-3 years
Energy efficiency: processes	Nature: An external review of the Bank's New Zealand business "SaveWatt" program (a program of energy efficiency process improvements across both commercial and retail) was conducted in 2006 and indicated opportunities for improvement. An overhaul of the SaveWatt program was completed and it was determined that real time data was required to identify and secure accurate savings. A number of systems were trialled and the Bank's New Zealand business then rolled out the 'Elster ElServer' monitoring and targeting solution, supported by Energy Solution Providers. This project saw monitoring equipment installed into all of the New Zealand branches, providing real-time			1-3 years

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
	consumption data to ensure target reductions were identified, achieved and maintained. In 2008 and 2009 projects were implemented as a result of the overhaul of the “SaveWatt” Program and the installation of the real time data solution included: •The Server Virtualisation Project. This project was to reduce server “sprawl” and resulted in a smaller number of physical servers in data centres, a consequence of which was reduced energy consumption. •PIR Ultrasonic sensor lighting controls were deployed throughout tenanted areas of the banking and computer centres. •A policy to use energy efficient lighting systems for new and refurbished branches and offices was developed. •General HVAC and energy efficiency initiatives were carried out. •Business Banking occupancy sensor lighting controls were installed. •Branch Daylight Sensor controls were installed for external signage lighting. •Adjustment to after-hours usage problems were identified through the real time data, including air conditioning, lighting, hot water boilers and office equipment that had been inadvertently left on or the automatic systems controlling them had failed. Scope: These are scope 2 emission reduction activities. Mandatory / Voluntary: This is a voluntary initiative Stage: The various projects have been implemented during the 2009-10 reporting year. Savings of 494 tonnes of CO2-e were achieved as a result of the implementation of the above projects. Expected Life: The “SaveWatt” project is an ongoing project with an indefinite lifetime, ongoing annual savings of 494 tonnes of CO2-e per annum are currently being achieved with a further 5 percent improvement targeted for the 2010-11 reporting period.			
Transportation: use	Nature of Activity: Under the Bank’s New Zealand operations there have been a number of emission reduction activities implemented during the reporting period as part of the New Zealand Targets Program. Many of these activities focus on reducing scope 3 emissions, including the implementation of video conferencing and telephone conferencing technology and behavioural change programs to support the use of these technologies as an alternative to air and vehicle (taxi and rental car) travel. On the customer side, the use of Statements Online and Statement Stopper was promoted to encourage customers to receive electronic online statements as a means of decreasing the amount of mail-outs and associated scope 3 postal emissions. Scope: These are scope 3 emission reduction activities. Voluntary / Mandatory: This is a voluntary initiative Stage of Development: The technologies associated with both the online statements and video/ telephone conferencing initiatives have been effectively rolled out across the business, and the behavioural change initiatives currently in place to support and increase usage of these technologies will remain present. Annual tracking of performance will feed into the effectiveness of behavioural change and marketing initiatives, both internal and external, where required. Expected Lifetime of Project: Promotion of these technologies and associated emission reductions will continue until the end of the Targets Program in 2012. From then, it is anticipated that new projects will be identified.			<1 year
Transportation: fleet	Nature of Activity: The Bank’s New Zealand business is improving the environmental performance of its vehicle fleet by replacing existing fleet vehicles with hybrid vehicles as well as fuel switching to			<1 year

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
	more efficient fuels. There are currently 132 Category B (Ford Mondeo 2.3Ltr / Honda Accord Euro 2.4 Ltr / Toyota Camry GL 2.4Ltr / Holden CDX Epica 2.5 Ltr) vehicles, and, since March 2009, the New Zealand business has leased 64 hybrids. By December 2012 it is planned that all Category B vehicles will all be of a hybrid type. Out of a total 388 fleet, currently 16.5 percent are hybrid, with a potential to reach 50.5 percent by December 2012. Scope: This is a scope 1 emissions reduction initiative. Voluntary / Mandatory: This is a voluntary initiative Stage of Development: The fleet emissions reduction initiative was launched in 2009, resulting in an annual saving of 215 tonnes of CO2-e in the 2009-10 reporting period. The savings from fuel switching and upgrading of the fleet to more efficient vehicles will continue into future reporting periods. Expected Lifetime of Project: The emissions savings from switching to hybrid type will continue into future reporting periods.			
Energy efficiency: building services	Nature of Activity: During the 2009-10 reporting period, Colonial First State Global Asset Management (CFSGAM), the Bank's Wealth Management business, had 30 properties that fell within its CDP reporting boundary. Of these, 18 were assessed for opportunities to reduce energy under the Energy Efficiency Opportunities (EEO) Program. For all properties assessed, energy efficiency opportunities were found for building services improvements. The opportunities are extensive, ranging from lighting opportunities including upgrading to T5 fittings, implementing lighting controls, replacement of chiller pumps, hot water valves and implementing solar hot water systems. An example of one of the many opportunities implemented across the portfolio is the installation of variable speed drives on HVAC pumps to efficiently match load requirements. This initiative is anticipated to save 619 Giga Joules (GJ) per annum. Scope: These are scope 2 emission reduction initiatives. Voluntary / Mandatory: The implementation of these initiatives is voluntary. However, these initiatives have come about directly as a result of CFSGAM complying with the mandatory Energy Efficiency Opportunities Program. Stage of Development: During the 2009-10 reporting period, 24 differing emissions reduction initiatives were implemented with a further 12 initiatives partially implemented, resulting in a reduction total of 3,599 tonnes of CO2-e. Additional opportunities continue to be under investigation with others set for implementation in future reporting years. Expected Lifetime of Project: The 12 initiatives that have been partially implemented will likely be completed within the next reporting period. CFSGAM will continue to identify, assess and implement energy efficiency opportunities under the annual EEO Program.			>3 years

3.3b

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Other	The following methods are used to drive investment in emissions reduction activities: •Compliance with regulatory requirements/standards, •Dedicated budget for energy efficiency, •Dedicated budget for other emission reduction activities, •Employee engagement, and •Financial optimisation calculations. The Bank engaged external energy and climate change experts to identify emission reduction activities to reduce carbon emissions. The project involved identifying and evaluating several potential emission reduction activities, similar to a Marginal Abatement Cost Curve (MACC). MACC's are generated to evaluate options at all levels of the organisation such as individual projects, programs and policies. MACC's are calculated by dividing the cost of the project by the GHG emissions saved over a specific investment timeframe. Following this, activities can be ranked from lowest cost, which may be negative, to highest cost. An example of the Bank's negative cost projects was to de-lamp a number light fittings to reduce carbon emissions without the capital cost of new technologies. Capital costs were directed to areas such as the transition of the Bank's fleet, as this presented a low capital cost while achieving high reductions in emissions. Energy efficiency projects were identified that included capital cost of new technologies, an example being the Bank's IT BIOS hibernation system which shuts down Bank PC's over night to conserve energy. At the other end of the scale was the construction of the Bank's 6-Star green star commercial accommodation, housing over 5,000 employees. This would include moving from inefficient buildings into more efficient accommodation, thus reducing the Bank's carbon emissions. For capital to be directed towards the Bank's emission reduction activities, the Bank first had to recognise that as a responsible corporate, it needs to reduce its emissions. Following this, Board approval is required for each activity. Capital is typically approved for least cost abatement activities first and then progresses down the rank in order of greatest cost-effectiveness. Ultimately, the Bank's investment in emissions reduction activities is based on this rank of cost-effectiveness for each activity.

3.3c

If you do not have any emissions reduction initiatives, please explain why not

Further Information

For the purposes of question 3.2, please find attached an additional and overarching list of emissions sources and factors, as well as their global warming potentials, to which the Bank has used.

Attachments

https://www.cdproject.net/Sites/2011/49/3649/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/3.TargetsandInitiatives/CDP Emissions Factors. Global Warming Potentials. References used.xlsx

Page: 4. Communication

4.1

Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in other places than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section Reference	Identify the attachment
In annual reports (complete)	Page 55, 56 of Commonwelath Bank's Annual Report 2010	The Bank's (attached) Annual Report 2010, specifically addresses the Bank's carbon emissions performance as well as regulatory and voluntary reporting associated with carbon disclosure.
In other regulatory filings (complete)	Page 1, Bank Energy Efficiency Opportunities Report, Entire report.	The Bank's (attached) Energy Efficiency and Opportunities (EEO) report 2010, details the Bank's portfolio assessments, their findings and identifies potential opportunities for implementation. All implementation projects directly relate to the reduction of greenhouse gas emissions within the 2009-10 financial year
In voluntary communications (complete)	Page 37, Bank Sustainability Report 2010, Environment section.	The Bank's (attached) Sustainability Report 2010, specifically looks at the Bank's five Foundations: People, Customers, Community, Environment and Governance. The Environment section begins on page 37 where Green House Gas emissions performance is detailed and covers the 2009-10 financial year.

