Commonwealth Bank of Australia - Climate Change 2020

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Commencing operations in 1912, the Commonwealth Bank Group (the Group) is Australia's leading provider of integrated financial services including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance, investment and share broking products and services. During financial year 2019 (FY19) the Group had operations across 12 countries, with more than 48,000 employees globally who serve 17.4 million customers.

Structure:
In FY19, the Commonwealth Bank Group had six business areas, Retail Banking Services; Business and Private Banking; Institutional Banking and Markets; Wealth Management; ASB New Zealand; and International Financial Services. All Wealth Management businesses are now classified as discontinued operations as at 30 June 2020. Our brands include some of the best known names in financial services in Australia and New Zealand: Commonwealth Bank, CommSec, ASB, Colonial First State and BankWest.

Purpose:

Our purpose is to improve the financial wellbeing of our customers and communities.

Environmental and Social Framework:
Through our Environmental and Social (E&S) Framework, we aim to deliver balanced and sustainable outcomes across our key stakeholder groups: our customers, our community, our people and our shareholders. Guided by the Group's purpose we actively consider the environmental, social and economic impacts and influences of our activities and look for ways to make a positive contribution beyond our core business.

The Group E&S Framework outlines our commitments across five areas of focus: climate change; human rights; biodiversity; agriculture, forestry and fisheries; and defence.

We believe that conducting our business in a responsible way and making meaningful contributions to the communities in which we operate is critical to delivering balanced and sustainable stakeholder outcomes. The E&S Framework is designed to allow for scalability while remaining focused on impact. The areas of focus will evolve over time to reflect the changing environmental and social context, community expectations and to account for new regulatory settings.

Climate change is a driver of both financial and non-financial risks and has the potential to impact the long-term financial wellbeing of Australia. Extreme weather events and the impacts of transitioning to a low-carbon economy have the potential to disrupt business activities, damage property, and otherwise affect the value of assets, and affect our customers' ability to repay loans.

Our commitments to climate change address three key areas, managing the impacts for our operations, including reducing our emissions (part 1), supporting our customers (part 2), and playing our role in society's response to climate change (part 3). The E&S Framework and commitments provide a clear frame of reference for Business Units to address issues that matter most, and in so doing create economic and societal value over the long term.

In line with the recommendations by the Taskforce on Climate-Related Financial Disclosures (TCFD), we have undertaken and continue to use scenario analysis to inform and guide our longer-term strategy. We have reported on our climate-related governance, strategy, risk management and metrics and targets in accordance with the TCFD recommendations in our FY18, FY19 and FY20 Annual Reports.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	July 1 2018	June 30 2019	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Australia
China
China, Hong Kong Special Administrative Region
France
Germany
Indonesia
Japan
Malta
New Zealand
Singapore
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

AUD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Bank lending (Bank)
Investing (Asset owner)
Insurance underwriting (Insurance company)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Other, please specify (Board/Executive board)	The Group Environmental and Social (E&S) Policy and supporting external E&S Framework have been endorsed by the Board. Climate change is embedded in our corporate strategy and risk management approach in line with a clear understanding that the long-term sustainability of our business is tied to climate related risks and opportunities. Because of this, there is a shared responsibility between all directors to understand and challenge the business' approach to the management of climate risks and opportunities. Directors have oversight of how the business sets targets and manage their approach, progress and performance on climate related issues, risks and opportunities. The Board is responsible for the following: - Approving the Bank's Environmental and Social (E&S) Framework and Policy, which comprise a section outlining our approach to climate-related risks and opportunities - Setting, and monitoring performance against, our climate-related goals and targets - Reviewing and approving the climate-related disclosures in our Annual Report