Attachments

https://www.cdproject.net/Sites/2011/49/3649/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/4.Communication/Commonwealth_Bank_2010_Annual_Report.pdf
https://www.cdproject.net/Sites/2011/49/3649/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/4.Communication/Energy-Efficiency-Opportunity-Report-2010.pdf
https://www.cdproject.net/Sites/2011/49/3649/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/4.Communication/Sustainability-Report-2010.pdf

Module: Risks and Opportunities [Investor]

Page: 5. Climate Change Risks

5.1

Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
CBA1.	Emission reporting obligations	Non-compliance with the National Greenhouse and Energy Reporting (NGER) Scheme The Bank is captured under the NGER legislation, which is designed to establish a mandatory reporting system for corporate and facility level greenhouse gas emissions and energy production and consumption in Australia. The Bank exceeded the initial Corporation reporting threshold as it produces more than 125,000 tonnes of CO2-e per annum across its entire portfolio. The NGER legislation requires the Bank to report greenhouse gas emissions, energy production and energy consumption from all facilities within Australia under the operational control of the Bank. The first reporting period began on 1 July 2008.	Increased operational cost	Current	Direct	Exceptionally unlikely	Low
CBA2.	Emission reporting obligations	Non-compliance with Energy Efficiency Opportunities Act (EEOA) The Bank is subject to the EEOA. The EEOA commenced in July 2006 and participation is mandatory for corporations that use more than 0.5 petajoules (PJ) of energy per annum. These corporations are required to identify, evaluate and report publicly on cost effective energy savings opportunities. There is a risk of reputational damage and potential legal and punitive action against the Bank in the case of non-compliance.	Increased operational cost	Current	Direct	Exceptionally unlikely	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
CBA3.	Cap and trade schemes	The Australian Government has recently announced a high-level framework on the introduction of a carbon price mechanism. A carbon price is slated to commence in July 2012 with a fixed carbon permit price (for the first three to five years) transitioning to a market based cap-and-trade emissions trading scheme. The Government has said that further details of the carbon price mechanism, including compensation for emissions intensive trade exposed industries as well as for individuals, will be released over future months. The introduction of a carbon price mechanism is likely to have a negative impact on the Bank's customers, particularly those customers that are emissions-intensive. This could result in a decrease in clients' asset values and increased financial vulnerability for those emissions-intensive clients.	Other: Possibility of decreased asset values and increased financial vulnerability for emissions-intensive clients	1-5 years	Indirect (Client)	Unknown	Unknown
CBA4.	Cap and trade schemes	The New Zealand Government implemented a cap and trade emissions trading scheme (NZ ETS) as at 1 July 2010. Currently the NZ ETS is only applicable to the Stationary Energy, Transport Fuel, Industrial Processes, Fishing and Forestry sectors. Further sectors will be included in the coming years. Under the transition phase of the scheme (currently ending in December 2012), participants other than forestry and fishing have to surrender only one NZU for every two tonnes of emissions or pay the Government a fixed price of $25. This means the NZU price will effectively be $12.50 per tonne of emissions. The New Zealand Government is currently undertaking a review of the NZ ETS scheme and will, among other things, consider whether the NZ ETS should continue to scale up to a full obligation and whether new sectors should incur surrender obligations on current legislated timetables. The Auckland Savings Bank (ASB) Bank in New Zealand is a subsidiary of the Bank. There will be an increasing number of ASB customers that will be impacted (either directly and/or indirectly) by the NZ	Other: Possibility of decreased asset values and increased financial vulnerability for emissions-intensive clients	1-5 years	Indirect (Client)	Unknown	Unknown

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		ETS. There is a risk that as the transitional phase ends, the NZ ETS obligations will scale up and broaden. This will increase the financial impact on key emissions-intensive customers and possibly result in decreasing asset values and increasing financial vulnerability.					
CBA5.	Uncertainty surrounding new regulation	Introduction of carbon pricing, restrictions on the use of certain resources.	Increased operational cost	1-5 years	Indirect (Client)	Very likely	Low

5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

ID: CBA1.
(i) With the introduction of the NGER legislation there are potential civil and criminal penalties as well as financial penalties such as a $220,000 fine for the CEO of a company that does not comply. This could affect the Bank's business and our value chain directly by resulting in significant and unexpected financial penalties. There are also reputational risks associated with non-compliance and inaccurate disclosure.
(ii) The Commonwealth Bank is continuously updating its reporting mechanism to comply with all legislative emissions reporting. During this reporting period the Bank conducted a property listing audit, confirming the accuracy of reportable emissions throughout its portfolio. The Bank has also engaged the services of KPMG (a leading provider of audit, tax and advisory services which offers industry insight to help organisations negotiate risk) to audit the Bank's NGERS data for robustness and accuracy.
(iii) A considerable financial cost was involved in carrying out property portfolio audits/assessments throughout the reporting period. Consultancy fees as well as employee costs were needed to assist in a continuous improvement model confirming a solid platform from which to report. Monetary discloser cannot be reported at this time.

ID: CBA2.
(i) The Bank is subject to the EEOA as participation is mandatory for corporations that use more than 0.5 petajoules (PJ) of energy per year. Failure to meet the EEOA obligations will result in a financial impact for the Bank as the Bank would suffer from the non implementation of energy efficiency opportunities and therefore continue to pay a higher premium for energy. There are also financial penalties for non compliance of $110,000. To demonstrate, the Bank identified 390 separate opportunities across its portfolio, well over double those found in the previous reporting period, with a potential energy saving of 114,846 GJ and associated cost savings.
(ii) The Bank continues to engage the external expertise of Energetics, an award winning energy and climate change advisory group. Although this is categorised as a risk, the Bank views emissions reporting obligations as an opportunity. Identifying and implementing energy efficiency opportunities, should result in financial and reputational gain.

(iii) A considerable financial cost was involved in carrying out property portfolio audits/assessments throughout the reporting period. Due to commercial in confidence agreements, actual financial data cannot be disclosed at this time. In addition to financial costs, there is the considerable input from Bank employees. Non compliance will result in potential fines of up to $110,000.

CBA3.
(i) Many of the Bank's suppliers and customers are concerned about the uncertainty surrounding the Government's carbon price mechanism. The Bank's value chain faces increasing costs, particularly in emissions-intensive sectors. As a result, there is significant potential for large-scale restructuring of the Australian economy which will inevitably cause some of our business customers to change, restructure and even downsize.
If the Government's transitional assistance is insufficient to ameliorate the impact of a carbon price over the short to medium term, a carbon price may potentially impact emissions-intensive clients that the Bank has funding exposure to. The risks faced by the Bank include the possibility of decreased asset values and financial vulnerability for emissions-intensive clients.
(ii) To mitigate the Bank's exposure to this risk, the Bank has undertaken high-level assessments on the possible impacts on key emissions-intensive sectors. The Bank will continue to assess implications as the details of the Government's proposed carbon price becomes known. The Bank also has policies and procedures associated with environmental risks and will continue to revise and update these to reflect emerging Government policy, legislation and regulations. An example of this is the Bank's Credit Risk and KeyOps manuals, which were updated when the Government originally announced a Carbon Pollution Reduction Scheme in 2009. These manuals address the potential impacts from carbon pricing on a client's capacity to repay.
Again, the Bank will continue to assess implications as the details of the Government's proposed carbon price becomes known. In addition, the Bank will work closely with its clients to assist them in the management of their risk exposure. The Bank's dedicated Carbon Solutions Group was formed to understand the implications of carbon exposure including any risk resulting from a carbon price.
(iii) There are no specific costs associated with this action.

CBA4.
(i) There is risk that as the transitional phase ends and the NZ ETS obligations scale up and broaden the financial impact on key emissions-intensive customers will increase, possibly resulting in decreasing asset values and increasing financial vulnerability.
(ii) The ASB established a working group to assess implications of the NZ ETS and will continue to assess implications as the details of the Government's review process becomes known. The Bank also has policies and procedures associated with environmental risks and will continue to revise and update these to reflect emerging Government policy, legislation and regulations.
(iii) There are no specific costs associated with this action.

CBA5.
(i) May impact investment returns. This is modelled where potentially material to investment returns.
(ii) Progressively developing strategies to better understand and respond to risks posed by climate change to the business units and other assets managed through our portfolios and clients.
Additionally, Colonial First State Global Asset Management (CFSGAM) systematically considers environmental, social and governance issues that may impact their investments as outlined in its commitments to the United Nations Principles for Responsible Investment. CFSGAM also explicitly outlines its commitments to consider climate change issues in their Climate Change Position Statement.
(iii) Only discussed with clients as commercial in confidence.

5.1c

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
CBAa.	Change in precipitation extremes and droughts	The Bank has a large physical presence across Australian cities and towns through its commercial office portfolio, data centres and retail branch network. The Bank's property base of more than 1100 retail branches and extensive commercial portfolio is exposed to climate change risks that arise in each location, with the risks and magnitude of impacts varying within each geographical region. The recent severe floods in Queensland, Australia, are a good example of the impacts that extreme weather events may have. The Bank's staff, property and operations were impacted by the floods and the Bank was required to implement its business continuity plans to ensure staff and property were protected for the Bank to continue to service all its customers.	Increased operational cost	Current	Direct	Unknown	Unknown
CBAb.	Change in precipitation extremes and droughts	The Bank is indirectly exposed to the physical impacts of climate change and the effect this has on its customer base. Climate change is expected to increase the frequency and severity of weather events such as floods, fires and cyclones, which may damage homes, buildings and business premises that are used as security for loans.	Wider social disadvantages	Current	Indirect (Client)	Unknown	Unknown
CBAc.	Uncertainty of physical risks	Due to the Uncertainty of physical risk frequency and severity of weather related events and natural disasters. The Bank's General Insurance business, CommInsure, is likely to be impacted through its Home Insurance and Motor Insurance portfolios, driven by 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. For our Retail and Wholesale Life Insurance business, there is potential exposure to increased life claims should climate	Increased operational cost	Current	Direct	Very likely	High

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		change related natural disasters occur.					
CBAd.	Uncertainty of physical risks	Due to the frequency and severity of weather related events and natural disasters. Investment in physical infrastructure assets and properties could be potentially exposed to the physical impacts of climate change. Given the long term nature of these investments and relative lack of liquidity in these asset classes, the physical impacts of climate change could affect the performance of the funds in which these assets are held.	Other: The physical impacts of climate change could affect the performance of the funds in which these assets are held.	6-10 years	Direct	Very likely	Medium-high

5.1d

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

ID: CBAa.
(i) An increased frequency of extreme weather events may result in unquantifiable financial implications for the Bank's assets and property and may also disrupt the Bank's and key supplier operations. These risks have the potential to devalue the Bank's property portfolio through the physical damage these extreme weather events may inflict and increase the repair/replacement costs associated with damaged assets and property. Direct insurance premium levels may also rise due to increasing damage to property portfolios.
(ii) The Bank's Corporate Services Team is responsible for managing the physical impacts across the Bank's property portfolio. The Bank insures its own property and to ensure there are only minimal impacts to its operations in the event of an extreme weather event, the team has business continuity plans in place which detail the possible mitigation activities and response protocols.
In addition, the Bank reduces its exposure to these risks by reducing its own emissions. In May 2009 the Bank publicly announced a 20 per cent carbon reduction target to be achieved by 2013, based on 2008-09 emission levels. This action has shown good progress in mitigating carbon emissions from the Bank's property and fleet portfolio. While there is a significant initial financial outlay for reducing the Bank's carbon emissions, initiative is expected to pay for itself in the medium to long term through greater energy efficiency.
The Bank is continuing to invest in an extensive upgrade of its energy and climate change data management systems to confirm its robustness and compliance with all relevant environmental legislation. Additional human capital has also been invested in by hiring specific expertise in the areas of carbon mitigation and environmental sustainability. This human capital was created in part to further understand and mitigate the risk of physical impacts associated with climate change.
(iii) The cost of monitoring and maintenance repairs to properties may increase. Due to contractual arrangements, we are unable to disclose the financial investments made to the upgraded data management systems.
ID: CBAb.
(i) In situations where customers are relied upon to repay their loans, the Bank is indirectly exposed to the physical impact of climate change and its potential effect

on these customers' homes, buildings and business premises. If customers are unable to service repayments on loans, the Bank will suffer financial impacts from the loans not being serviced in their full capacity. The Bank may be also disadvantaged by security deposits that are worth less than the value of the loan. It is not possible to quantify this risk due to the uncertainty surrounding climate change and the associated increased frequency in extreme weather conditions.
(ii) The Bank's lending policy requires that environmental and climate change risks be considered at deal initiation, risk assessment and annual review for relevant credit applications. Continual evaluation and review into the credit risk assessment process will occur to ensure that potential indirect environmental impacts associated with our client base will be identified, evaluated and actioned during the funding process.
(iii) It is difficult to qualify costs associated with these actions.
However, in certain circumstances the Bank assists customers when they are experiencing difficulty meeting loan or credit card commitments due to circumstances such as natural disasters.
For example, following the recent flooding in Queensland, New South Wales and Victoria (Australia), the Bank stepped up its assistance to help customers and local communities affected by the recent floods with initiatives totalling $65 million. This includes:
• $50 million Compassionate Fund for Flood Assistance
• $5 million Community Flood Assistance Grants Program
• $1 billion Business and Agribusiness Package
• Cash Donations To Relief Appeals – to-date the Bank has donated $1.838 million to flood relief appeals
• Hardship Assistance - the Bank has assisted many business and personal customers already through its Emergency Assistance Packages.
ID: CBAc.
(i) The impact of increased weather-related events on CommInsure would be an increase in claims costs, which is likely to be reflected in increased reinsurance premiums as well. This could potentially have an impact on gross premiums resulting in insurance being less affordable in some areas. For our Retail and Wholesale Life Insurance business, there is potential exposure to increased life claims should climate change related natural disasters occur. Furthermore, higher life claims could potentially result in higher reinsurance costs and a higher price for the customer overall.
(ii) Reinsurance arrangements, our risk appetite and product design are continually reviewed in order to meet the changing market in which our business operates to ensure ongoing business sustainability.
To assist in managing all risks arising from climate change, the Bank reviews its Environment Policy on an annual basis. The Environment Policy creates a framework for understanding and managing our direct and indirect environmental impacts, risks and opportunities. The Environment Policy is consistently being embedded throughout relevant business units on an ongoing basis.
(iii) Business as usual – no perceived additional costs
ID: CBAd.
(i) Given the long term nature of these investments and relative lack of liquidity in these asset classes, the physical impacts of climate change could affect the performance of the funds in which these assets are held. Performance impact could be either positive or negative given investment will be required to adapt assets to changing weather, potentially increasing the value of those assets.
(ii) Colonial First State Global Asset Management (CFSGAM) often has a seat on the board of the companies in which it invests. As a result, CFSGAM is able to provide oversight on the management of climate change adaptation at the board level of these companies in addition to the identification and assessment of all risks undertaken for long-term infrastructure investments.
(iii) Business as usual – no perceived additional costs

5.1e

Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
CBAx.	Reputation	As public concern surrounding climate change increases, the Bank may be under increasing pressure from customers, shareholders, staff, non-governmental organisations (NGO's) and other stakeholders to demonstrate how it is responding to climate change. Institutional and retail investors increasingly demand banks and other financial institutions to demonstrate their continued commitment to the environment and the communities in which they operate.	Reduced demand for goods/services	Current	Direct	Unknown	Unknown
CBAy.	Uncertainty in market signals	With the uncertainty surrounding market signals there is the potential negative impact to global economy which may impact investment returns of the assets invested in.	Other: May impact investment returns of the assets invested in.	6-10 years	Indirect (Client)	Likely	High

5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

ID: CBAx.
(i) The reputation of the Bank may be adversely affected if it does not take action on climate change issues nor respond to public concerns. The associated financial risks are consumers not purchasing the Bank's products and services if it does not have the appropriate policies, procedures and practices embedded within its business. A potential loss of client base would have financial implications to the Bank, however it is not possible to quantify these risks due to the uncertainty and complexity associated with climate change issues. As the Bank is a public company listed on the Australian Stock exchange, potential reputational damage may also have an impact on its share price.
(ii) The Bank actively monitors stakeholder perceptions of its reputation and holds regular strategic reviews to identify reputation-related opportunities and risks to its business. The Bank has also continued to increase its communication on environmental matters. Our commitment to disclose material environmental performance to shareholders on our environmental indicators and management of material risks and opportunities is directly addressed within our Environment Policy. Information about how the Bank is addressing climate change issues is available on the Bank's website, in the Bank's Annual Report, in shareholder communications as well as the Bank's standalone sustainability report. Additionally, these risks are highlighted and addressed at Board level when required.
(iii) There are additional costs associated with the Bank's ongoing disclosure, and verification of climate change risks and opportunities. The Bank currently utilises the services of KPMG, a leading provider of audit, tax and advisory services which offers industry insight to help organisations negotiate risk. Due to commercial in confidence, the Bank is unable to disclose monetary figures.
ID: CBAy.