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding risk management policies Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our bank lending activities Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to our insurance underwriting activities Climate-related risks and opportunities to our other products and services we provide to our clients The impact of our own operations on the climate The impact of our bank lending activities on the climate The impact of our investing activities on the climate	The CBA Board Charter outlines the role, responsibilities and the manner in which it discharges its responsibilities for CBA and its subsidiaries. The Group Board has overall oversight of climate-related risks and opportunities: • Through the Risk Management Framework, considering the social, ethical and environmental impact of the Group's activities; • Approving, with input from management, the strategic, business and financial plans to be implemented by management; and • Approving corporate responsibility and climate related disclosures. The Board oversees adherence to the Group's Environmental and Social (E&S) Policy, and monitors progress towards targets, including those outlined for climate change, as disclosed annually through the Annual Report. The E&S Policy outlines accountabilities for environmental and social considerations in our business processes and decision making. The Board is informed about climate-related issues half-yearly, or as necessary, by the Government, Industry and Sustainability team who provide strategic advice to the Group on E&S issues, oversee E&S governance and facilitate E&S reporting internally and externally. Further, the Board considers climate-related issues when reviewing strategy and risk management policies, as well as when setting the Group's performance objectives.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (● Executive Leadership Team (ELT) chaired by the Chief Executive Officer)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Other, please specify (Non-Financial Risk committee (reports to Board Risk Committee))	Other, please specify (The Non-Financial Risk committee reports to the Board Risk committee)	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The way we consider, manage and report on the Environmental, Social and Governance (ESG) impacts of our activities is an important integrity measure that underpins our social licence to operate and provides demonstrable commitment to our purpose, "to improve the financial wellbeing of our customers and communities". Climate has both financial and non-financial implications and is covered as a specific aspect of Strategic Risk.

Due to their significance to our ability to do business and the strategic decisions made about our lending and investment portfolios, the Board directly oversees the management of the Bank's climate-related risks and strategies. The Group's approach to managing Strategic Risks is to select a strategy that is expected to maximise long-term value for shareholders. Climate opportunities (e.g. transition to renewables) as well as climate risks (e.g. risk management in our lending portfolio) are key determinants of business decision-making. While considering Group and BU strategic plans as part of their organisational roles and responsibilities, the Board considers the most significant risks (current and emerging) arising from these plans, which includes transitional and physical climate-related risks. Strategic risk is assessed by using scenario analysis and stress testing to understand the potential impacts of changes in the external operating environment. The findings from these assessments are used to inform mitigating actions, including incorporating contingency (where appropriate) into the strategic and financial plans. We have identified that potential adverse climate change impacts, and our ability to measure and manage them, are key to our strategic planning.

The Executive Leadership Team (ELT) is our highest level of management representing the top of the organisation and all business units.

The ELT is responsible for climate-related matters, including:

· Directing the development and implementation of the E&S policy, which include a section on climate

· Oversight of progress, performance and reporting

· Leading external engagement, advocacy and helping customers.

The ELT's focus on identifying and understanding emerging risks, trends and issues across all of the Group's material risk types, provides better insights to inform decision making. Environmental and social risks, including climate change, are considered within the Bank's Risk Management Framework.

A Non-Financial Risk Committee (NFRC) has been established with representation at an Executive level as well as other senior management roles, with reporting through to the Board Risk Committee,. It operates complementary to the financial Risk Committee to improve the identification, prioritisation and management of non-financial risks. The NFRC focuses on non-financial risks such as climate change, cyber risk, culture, conduct, governance, compliance, operational risk management and accountability that can ultimately have financial impacts. The committee improves CBA's rigour of governance over non-financial risks, elevating the importance of these risks and making them a top priority for the Executive Leadership Team. The Committee assists and advises the Bank's Managing Director and Chief Executive Officer (CEO) on the governance and effective management of the Group's non- financial risks.

As an organisation, we are committed to playing our part in limiting climate change in line with the goals of the Paris Agreement and supporting the responsible global transition to net zero emissions by 2050. We use climate scenario analyses to understand the impacts of both transition and physical climate-related risks in our business and the implications for strategic and tactical portfolio decisions. We have developed strong policy frameworks which consider E&S issues, including climate change impacts in assessing our relationships with customers and suppliers.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Board/Executive board	Non-monetary reward	Behavior change related indicator	The Board is responsible for • E&S Policy & Framework • Reviewing and approving the climate-related disclosures in the Annual Report.
Corporate executive team	Non-monetary reward	Behavior change related indicator	The Executive Leadership Team (ELT) is responsible for directing the development and implementation of ESG policies, including climate, and oversight of progress, performance and reporting on climate. Our senior leaders are also expected to develop and lead a culture of genuine risk ownership, consistent with the Group Risk Appetite Statement.
Environment/Sustainability manager	Monetary reward	Other (please specify) (KPIs linked to the Environmental and Social Framework related activities)	In the context of the Environmental and Social Framework, staff in client facing functions consider climate change risks and opportunities: • By applying the ESG tool to business lending, • Through investment risk management and monitoring, • product development and • Disclosure and climate change advocacy. Activities for 2019-20 include reporting and tracking the reduction of the carbon footprint of our lending and investment portfolios, developing low-carbon and green bond products, and supporting the funding of renewable infrastructure.
Facilities manager	Monetary reward	Emissions reduction target	Across the Group, environmental/sustainability managers as well as operational employees are expected to meet tailored environmental objectives including meeting emissions reduction and/or energy reduction targets. These targets have been set as part of the Group's Property Sustainability Strategy, endorsed by the Executive Leadership Team. This strategy sets out emissions reduction targets for the Group.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as an investment option for all plans offered	The Commonwealth Bank Group Super (fund) is one of Australia's largest corporate funds; with over 72,000 members who are exclusively current and former employees (and spouses) of the Group. The fund trustee believes that climate change presents both risks and opportunities for the fund, and plays an important role in our investment decision-making. The fund continues to develop its framework and approach to climate change; considering how to improve resilience of fund assets, monitor and mitigate climate related risks and invest in opportunities that make a positive impact in this area. The trustee reports against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework, outlining the ways in which they monitor, assess and manage investment related climate risks. The trustee, its Investment Committee and management team oversee the consideration of climate-related risks, including: • investment option and asset class level climate change scenario analysis • country and industry level climate change analysis • carbon analysis across parts of the fund's portfolio • peril (natural disaster) risk analysis across the fund's real assets portfolio • various investment opportunities and discussions with our investment managers on their management of climate change related risks including the mitigation strategies across our real assets portfolio. Climate Change Position Statement available at oursuperfund.com.au/esg.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	As a result of the scenario analysis, we identified a number of strategic responses in the short-term, for example: - Update of our ESG risk assessment tool - Exploration and development of low carbon products and services, and - Client engagement and capacity building. In August 2019, we released the Environmental and Social (E&S) Framework which outlines the minimum requirements we expect of our business, customers and suppliers. Our E&S Framework outlines our commitment to limiting climate change in line with the goals of the Paris Agreement and supporting the responsible global transition to net zero emissions by 2050. We will review our E&S Framework at least every two years to ensure it remains consistent with the rapidly evolving stakeholder expectations. We are currently developing a three-year roadmap to better integrate and consistently embed the E&S Framework into our risk management frameworks and practices, with an initial focus on climate change. Relevant E&S Framework short term commitments include continuously reducing our own Australia-based emissions by investing in smart technologies and practices, for example: • by leasing all new main commercial office spaces, and designing and building all new retail branches with a minimum 5 star Green Star ratings; • maintaining operational performance of all main commercial spaces to a minimum of 4.5 stars as predefined by NABERS Tenancy Energy and NABERS Indoor Environmental Quality; Ensuring our business lending policies support the responsible transition to a net zero emissions economy by, only providing Banking and Financing activity to new oil, gas or metallurgical coal projects if supported by an assessment of the environmental, social and economic impacts of such activity, and if in line with the goals of the Paris Agreement. To ensure consistency with this commitment, all Institutional Bank loans, as well as large loans in other business units, are evaluated through the Bank's compulsory ESG risk assessment process. In addition, project finance loans follow the Equator Principles' comprehensive environmental and social risk management process.
Medium-term	3	5	To better understand potential climate change impacts, risks and opportunities for the Bank, and to build the resilience of our business and our customers, we are taking a phased approach to climate scenario analysis. We prioritise analysis of areas that are material to the Bank and to our customers. The results of our scenario analysis help inform our business and strategy planning. CBA considers climate risks and opportunities in the medium term consistent with Group's 5 year strategy set in May 2018 and reviewed by the Board annually. Financial plans, a component of our business plans, align with the medium term view for climate risks and opportunities. Relevant E&S Framework commitments with a medium-term view include: • Continuously reducing our own Australia-based emissions by investing in smart technologies and practices, for example, by: increasing on-site renewable energy (solar PV) generation capacity to 2MW by 2025. • Supporting and advocating for our stakeholders, including our customers, to transition to a net zero emissions economy and seek balanced risk/reward opportunities to invest in their mitigation and adaptation innovation; including committing $15 billion funding to low carbon projects by 2025.
Long-term	5	35	Scenario analysis is a useful tool for understanding the long term impacts of climate change. The following scenario analysis has been undertaken in recent years: • Transition risks to our business lending portfolio and Australian equity portfolios, and physical risks to our home lending and insurance portfolios. • Physical risk and adaptation opportunities for the Agribusiness portfolio. • Physical risks and opportunities for our building insurance portfolio and home loan portfolio. These consider climate risk through to 2050 or 2060 and are available on p.52 of our FY18 Annual Report, and p.58-60 of our FY19 Annual Report. Out of our scenario analysis, strategic responses have been identified including: - Consideration of business and customer implications, including emerging insurance product needs and climate resilience and adaptation considerations - Exploration of approaches to risk mitigation - Consideration of customer awareness and engagement options - Development of management approach of current and future portfolio in high risk areas - Consideration of asset allocations - Enhancement of the climate change aspects of our ESG risk assessment tool - Exploration and development of low carbon products and services, and - Client engagement and capacity building. Relevant E&S Framework commitments with a long-term view include: • Continuously reducing our own Australia-based emissions by investing in smart technologies and practices, for example, by: sourcing renewable electricity for 100% of our Australian power needs by 2030 in line with our RE100 commitments (As of June 2019, we are sourcing 65% of our national needs from renewable energy). • Ensuring our business lending policies support the responsible transition to a net zero emissions economy by 2050 by, for example, continuing to reduce our exposures to thermal coal mining and coal fired power generation, with the view to exiting the sector by 2030, subject to Australia having a secure energy platform. To ensure consistency with this commitment, all Institutional Bank loans, as well as large loans in other business units, are evaluated through the Bank's compulsory ESG risk assessment process. In addition, project finance loans follow the Equator Principles' comprehensive environmental and social risk management process.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Climate related risks are assessed from a strategic, non-financial and financial impact perspective.