(i) Uncertainty in market signals may impact investment returns. This is modelled where they are potentially material to investment returns and only discussed with clients as commercial in confidence.
(ii) The Bank's asset management business, Colonial First State Global Asset Management (CFSGAM) is a whole of economy global investor and therefore needs to understand the broader economic impact climate change may have. To ensure there is a currency of understanding of the climate change issues for the global economy, CFSGAM is an active member of the Investor Group on Climate Change and participates in other industry forums on climate change.
(iii) Associated costs are only discussed with clients as commercial in confidence, therefore cannot be disclosed at this time.

5.1g

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1h

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1i

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Page: 6. Climate Change Opportunities

6.1

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
Bank1	Cap and trade schemes	The Australian Government has recently announced a high-level framework on the introduction of a carbon price mechanism. A carbon price is slated to commence in July 2012 with a fixed carbon permit price (for the first three to five years) transitioning to a market based cap-and-trade emissions trading scheme. The Government has said that further details of the carbon price mechanism, including compensation for emissions-intensive trade exposed industries as well as for individuals, will be released over the coming months. The introduction of a carbon price mechanism will likely create a number of carbon hedging and financing opportunities for the Bank and its clients.	New products/business services	1-5 years	Direct	Unknown	Unknown
Bank2	Cap and trade schemes	The Bank is an active participant in the Renewable Energy Certificate (REC) market and offers a range of tailored solutions to assist clients with the management of their REC price risk, including spot and forward trades. In August 2009, the Government introduced the Renewable Energy Target (RET) scheme, which is set to ensure that 20 per cent of Australia's electricity supply will come from renewable sources by 2020 using a mechanism of tradeable RECs. The	New products/business services	Current	Direct	Very likely	Low

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		RET expands on the previous Mandatory Renewable Energy Target and significantly increased the 2020 target. In response to initiatives such as the legislated RET scheme, many Australian and international projects have broken new technological ground, creating a legacy of applied research and development for the renewable energy industry which in turn has led to new and more efficient projects. Many of the Bank's customers will be in a position to benefit from the shift towards additional renewable forms of energy promoted by the RET scheme. There will be greater investment available to services and manufacturers in the renewable industry. The Bank has invested in the renewable energy sector since 2004 and is a significant player in financing the global renewable energy sector.					
Bank3	General environmental regulations, including planning	The government has recently introduced legislation (the Carbon Farming Initiative) to give farmers, forest growers and landholders access to domestic voluntary and international carbon markets. This will begin to unlock the abatement opportunities in the land sector. The Carbon Farming Initiative will enable the crediting of land sector greenhouse gas abatement by: • Reducing or avoiding emissions, for example, through capture and destruction of methane emissions from landfill or livestock manure; or • Removing carbon from the atmosphere and storing it in soil or trees, for example, by growing plantation forests, or farming in a way that increases soil carbon. These activities will be undertaken as offsets projects. Carbon credits represent abatement of greenhouse gases achieved as a result of these offsets projects. The Bank has a large Regional and Agricultural client base and the Carbon Farming Initiative may create opportunities for the Bank to assist farmers	New products/business services	1-5 years	Direct	More likely than not	Unknown

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		undertake Carbon Farming projects. A significant demand driver for Carbon Farming projects is likely to be the ability of carbon farming credits to be fungible into the government's carbon pricing mechanism.					
Bank4	Carbon taxes	With the introduction of carbon pricing, restrictions on the use of certain resources, may drive better investment decisions and create potential new revenue opportunities for CFSGAM and the Bank as a whole.	Increased demand for existing products/services	1-5 years	Direct	Likely	Medium-high

6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

ID: Bank1
(i) While there is likely to be price increases as a result of the implementation of a carbon pricing mechanism, there are also business opportunities. For example, the Bank will be able to develop and market a new range of services that will help customers manage carbon risk, trade in carbon credits, and take advantage of the business opportunities in the new and restructured low carbon economy. Until further details on the carbon pricing mechanism have been released, the Bank is unable to estimate the potential magnitude of the opportunity. However these benefits will result in additional revenue streams for the Bank.
(ii) For our Australian-based clients that will be directly impacted by a carbon pricing mechanism, the Bank will leverage its extensive client relationships, financing and global markets capabilities to develop a range of tailored carbon hedging and carbon financing solutions. The Bank will offer clients the flexibility to use the Australian or International permits market to hedge their carbon price risk. The Bank's financing solutions will enable clients to trade existing permits or fund investments in energy efficient technologies, renewable energy or bio-sequestration projects. In this way, the Bank can give its clients access to the full spectrum of services that will not only assist them in managing risks, but importantly take advantage of the opportunities in a new low carbon economy.
(iii) The Bank continues to invest significant resources, knowledge, time and skills in developing this opportunity and has previously made significant investments in IT and risk systems to offer clients specific carbon hedging products. However, due to commercial in confidence, the Bank is unable to disclose monetary values.
ID Bank2
(i) The Bank is presently the senior debt lender for a significant portfolio of renewable and Clean energy projects generating more than 12,000 megawatts of energy in Australia and New Zealand combined. These projects include wind farms, hydro electric, biomass, landfill gas and waste mine gas power generation. The benefits will result in additional revenue streams for the Bank. In 2010, the Bank provided approximately $100 million in funding to wind farm projects and also worked with clients to seek funding under the governments Solar Flagships Program.
(ii) This is a long-term commitment that requires significant investment in resources, knowledge, time and skills. The Bank's global experience allows the Bank to support the development of renewable energy opportunities in Australia by providing our clients with specialist advice. The Bank has a specialised Utilities, Energy and Renewables Group that provides specialist advice and finance for renewable energy projects

(iii) The Bank continues to invest significant resources, knowledge, time and skills to provide our clients with advice and renewable energy finance. Due to commercial in confidence transaction amounts, these costs cannot be disclosed. The above actions are business as usual for the Bank and therefore no additional capital cost is required.
ID Bank3
(i) The Carbon Farming Initiative may result in additional projects and funding opportunities for the Bank. However, a significant demand driver for carbon farming projects is likely to be the ability of carbon farming credits to be fungible into the government's carbon pricing mechanism. Consequently, until the details of the government's carbon pricing mechanism are announced, the magnitude of the funding opportunities is unknown.
(ii) The Bank will leverage its extensive client relationships, financing and global markets capabilities through its Regional and Agriculture business teams and its Carbon Solutions Group.
(iii) The Bank will invest resources, knowledge, time and skills to provide our clients with advice and finance for carbon farming projects. These actions are considered business as usual, therefore no additional cost is perceived.
ID: Bank4
(i) May impact investment returns. This is modelled where they are potentially material to investment returns. Only discussed with clients as commercial in confidence.
(ii) The Bank's asset management business, Colonial First State Global Asset Management (CFSGAM), invests in listed equities, direct infrastructure and direct property. Some of these investments may be exposed to the risks presented by the regulatory response to climate change. CFSGAM is also a potential investor in new and emerging infrastructure opportunities in the renewable energy and clean tech space and also a potential participant in the carbon market. Through having a rigorous approach to considering and understanding the impact regulatory requirements will have on those investments, CFSGAM may be able to make better investment decisions than its competitors and therefore provide superior investment returns to its investors. To assist in this process, CFSGAM is also a signatory to the Carbon Disclosure Project.
(iii) The actions from the Bank's asset management business is considered, business as usual, therefore no perceived additional costs.

6.1c

Please describe the opportunities that are driven by changes in physical climate parameters

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
Banka	Change in precipitation pattern	The physical impacts of climate change will create some initial indirect opportunities for the Bank. The Bank has a large Regional and Agriculture Business customer base. These customers may become more adversely affected by the physical impacts of climate change than other sectors due to their concentration in regional and remote	New products/business services	Current	Direct	Unknown	Unknown

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		areas of Australia. This creates the opportunity for the Bank to provide specialised services to these customers assisting them in managing the impacts of climate change on their business. The Bank also understands that as households adapt to changing climate conditions, it has an opportunity to provide specialised retail products and services to support adaptation, for example loans for rainwater tanks and PV solar panel installs. The Bank successfully piloted an exclusive offer from one of Australia's largest builders to install a residential solar electricity system, the purchase price of which would be added to the customer's home loan.					
Bankb	Other physical climate drivers	The increased awareness of the impacts resulting from climate change, may drive people to take out general insurance or invest in climate change related investment options, attracting new customers and providing new sources of revenue for the Bank.	Increased demand for existing products/services	1-5 years	Direct	About as likely as not	Low

6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

ID: Banka
(i) Providing specialised services to customers and assisting them in managing the impacts of climate change on their business is likely to result in strengthening existing customer relationships and potentially attract additional clients. This will have a positive financial impact on the Bank. It is, however, difficult to quantify these opportunities due to the large uncertainties surrounding climate change and its effect on the Bank's Regional and Agricultural clients.
(ii) The Bank will leverage its extensive client relationships, financing and global market capabilities through its Regional and Agriculture business teams and its Carbon Solutions Group.
(iii) The Bank will invest resources, knowledge, time and skills to provide our clients with specialised services. These are considered business as usual activities.
ID Bankb
(i) Potential for new customers, increasing revenue. This has not been quantified.
(ii) An example of opportunity management is where Colonial First State provides access to the Generation Global Sustainability Fund.
(iii) The actions from the Bank's Wealth Management business is considered, business as usual, therefore no perceived additional costs.

6.1e

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
Bankx	Induced changes in human and cultural environment	Community Engagement and investment: Climate change has presented the Bank with a number of opportunities to support a diverse range of community activities and organizations that are working to address climate change issues. Partnerships with environmental organizations provide a practical way of demonstrating to our staff, customers, shareholders and the broader community our commitment to protect the environment and educate on environmental issues whilst providing practical outcomes. The Bank has taken a number of actions to take advantage of these opportunities. These include: • Partnership with Clean Up Australia Day - one of Australia's largest volunteering activities. The Bank has been associated with Clean Up Australia Day since 2008. • Through the Bank's involvement with the Great Barrier Reef Foundation. The Bank's ZooX Ambassadors Program will provide our staff with the opportunity to understand more about how climate change is impacting the Great Barrier Reef and the role research is playing in preserving it for future generations. • With Earth Hour being held in capital cities, we engage all our people to participate, not only within the work place, but also in their home. There are direct benefits in the Bank's value chain and especially its community partners. The Bank experiences an enhanced reputation and a more committed employee base. The Bank's community partners also receive direct benefits, for example, Clean Up Australia Day receives increased awareness for its programs a result of the Bank's own PR and marketing methodologies to staff and customers.	Wider social benefits	Current	Direct	Virtually certain	Low-medium
Banky	Other drivers	'Communication and awareness'. The Bank has used the public interest generated by the climate change agenda as a vehicle for communicating our proactive approach to carbon management	Wider social benefits	Current	Direct	Very likely	Medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		and wider sustainability initiatives both internally and externally. A key example of this is the release of the Bank’s Sustainability Report (during this reporting period of 2009-10), which communicates the Bank’s climate change initiatives and carbon emissions data, as well as the Bank’s additional foundations on which it stands: Customers, People, Community, Environment and Governance. Publication of the Sustainability Report provides a positive contribution to the success of the Bank. The balanced and transparent disclosure of sustainability risks, opportunities and performance data provides valuable information to investors and the like, who wish to include environmental, social and governance (ESG) criteria in their assessment of the Bank. Publication of the Sustainability Report can also have a positive impact on the Bank’s reputation due to increased disclosure, and by highlighting to customers, shareholders, staff and the wider community the many sustainable initiatives being undertaken.					
Bankz	Other drivers	'Cultural'. The Bank’s Reconciliation Action Plan (RAP) for Indigenous Australians, includes commitments to support Indigenous enterprise and identifies opportunities that will help create a larger labour market of educated and skilled Indigenous Australians. The Bank’s Indigenous Banking Team continues to explore opportunities for Indigenous communities to take advantage of developments in the emerging and expanding carbon markets. This focus will continue as further opportunities arise resulting from the impacts of climate change. The Bank’s Indigenous Banking Team has a relationship with the Bank’s dedicated Carbon Solutions Group, which develops solutions and provides management advice to assist clients with current and future opportunities.	Wider social benefits	1-5 years	Indirect (Client)	Unknown	Unknown

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

ID: Bankx
(i) The Bank has committed extensive financial support into climate-related community investment programs. Programs such as the Great Barrier Reef Foundation and Clean up Australia receive financial support, as well as hands-on support from the Bank's employees, through participation in these programs.
(ii) The Bank has a dedicated team that develops strategic programs and partnerships related to long term social change.
(iii) The Bank invests resources, knowledge, time and skills to provide support to these programs and partnerships. The resources, knowledge, time and skills sit within the Bank's Corporate Sustainability team and are considered business as usual, with no additional costs required.
ID: Banky
(i) Potential financial implications of the opportunity:
The Bank continues to make a significant investment into its Sustainability Report by engaging both internal and external stakeholders, verifying data, establishing teams to deliver such a report as well as the cost of production. The Bank also contracted the external expertise of KPMG - a leading provider of audit, tax and advisory services, to provide an independent review of the content of the report. By openly communicating with stakeholders about our environmental performance, this report is expected to increase the breadth and depth of our customer relationships, which have many positive financial implications.
(ii) Methods you are using to manage this opportunity:
The Bank has a dedicated Corporate Sustainability team that, amongst other responsibilities, manages the Bank's annual Sustainability Report. The Bank engages in many forms of internal and external communications, from legislative reporting, to voluntary reporting, as well as specific internal communications and external surveys. The Bank has been monitoring and disclosing climate change information since 2001 and is therefore well positioned to communicate and raise the awareness of climate change-related material.
(iii) Costs associated with these actions:
Communication and awareness is a core function of the Bank's Corporate Sustainability team, and is considered business as usual, with no additional costs required for this function to be successfully deployed.
ID: Bankz
(i) This has the potential to benefit the Bank by opening new markets, and exposing us to investment opportunities that might otherwise remain unknown. There are also positive reputational impacts for the Bank. The Bank's value chain is also positively impacted by our involvement in the RAP program because of the benefits that it brings to the wider community.
(ii) The Bank is using the strong relationships developed by our Indigenous Banking Team to identify opportunities for engaging Indigenous Australians in the growing carbon sector. The Bank is committed to supporting Indigenous enterprise in the carbon sector and in identifying further opportunities where possible.
(iii) The Bank has invested in resource capital expertise to enable the Indigenous program to grow and prosper. Extensive training was undertaken to identify additional opportunities that will help create an educated and skilled Indigenous Australian workforce, which will create a social return on investment.

6.1g

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1h

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1i

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]

Page: 7. Emissions Methodology

7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Tue 01 Jul 2008 - Tue 30 Jun 2009	17038	241332

7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
Australia - National Greenhouse and Energy Reporting Act

Please select the published methodologies that you use
ISO 14064-1
New Zealand - Guidance for Voluntary, Corporate Greenhouse Gas Reporting
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Other

7.2a

If you have selected "Other", please provide details below

Australia: National Greenhouse Accounts - June 2009

7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N20	IPCC Second Assessment Report (SAR - 100 year)
HFCs	IPCC Second Assessment Report (SAR - 100 year)

7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference

Further Information

For further information on emission sources and factors used in our response to question 7.4 that are not available to the Bank within the standard downloadable spreadsheet provided by CDP (which is attached below) please refer to the additional spreadsheet also attached below. The Commonwealth Bank of Australia felt it necessary to provide further emission sources and factors surrounding all emission Scopes. Within Australia there are different emission factors for each State and/or Territory, these have been disclosed in the additional spread sheet attached (named "CDP Question 7.4 Emissions Factors. Scopes 1 2 and 3").