· Strategic risks / strategic impact is assessed based on the following considerations: i) disruptive forces, notably from a macroeconomic, regulatory and competitive perspective, ii) ability to effectively execute on our strategic objectives, and iii) delivery of balanced outcomes for our stakeholders.

· Non-financial risks are evaluated based on likelihood and impact. To determine the severity of a risk impact the following factors are assessed against pre-defined thresholds: financial impact, customer service and operations, reputation / brand, legal/ regulatory compliance, people, customers.

· ESG risks connected to business lending transactions are assessed based on country of operations and over 500 industry sectors. The client's capacity and strategy to manage risks is also considered. Loans with high ESG risk are escalated to senior management for further interrogation and decision. These considerations are key in measuring the financial (credit) risk.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
Annually

Time horizon(s) covered
None of the above/ Not defined

Description of process
Comprehensive policy frameworks Our approach to climate risk management cascades down from our Group level policies via the frameworks for each material risk type, which are documented in the Group's Risk Management Framework. The requirements of these policies and frameworks are translated into sector/ portfolio controls and specific transaction and client level processes that support appropriate consideration of ESG risks in business decisions. In particular, climate change is included as an area of special focus in our Group Environmental and Social Policy, which is underpinned by comprehensive procedure documents that govern and guide implementation across the Group. Climate risk has the potential to create both financial and non-financial impacts for the Group, as its physical and transition impacts have the potential to affect our customers' ability to service and repay their loans, as well as the value of collateral the Bank holds to secure loans. These impacts include long-term changes in climatic conditions, extreme weather events, and the action taken by government, regulators or society more generally to transition to a low carbon economy.