Attachments

https://www.cdproject.net/Sites/2011/49/3649/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/7.EmissionsMethodology/CDP Question 7.4 Emissions Factors. Scopes 1 2 and 3.xlsx
https://www.cdproject.net/Sites/2011/49/3649/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/7.EmissionsMethodology/worksheet-to-input-of-EF Q7 4.xlsx

Page: 8. Emissions Data - (1 Jul 2009 - 30 Jun 2010)

8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

8.2a

Please provide your gross global Scope 1 emissions figure in metric tonnes CO2e

15073

8.2b

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 1 breakdown

Boundary	Gross global Scope 1 emissions (metric tonnes CO2e)	Comment

8.2c

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 1 Total

Gross global Scope 1 emissions (metric tonnes CO2e) - Total Part 1	Comment

8.2d

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e - Part 2

Gross global Scope 1 emissions (metric tonnes CO2e) - Other operationally controlled entities, activities or facilities	Comment

8.3a

Please provide your gross global Scope 2 emissions figure in metric tonnes CO2e

236623

8.3b

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 1 breakdown

Boundary	Gross global Scope 2 emissions (metric tonnes CO2e)	Comment

8.3c

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 1 Total

Gross global Scope 2 emissions (metric tonnes CO2e) - Total Part 1	Comment

8.3d

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e - Part 2

Gross global Scope 2 emissions (metric tonnes CO2e) - Other operationally controlled entities, activities or facilities	Comment

8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

8.4a

Please complete the table

Reporting Entity	Source	Scope	Explain why the source is excluded

8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

Yes

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded
Refrigerants for Australian operations	Scope 1	The Bank and its subsidiary, Bankwest, were not required to report as they did not meet the reporting thresholds for refrigerants under the Australian National Greenhouse and Energy Reporting (NGER) Scheme.
Commercial and retail properties owned by the Commonwealth Property Office Fund and Retail Property Trust managed by Colonial First State Global Asset Management	Scope 1 and 2	The Commonwealth Property Office Fund (CPA) and Retail Property Trust (CFX) both undertake independent submissions under the Carbon Disclosure Project. Therefore, despite being managed by Colonial First State Global Asset Management (CFSGAM) and under its operational control, their emissions have been excluded from this Carbon Disclosure Project submission to avoid double counting.
Asia Pacific business operations	Scope 1 and 2	The Bank has a small number of offices, branches and automatic teller machines in countries other than Australia and New Zealand, for example, in the Asia Pacific region. Emissions and energy use associated with these operations is minimal in relation to the Bank's overall emissions profile. Access to emissions and energy data from these operations is also limited. For these reasons, data from these operations has been excluded but is not likely to have a material impact on the overall emissions profile of the Bank.
New Zealand financial year data	Scope 1 and 2	The Bank's New Zealand business data is included, however this is based on 2009 calendar year data rather than financial year. This data still represents a complete 12 month period but is used as it is consistent with New Zealand reporting and target tracking.

8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and Scope 2 figures that you have supplied and specify the sources of uncertainty in your data gathering, handling, and calculations

Scope	Uncertainty Range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	Less than or equal to 2%	Assumptions Extrapolation Metering/ Measurement Constraints Published Emissions Factors	The Bank utilises the uncertainty methodology provided in the Australian National Greenhouse and Energy Reporting (Measurement) Determination 2008 as amended (the Determination) to achieve 95 percent confidence in emissions data. The Bank has data collection processes for all sources of emissions; therefore the uncertainty from the sources identified is minimal. The methodology uses default uncertainty factors for published emissions factors (in the Determination) and additional uncertainty factors for activity data, how the data is derived and energy content factors. The Bank primarily acquires invoice-based data and metering data. Both methods are reliable data sources, with risks of uncertainty minimised by meter maintenance (either by the Bank or third party) and effective data management software, EnterprizeEEM (The Bank) and CarbonScope (the Bank's Wealth Management business and Bankwest). Invoice- based consumption data is uploaded into CarbonScope and EnterprizeEEM. CarbonScope uses costs, tariffs and consumption periods to allow multiple data verification parameters. Data gaps in both systems are easily

Scope	Uncertainty Range	Main sources of uncertainty	Please expand on the uncertainty in your data
			identified and rectified, either with actual data or by extrapolating existing data based on historic data, estimations and geographical regions. The Bank captures data for all of its emission sources and therefore extrapolation is only ever conducted to fill data gaps rather than to estimate complete emission sources. Metering and measurement constraints under the responsibility of third parties (e.g. suppliers who provide invoice based data) and published emission factors are outside the control of the Bank. These sources of uncertainty are minimal as they represent the best available information and are constantly being monitored and updated.
Scope 2	More than 2% but less than or equal to 5%	Assumptions Extrapolation Metering/ Measurement Constraints Published Emissions Factors Data Management	The Bank has only minimal risks of uncertainty within its data. Uncertainty that is within the control of the Bank relates to data management, including the uploading of invoice-based data into CarbonScope (or EnterprizeEEM) and management of data gaps. These sources provide minimal risk of uncertainty as CarbonScope contains mechanisms to validate data and identify and manage data gaps. Where data gaps are identified in either system, these are rectified based on actual data or use of historic data and estimates. Data gaps are never left unrectified. For some minor retail branches and ATM sites for which data is not available, data is estimated based on Net Lettable Area, extrapolating seasonal data from similar sites. Published emission factors and metering and measurement constraints are outside the control of the Bank but are considered to be minimal sources of uncertainty. Although the Australian National Greenhouse and Energy Reporting (NGER) Scheme does not provide uncertainty factors for scope 2 emissions, the NGER uncertainty methodology was used to calculate scope 2 uncertainty for electricity data. The majority of the Bank's electricity data is sourced from invoices. Minor uncertainties are inherent in the metered consumption invoiced by electricity retailers. The National Electricity Market (NEM) Rules relating to metering require meters to have an overall error of not more than ± 1.5% (NEM Rules, Version 34, Schedule 7.2.2), therefore, this figure was applied to the percentage of data sourced from invoices. The NGER Criterion B (simplified consumption measurement) uncertainty percentage was applied to the small amount of electricity data that was estimated or extrapolated. A weighted uncertainty average was then determined.

8.6

Please indicate the verification/assurance status that applies to your Scope 1 emissions

Verification or assurance complete

8.6a

Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.6b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Relevant statement attached
Limited assurance	Other: In accordance with the Standard on Assurance Engagements ASAE 3000 " Assurance engagements other than Audits or Reviews of Historical Financial Information"	The Bank's verification (Limited Assurance) represents the reporting period of 1 July 2009 to 30 June 2010 documented within the Bank's 2010 Sustainability Report.

8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Verification or assurance underway but not yet complete - last year's certificate available

8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 90% but less than or equal to 100%

8.7b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Relevant statement attached
Limited assurance	Other: In accordance with the Standard on Assurance Engagements ASAE 3000 " Assurance engagements other than Audits or Reviews of Historical Financial Information"	The Bank verification (Limited Assurance) represents the reporting period of 1 July 2009 to 30 June 2010 documented within the Bank's 2010 Sustainability Report.

8.8

Are carbon dioxide emissions from the combustion of biologically sequestered carbon (i.e. carbon dioxide emissions from burning biomass/biofuels) relevant to your company?

No

8.8a

Please provide the emissions in metric tonnes CO2e

Further Information

In reference to questions 8.6b and 8.7b, please find attached the 'Limited Assurance' provided by KPMG for the assurance of the Commonwealth Bank's Scope 1 and 2 emissions, covering the reporting period of 1 July 2009 to 30 June 2010.

Attachments

https://www.cdproject.net/Sites/2011/49/3649/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/8.EmissionsData(1Jul2009-30Jun2010)/CBA Sustainability Report 2010 Limited Assurance.pdf

Page: 9. Scope 1 Emissions Breakdown - (1 Jul 2009 - 30 Jun 2010)

9.1

Do you have Scope 1 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

9.1a

Please complete the table below

Country	Scope 1 metric tonnes CO2e
Other: Australia – Australian Capital Territory	574
Other: Australia – New South Wales	6471
Other: Australia – Northern Territory	39
Other: Australia - Queensland	1743
Other: Australia – South Australia	792
Other: Australia - Tasmania	229
Other: Australia – Victoria	3998
Other: Australia – Western Australia	969
New Zealand	259

9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

9.2a

Please break down your total gross global Scope 1 emissions by business division

Business Division	Scope 1 metric tonnes CO2e

9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 metric tonnes CO2e

9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 metric tonnes CO2e

9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 metric tonnes CO2e

Page: 10. Scope 2 Emissions Breakdown - (1 Jul 2009 - 30 Jun 2010)

10.1

Do you have Scope 2 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?