Value chain stage(s) covered

Downstream

Risk management process
A specific climate-related risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Long-term

Description of process
Climate-related scenario analysis on specific portfolios For medium and long-term risks and opportunities and the implications for strategic and tactical portfolio decisions, scenario analysis have been undertaken over the last 2 years to consider: • The transition impacts to our business lending portfolio and Australian equity portfolios • Physical impacts to our home lending, insurance and agribusiness portfolios The timeframe for analysis is to 2050 for transition risk, and to 2060 for physical risk. This is to account for the longer-term timeframe in which physical impacts occur. As a Group, we are using the findings of our analysis to inform the future management of our lending portfolios, including building better tools to manage and monitor our risks. For instance, as a result of our agribusiness analysis we will focus on supporting our customers operating in those areas of Australia that, according to our modelling, will be significantly impacted by climate change. We are also engaging and upskilling our agribusiness teams through training, policies and toolkits, so that they are able to incorporate considerations of climate resilience and adaptation into conversations with our farming customers.

Value chain stage(s) covered
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term

Description of process
ESG assessments for Institutional and Business Lending transactions Climate risk may lead to material financial impacts. Extreme weather events and transitioning to a low carbon economy have the potential to disrupt business activities, affect the value of assets held and our customers' ability to repay their loans on property, businesses and projects. Additional credit risk could arise from the occurrence of stranded assets. Assessing potential transactions for ESG risks, including climate risks, is a key step in our approach to due diligence for business lending. Large loans are subject to an ESG risk assessment before a loan can be priced. The process includes an initial ESG risk assessment based on country of operations and over 500 industry sectors. The overall ESG risk levels are aligned with the Equator Principles' risk categories A, B and C. Additional ESG due diligence is required for transactions with medium or high ESG risks identified in the initial assessment. Bankers are required to identify the key risks and mitigating factors that clients have in place across 9 key focus areas, including carbon and energy, and physical climate risk. These assessments are reviewed and approved by risk executives and senior managers depending on the level of risk. The outputs of these assessments are integrated into the CBA loan decision process, ensuring ESG risk is considered when financing an activity. Carbon emissions of the Group's business lending portfolio have also been assessed and reported since FY14.

Value chain stage(s) covered
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term

Description of process
Colonial First State investment portfolio ESG and carbon risk measurement In the CFS portfolio, a variety of tools to identify, measure and track ESG and carbon risk at the stock level. The identification and consideration of these risks are incorporated into various Investment Policies and Investment Governance Frameworks across CFS as appropriate for the various investment processes in place. We measure the carbon emissions and intensity of our equity investments and portfolios quarterly, and report this to relevant investment committees periodically. Further, ESG risk management policies require the assessment of climate risks in conjunction with business as usual investment reviews. These reviews are conducted annually at a minimum and apply for the relevant expected investment time horizon (from 1 to 20+years). Colonial First State (CFS) Investment Governance Framework and the Responsible Investment Policy drives the integration of ESG in the investment process. This includes the measurement and monitoring of Climate risks. CFS uses MSCI systems and methodology to measure ESG ratings and carbon footprint of all portfolios quarterly and reports to the Board Investment Committee (delegation of the Board) regularly. The Responsible Investment Policy that outlines the approach towards Climate risk is updated periodically.

Value chain stage(s) covered
Direct operations

Risk management process
A specific climate-related risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Short-term

Description of process
We continuously reduce our own Australia-based emissions by investing in smart technologies and practices that support energy efficiency, for example, by: – leasing all new main commercial office spaces, and designing and building all new retail branches with a minimum 5 star Green Star ratings; – maintaining operational performance of all main commercial spaces to a minimum of 4.5 stars as predefined by NABERS Tenancy Energy and NABERS Indoor Environmental Quality; and – transitioning to hybrid and battery powered business-related motor vehicles. To support this, we have set targets to: – source renewable electricity for our 100% of our Australian power needs by 2030 in line with our RE100 commitments; – increasing on-site renewable energy (solar PV) generation capacity, with a target of 2MW by 2025. We monitor performance

against climate-related metrics and targets related to our operations and publicly disclosed annually in our Annual Report.

Value chain stage(s) covered
Upstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term

Description of process
Supplier ESG Risk Management Our supplier governance processes, supplier engagement, and our supplier code of conduct all help us work with suppliers to minimise ESG risks such as human rights and climate change in our supply chain. Responsible procurement training for our procurement staff provides awareness of how these risks can be managed and reduced.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Existing regulation is considered as part of our ESG due diligence process, as regulatory non-compliance carries risks such as penalties and litigation. Further, consideration of current regulation has also been included as part of our scenario analysis. The Group is committed to compliance with environmental legislation relevant in all areas in which we operate. Compliance risks exist in the event the Group fails to comply with its obligations. For example, non-compliance with the Australian Government's National Greenhouse and Energy Reporting (NGER) Scheme could result in financial penalties to the Group as well as negative impacts on reputation.
Emerging regulation	Relevant, sometimes included	We monitor emerging regulation and take it into account as necessary. Emerging regulation changes present a strategic risk to the business with the potential to cause economic loss. This risk is addressed within the Group's Risk Management Strategy (RMS) and managed by the Executive Leadership Team. Further, emerging regulation risks are assessed as part of our scenario analysis. For example, in February 2020 the Australian Prudential Regulation Authority (APRA) announced that they will be seeking to undertake a climate change financial risk vulnerability assessment across Australia's largest financial institutions.
Technology	Relevant, always included	The Group is aware of the market shift towards lower emissions technologies such as renewable energy projects. The Group recognises new innovative technology may disrupt business as usual for organisations dependant on fossil fuels. As a financial institution, we have been supporting the shift in the Australian economy towards low carbon energy alternatives, with a movement in our lending to the energy value chain from coal to renewables. Technological risks and opportunities are assessed as part of our scenario analysis: 1) disruptive technological risks in the transition scenarios for our business lending portfolio and 2) adaptation opportunities in the physical scenarios for our agribusiness portfolios (e.g. rotational grazing using virtual fencing technology).
Legal	Relevant, always included	The Group is committed to compliance with environmental legislation relevant in all areas in which we operate. Compliance risks exist in the event the Group fails to comply with its obligations. For example, non-compliance with the Australian Government's National Greenhouse and Energy Reporting (NGER) Scheme could result in financial penalties to the Group as well as negative impacts on reputation. Legal risks are included in the Group's Compliance Risk Management Framework which sets out standards with respect to the understanding of obligations, establishing policies and procedures, managing non-compliance, monitoring and reporting. Further, legal risks are assessed through scenario analysis.
Market	Relevant, always included	The Group recognises that market rates and prices may change due to climate-related risks and that this may have an adverse effect on the profitability and/or net worth of the Group. Commodity prices, such as for fossil fuel goods, may vary as a result of change in consumer demand and technology. In response, CBA continues to focus on achieving our Low carbon project funding target of $15 billion by 2025. As at 30 June 2019 we have $5.1 billion committed exposure to low carbon projects. Business disruption and property damage due to physical climate impacts could affect the value of property as well as the ability of customers to repay their loans. Market risks are assessed through scenario analysis and the Group Market Risk Policy. Upstream market risks Upstream climate-related risks identified include goods and services utilised by Group operations not supporting a low carbon economy. This may put security of supply of goods (or utilities) at risk or may increase supply costs. To manage this risk the Group has included climate-related considerations in contracts of upstream suppliers, for example fuel efficiency is considered in contracts for the Group's car fleet. Upstream risks are assessed through scenario analysis.
Reputation	Relevant, always included	Reputational risk arises from negative perceptions towards CBA, held by customers, counterparties, shareholders, investors, debt holders, market analysts, regulators and other relevant stakeholders of the Group. There is a potential reputational risk associated with stakeholders' perception of how the Group is responding to climate change. Reputational risk is addressed within the Group's Risk Management Strategy (RMS) and managed by the Executive Leadership Team. To enhance the visibility of CBA's engagement in sustainability and climate change related matters, the Group includes climate-related disclosures in its Annual Report, annually, Since 2015, we have reported the assessed emissions of our business lending portfolio. In addition, We report clearly and openly on how we manage climate-related risks, and track our performance over time, keeping our stakeholders informed by providing regular and transparent disclosures in line with the Taskforce on Climate-related Financial Disclosures; and providing relevant information to leading indices and initiatives.