Yes

10.1a

Please complete the table below

Country	Scope 2 metric tonnes CO2e

Country	Scope 2 metric tonnes CO2e
Other: Australia – Australian Capital Territory	3234
Other: Australia – New South Wales	107137
Other: Australia – Northern Territory	566
Other: Australia - Queensland	22388
Other: Australia – South Australia	10165
Other: Australia - Tasmania	928
Other: Australia – Victoria	49068
Other: Australia – Western Australia	37027
New Zealand	6110

10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 metric tonnes CO2e

10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 metric tonnes CO2e

10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 metric tonnes CO2e

Page: 11. Emissions Scope 2 Contractual

11.1

Do you consider that the grid average factors used to report Scope 2 emissions in Question 8.3 reflect the contractual arrangements you have with electricity suppliers?

Yes

11.1a

You may report a total contractual Scope 2 figure in response to this question. Please provide your total global contractual Scope 2 GHG emissions figure in metric tonnes CO2e

11.1b

Explain the basis of the alternative figure (see guidance)

11.2

Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

11.2a

Please provide details including the number and type of certificates

Type of certificate	Number of certificates	Comments

Further Information

Although the Bank has not retired any certificates during the 2009-10 reporting period. The Bank has generated 1,493 Energy Savings Certificates, via the Bank's Retail Branch and Commercial Office energy efficiency works program, through the NSW Energy Saving Scheme (ESS). These certificates are to be retired.

Page: 12. Energy

12.1

What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

12.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has consumed during the reporting year

Energy type	MWh
Fuel	56915
Electricity	282352
Heat	0
Steam	0
Cooling	0

12.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	16337
Motor gasoline	35981
Diesel/Gas oil	4089
Liquefied petroleum gas (LPG)	292
Biodiesels	.02
Biogasoline	216

Page: 13. Emissions Performance

13.1

How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

13.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	3.37	Decrease	During the 2009-10 reporting period, the Bank commenced a number of emissions reduction activities to achieve its target of 20 percent reduction in emissions by 2013 from its 2008-09 emissions baseline. The initiatives, which are outlined in detail in the response to Question 3.3a include: • Refreshingly Green: Energy efficiency upgrades to retail branches. • Project Harvest: Energy efficiency upgrades to commercial offices. • The Bank's Sydney CBD Office Consolidation: Transitioning the Bank's commercial premises in Sydney to best practice environmental performance offices, Darling Park and Commonwealth Bank Place, with Commonwealth Bank Place set to achieve a 6-Star Green Star Rating and 5-Star NABERs Energy Rating. • Fleet: Fuel switching to biodiesel and E10 and transitioning fleet vehicles to improved efficiency 4 cylinder Hyundai Getz. • Information Technology Shutdown: Centralised automated shutdown of computer equipment afterhours. • HVAC: Upgrades and improvements to HVAC equipment under the Bank's operational control. The figures indicate that the savings

Reason	Emissions value (percentage)	Direction of change	Comment
			made from the implementation of these initiatives during the reporting period have made a significant contribution to the Bank's overall emissions decrease, even though the Bank experienced a commercial property overlap, due to the transitioning of staff to a more efficient commercial portfolio.
Emissions reduction activities	.2	Decrease	New Zealand Targets Program The Bank's New Zealand operations all fall within the boundary of the New Zealand entity, Auckland Savings Bank (ASB) Ltd.. Since the previous reporting period, the Bank's New Zealand operation has reduced its emissions by 542 tonnes of CO2-e (excluding Scope 3 emissions). These savings represent 0.2 percent of the total emissions reported under the Carbon Disclosure Project. However, when considered in relation to New Zealand's performance, these reduction activities are significant, representing 8.5 percent of New Zealand Scope 1 and 2 emissions. The reductions can be attributed to a range of emission reduction initiatives being implemented by ASB Bank Ltd, including: • Real Time Monitoring and Targeting. • Lighting and air conditioning upgrades in offices and branches. • HVAC improvements across key sites including "free cooling' and optimisation. • Improvements to control mechanisms, leading to improved day-to-day management of energy use. • EIPower - Automated overnight PC shutdown across all offices and retail branches. • Reduced diesel usage at Computer and Technology sites.
Emissions reduction activities	1.43	Decrease	Colonial First State Global Asset Management (CFSGAM) Energy Efficiency Opportunities The Bank's asset management business, CFSGAM, conducted energy efficiency opportunity reviews, under the Australian Federal Energy Efficiency Opportunities Program, at 18 of the 30 properties being reported within the Bank's CDP Submission. The savings outlined show the results of emissions reduction initiatives that were implemented within the reporting period. These initiatives were Scope 2 reduction activities, outlined in further detail in response to Question 3.3a, and include: • Servicing and replacing of chilled water valves. • Upgrades to lighting equipment and controls. • Air-conditioning and terminal control alterations. • Improvements to HVAC. • Upgrades to low load chillers.
Unidentified	1.88	Decrease	This figure represents the residual emissions change, across the Bank and CFSGAM that is otherwise accounted for.

13.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
9.25	metric tonnes CO2e	unit total revenue	10.0	Decrease	On a year-on-year basis revenue has grown at a greater rate than emissions (as a result of emissions reduction activities) hence the reduction in the intensity figure which signals an improvement in business efficiency. Please note that in order to achieve reporting consistency, the basis of this intensity metric has been modified from that used in previous reports. To provide compatibility, we have adjusted last year's figure to the same basis, and the differential reported here is a true year-on-year comparison figure for the Bank.

13.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
5.44	metric tonnes CO2e	FTE Employee	1.65	Decrease	On a year-on-year basis, headcount has grown at a greater rate than emissions (as a result of emissions reduction activities) hence the reduction in the intensity figure which signals an improvement in asset utilisation efficiency. Please note that in order to achieve a reporting consistency the basis of this intensity metric has been modified from that used in previous reports. To provide compatibility, the Bank has adjusted last year's figure to the same basis and the differential reported here is a true year-on-year comparison figure for the Bank.

13.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
0.208	metric tonnes CO2e	square meter	4.77	Increase	The temporary increase is primarily due to a consolidation of the Bank's commercial property portfolio in the 2009-10 reporting year, coupled with increased occupancy density. This has served to adversely impact the occupied space intensity metric. It should be noted that the Bank's commercial property consolidation has realised a temporary property overlap while the transitioning of staff to a more efficient commercial portfolio occurs. Namely Commonwealth Bank Place, a 6-Star Green Star and 5-Star NABERS rated buidling. Once the transition is complete, this intensity figure will decrease.

Page: 14. Emissions Trading

14.1

Do you participate in any emission trading schemes?

No, but we anticipate doing so in the next two years

14.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

14.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

The Australian Government has recently announced a high-level framework on the introduction of a carbon price mechanism. A carbon price is slated to commence in July 2012 with a fixed carbon permit price (for the first three to five years) transitioning to a market based cap-and-trade emission trading scheme. The Government has said that further details of the carbon price mechanism, including compensation for emissions intensive trade exposed industries as well as for individuals will be released over the coming months.

The Bank is unlikely to have a compliance requirement under the Government's proposed carbon pricing mechanism. However, if the carbon pricing mechanism transitions to a market-based cap-and-trade emissions trading scheme, the Bank would be a likely participant by providing a range of carbon hedging and carbon financing solutions for our clients. Carbon compliance obligations may affect a client's ability to service loans, or impact on the client's asset valuations and loan covenants.
To mitigate the Bank's exposure to this risk, we are working closely with our clients to assist them with the management of their exposure and carbon risk. The Bank also reviews how clients' credit positions will be impacted across both the Bank's existing portfolio and new business underwritten.