Acute physical	Relevant, always included	Acute physical risks, such as increased severity of extreme weather events, have been identified by the Group as a climate-related risk which carries operational risks such as disruption in business activities, security of supply for goods and services used by the Group as well as damages in occupied real estate. Acute physical risks also affect the value of investments as well as our lending portfolio customers' ability to repay their loans on property, businesses and projects. This risk is assessed through scenario analysis. For example, in our FY18 climate scenario analysis we tested the impacts of perils such as inundations, inland or riverine flooding, wind/cyclones and bushfires on our home lending and building insurance portfolios. Downstream acute physical risks We have developed an ESG Risk Assessment Tool (incorporated into our pricing tool) that is integral to the business lending decision process. The tool includes assessment of climate risk, as well as other social and governance risks. This ESG risk assessment helps the Group covers downstream risks to the business such as credit risks from clients' ability to repay loans, as well as risk of stranded assets across our investment portfolio. Our employees have been trained in ESG fundamentals and how to apply the ESG Risk Assessment Tool and for those involved in project finance, training on the Equator Principles. This training supports our employees to work with customers to identify and mitigate ESG risks.
Chronic physical	Relevant, always included	Chronic physical risks, such as changes in temperature extremes, have been identified by the Group as a climate-related risk and assessed through scenario analysis, with the potential to impact our downstream value chain. To understand the potential credit implications of the physical impact of climate change, we analysed the annual average loss in our home lending portfolio associated with incremental changes in climate, such as increasing temperatures and sea level rise. Our modelling completed in FY18 shows that coastal inundation losses could increase by 71% by 2060. In FY19 we also analysed the long term climate related factors that could impact the grains, livestock and dairy sectors, representing approximately 65% of our Australian agribusiness portfolio. This analysis identified the impacts to productivity and the potential adaptive measures for each agricultural sector. We are using the findings of our analysis to inform the future management of our agriculture portfolio, including building better tools to manage and monitor our risks. We will focus on supporting our customers operating in those areas of Australia that, according to our modelling, will be significantly impacted by climate change. We are also engaging and upskilling our agribusiness teams through training, policies and toolkits, so that they are able to incorporate considerations of climate resilience and adaptation into conversations with our farming customers.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	Climate-related risks and opportunities are assessed for the business lending portfolio at least once a year, in two ways: • The Energy Value Chain – monitoring and reporting on how the energy portfolio is transitioning away from coal and toward renewables. • Assessed Financed emissions – monitoring and reporting the decarbonising of the business lending book. Visibility over this is provided to senior management and the Board. Further, targeted scenario analysis is performed in a prioritised fashion to assess climate-related physical and transition risks and opportunities. So far this has included Transition risk analysis conducted across the whole business portfolio in FY18 and physical risk analysis across the Agribusiness portfolio in FY19.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Colonial First State Investments Limited (CFSIL) – a wholly owned subsidiary of CBA - assesses climate-related risk and opportunities across its portfolio, in line with its Responsible Investment Policy. Assessments are conducted on the equity allocations of the CFSIL Assets under Management (AuM) (which is approximately 60% of the total AuM), utilising MSCI ESG data and methodologies. This includes regular assessments of the inherent risk both historically carbon emissions footprint (tCO2e/$100,000) and weighted average carbon intensity (tCO2e/USD$M sales) and forward looking metrics (low carbon transition and emissions management scores) and report this through to the Board Investment Committee regularly. This analysis is performed at two levels: the aggregated portfolio level, and the individual product portfolio level.
Insurance underwriting (Insurance company)	Yes	Commonwealth Insurance Limited (CIL) - a wholly owned subsidiary of CBA – sets out its risk management principles within its Risk Appetite Statement (RAS). These include seeking to avoid concentrations of high risk exposures. In the context of ongoing climate change, CIL has limited appetite for concentration risk arising from natural perils. To manage this, CIL monitors risk indicators including concentration, growth and exposure for flood, bushfire and cyclone risk. These indicators are captured both at a portfolio and localised level.
Other products and services, please specify	Please select	