14.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

Yes

14.2a

Please complete the following table

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose e.g. compliance
Credit Origination	Energy efficiency: industry	Retail Branch and Commercial Office energy efficiency works program	Other: NSW Energy Saving Scheme (ESS)	1493	1493	No	Voluntary Offsetting

Page: 15. Scope 3 Emissions

15.1

Please provide data on sources of Scope 3 emissions that are relevant to your organization

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Business travel	22007	These emissions relate to air travel undertaken by The Bank, its Wealth Management business, Bankwest and its New Zealand operations. Total emissions include the sum of Australian and New Zealand emissions. The Bank's travel suppliers, AMEX, provide the Bank with data from their Cliqbook System, for the reporting period, on the number of flights and flight mileage. For the Bank's New Zealand business, data is obtained from its General Ledger. For Australia, total emissions are calculated as the sum of ground emissions and flight emissions. Ground emissions are calculated by the total number of legs flown, multiplied by a ground emissions factor which remains the proprietary information of Energetics (an award winning energy and climate change consultancy firm which the Bank has utilised since 2001) as it is calculated from working with a number of airlines. In-flight emissions are calculated as the total number of flight miles, converted to nautical miles and multiplied by 0.129 kg CO2-e/passenger/km (2005 National Greenhouse Gas Inventory (published 2008)) and an upper radiative forcing factor of 2 (IPCC) to account for the multiplier effect of emitting emissions at high altitude. For New Zealand, flight data is categorised as domestic, international short-haul and international long-haul, and flight mileage for each is multiplied by the relevant factor from the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year (Domestic 0.1728 kgCO2-e/km, International Short-Haul 0.0946 kgCO2-e/km and International Long-Haul 0.0827 kgCO2-e/km).	
Transportation and distribution	38654	These emissions relate to indirect emissions of the Bank's Australian and New Zealand scope 1 and 2 emissions, being those attributable to the extraction, production and transportation of fuels and for electricity, the electricity lost in the transmission and distribution network. For each fuel type, emissions have been calculated by multiplying the total quantity of fuel consumed by the relevant emissions factor from the Australian National Greenhouse Accounts (NGA) Factors, June 2009 (Australian data) and the	To note: Australian leased and hire car use is included in its scope 1 emissions and is therefore excluded from these calculations.

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
		New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year (New Zealand Data). A list of the relevant emissions factors are supplied in the Excel document provided in question 7.4. Emissions are then added to provide total Scope 3 emissions for this category for Australia and New Zealand.	
Business travel	4193	These emissions relate to the Bank's Australian and New Zealand Taxi use and New Zealand hire car use. For Australian taxi data, total taxi spend was obtained from its General Ledger. A cost per km factor of $1.67/km was applied to determine total km travelled and then a factor of 0.176 L of LPG/km applied. For New Zealand data, emission factors for taxis were applied from the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year (0.124 kg of CO2-e/$ spent). For all New Zealand hired, leased and third party vehicle car use, the emissions factor for a medium car (0.231 kg CO2-e/km) was applied from the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year based on distance travelled data provided by log books and hire car suppliers.	
Supplier emissions	50472	These emissions relate to the Bank's outsourced data centres. The Bank has two major data centres run by Hewlett Packard, located at Norwest and Burwood NSW and falling outside of the Bank's operational control. Electricity data for the reporting period for the Norwest data centre, which is operated solely for the Bank, was provided by Hewlett Packard. This data was extrapolated based on the calculated assumption that Norwest represents 35% of CBA's outsourced data centres. The full-fuel cycle emissions factor for electricity in NSW was applied to this extrapolated figure to account for the suppliers direct and indirect emissions (1.07 kg CO2-e/kWh) to determine total Scope 3 emissions for outsourced data centres.	
Waste generated in operations	4679	Waste emissions provided represent both the Bank's operations and its New Zealand operations under Auckland Savings Bank (ASB) Ltd. During the reporting year, the Bank engaged external waste experts, Waste Audit, to conduct a waste audit on a representative sample of 8 commercial and 15 retail sites across Australia. The results of the Waste Audit provided for commercial	To note: During the 2009-10 reporting year, the Bank undertook a major waste audit of its operations, with data from the waste audit forming the basis of the Bank's Group-wide waste strategy. Currently, the focus has been on the Bank's retail and commercial operations and therefore, emission figures provided do not include Bankwest or the Bank's Wealth

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
		and retail, separately, a breakdown of the composition of general waste sites by weight, volume and percentages and provided waste indicators as kg/FTE/day and kg/m2/day. Due to the differences in waste indicators and general waste composition between retail and commercial sites, emissions for retail and commercial were calculated separately. For each, the percentage composition of a particular waste type was applied to the relevant kg/FTE/day, annualised and extrapolated to a whole of business figure based on total number of FTEs. The relevant emissions factor from the Australian National Greenhouse Accounts (NGA) Factors, (June 2009) for each waste type (organic, paper/cardboard, inert and general waste) was then applied. Emissions factors are outlined in detail in the Excel spreadsheet attached to question 7.4. For the Bank's New Zealand operations (ASB), monitored waste data was also annualised and extrapolated based on a kg/FTE figure. A general waste emissions factor of 0.893 kg of CO2-e/kg from the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year.	Management business emissions.
Supplier emissions	290	These emissions relate to the Bank's New Zealand operations postage, courier and Data-mail supplier emissions. Postage emissions were calculated based on the number of packages posted by the New Zealand postage emissions factor 0.01 grams of CO2-e/letter. Where data was not complete for all New Zealand operations, it was extrapolated. Courier emissions have been calculated by data provided by courier companies on distance travelled by ground and by air travel. The emissions factors from the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year, were applied for a medium car for courier car travel (0.231 kg CO2-e/km), and 0.601 kg CO2-e/km for long distance travel. Data-mail provides electronic mailing services to the New Zealand operations. Energy consumption data was provided by Data-mail and emissions were calculated using the New Zealand Guidance for Voluntary Corporate Greenhouse Gas Reporting: Data and methods for the 2008 calendar year scope 2 emissions factor of 0.2 kg CO2-e/kWh.	To note: New Zealand postage and courier emissions are estimated to represent approximately 12 percent of the Bank's overall postage and courier emissions. In the absence of data for Australia, New Zealand data was not extrapolated due to the differences in emissions factors and limited Australian data.

15.2

Please indicate the verification/assurance status that applies to your Scope 3 emissions

Verification or assurance complete

15.2a

Please indicate the proportion of your Scope 3 emissions that are verified/assured

More than 90% but less than or equal to 100%

15.2b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Relevant statement attached
Limited assurance	Other: In accordance with the Standard on Assurance Engagements ASAE 3000 " Assurance engagements other than Audits or Reviews of Historical Financial Information"	The Bank's verification (Limited Assurance) represents the reporting period of 1 July 2009 to 30 June 2010 documented within the Bank's 2010 Sustainability Report.

15.3

How do your absolute Scope 3 emissions for the reporting year compare to the previous year?

Increased

15.3a

Please complete the table

Reason	Emissions value (percentage)	Direction of Change	Comment
Emissions reduction activities	.94	Decrease	The Bank’s New Zealand business has carried out a number of initiatives to reduce its Scope 3 emissions. - Encouraging staff to use video and phone conferencing technology instead of air or vehicle travel. - Improving the environmental performance of the vehicle fleet, by increasing the number of hybrid vehicles. - Implementing a waste reduction and recycling program. - Reduction in taxi and rental car use as a result of organisational commitment to reduce travel and increase take-up of video and teleconference technology. - The Statements Online and Statement Stopper initiatives resulted in significant numbers of customers receiving electronic statements in lieu of mail-outs, thus reducing emissions generated through post delivery.
Emissions reduction activities	.31	Decrease	The initiative of supplying statements online as opposed to paper-based has resulted in a significant number of customers receiving electronic statements in lieu of mail-outs, reducing emissions generated through postal delivery. The savings in relation to total scope 3 emissions are 37 tonnes Co2-e.

Further Information

In relation to question 15.1, please find attached a complete list of emission factors and global warming potentials and their associated reference, that the Commonwealth Bank of Australia has utilised.

For the purposes of question 15.2b The Bank's verification (Limited Assurance) represents the reporting period of 1 July 09 to 30 June 2010 documented with the Bank's 2010 Sustainability Report covering the Bank's reportable Scope 3 emissions.

Attachments

https://www.cdproject.net/Sites/2011/49/3649/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/15.Scope3Emissions/CDP Emissions Factors. Global Warming Potentials. References used.xlsx

Module: Sign Off

Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

Tristan Wills, Executive General Manager, Corporate Sustainability