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Majority of the portfolio	Qualitative and quantitative	Business Lending portfolio We regularly look at the climate risks and opportunities across the whole business lending portfolio level in two ways; • The Energy Value Chain – to monitor and report how the energy portfolio is transitioning away from coal and toward renewables. • Assessed Financed emissions – to monitor and report the decarbonising of the business lending book. Both sources highlight opportunities for action. This is reported in the Climate disclosures chapter of the annual report (see FY19 Annual Report page 62-63). In addition, scenario analysis is performed on priority portfolios. So far this has included Transition risk analysis conducted across the whole business portfolio in FY18 and physical risk analysis across the Agribusiness portfolio in FY19. Retail Lending Portfolio In FY18 we undertook physical risk scenario analysis of our retail lending portfolio. The analysis modelled the expected impacts on damage and loss to properties at an aggregate level due to perils over time for our home loan portfolio, and exposure concentrations. (See FY18 Annual Report page 51-54.)
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Majority of the portfolio	Quantitative	Colonial First State Investments Limited (CFSIL), a wholly owned subsidiary of CBA, conducts analysis of climate-related risks across the equity allocation of Assets under Management (representing approximately 60%) using MSCI data and methodologies. Historically, the focus of this analysis has been on calculating the carbon emissions and emissions intensity of this portfolio in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2019 we also started assessing CFSIL portfolios for carbon-related assets (looking at the weight invested in the most carbon-intensive sectors) and reporting forward looking metrics such as low carbon transition scores (as defined by an external ESG service provider). CFSIL's investments are managed by external investment managers, and CFSIL assesses the inherent climate-related risk and opportunities within the aggregate portfolio of each manager at the selection and appointment stage, and on an ongoing basis. Further, CFSIL is currently seeking a third party to conduct regular scenario analysis and stress testing across both transitional and physical climate risks for its portfolios.
Insurance underwriting (Insurance company)	All of the portfolio	Qualitative and quantitative	Commonwealth Insurance Limited (CIL), a subsidiary of CBA, monitors risk indicators including concentration, growth and exposure for flood, bushfire and cyclone risk. These indicators are captured both at a portfolio and localised level. In addition, physical risk scenario analysis was conducted in FY18 on the potential impacts on insurance claims and affordability of insurance for the building insurance policies of our General Insurance portfolio. More information is available on pages 51-54 of the 2018 Annual Report.
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	All of the portfolio	In August 2019, we released the Environmental and Social Framework which outlines the minimum requirements we expect of our business, customers and suppliers and includes, amongst other items, the standards we apply considering biodiversity impacts, including water scarcity. To ensure consistency with this commitment, all Institutional Bank loans, as well as large loans in other business units, are evaluated through the Bank's compulsory ESG risk assessment process. In addition, project finance loans follow the Equator Principles' comprehensive environmental and social risk management process. In addition, climate-related scenario analysis is performed on priority portfolios, including the risks of exposure to flooding, storms, drought and sea-level rise. So far this has included physical risk analysis across the home lending portfolios in FY18 and the Agribusiness portfolio in FY19.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	<Not Applicable>	In August 2019, we released the Environmental and Social Framework which outlines the minimum requirements we expect of our business, customers and suppliers and includes, amongst other items, the standards we apply considering biodiversity impacts, including water scarcity. We do not currently conduct water-related risk and opportunity analysis of our portfolios.
Insurance underwriting (Insurance company)	Yes	All of the portfolio	In August 2019, we released the Environmental and Social Framework which outlines the minimum requirements we expect of our business, customers and suppliers and includes, amongst other items, the standards we apply considering biodiversity impacts, including water scarcity. Commonwealth Insurance Limited (CIL), a wholly owned subsidiary of the Group, regularly monitors risk indicators including concentration, growth and exposure for flood and cyclone risk. These indicators are captured both at a portfolio and localised level. In addition, climate-related scenario analysis was performed on the building policies within the General Insurance portfolio in 2018, including the risks of exposure to flooding, wind/cyclone, bushfire, soil contraction and sea-level rise.
Other products and services, please specify	Please select	<Not Applicable>	

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, we don't assess this	<Not Applicable>	In August 2019, we released the Environmental and Social Framework which outlines the minimum requirements we expect of our business, customers and suppliers and includes, amongst other items, the standards we apply to the agriculture, forestry and fisheries sectors. To ensure consistency with this commitment, all Institutional Bank loans, as well as large loans in other business units, are evaluated through the Bank's compulsory ESG risk assessment process. In addition, project finance loans follow the Equator Principles' comprehensive environmental and social risk management process.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	<Not Applicable>	In August 2019, we released the Environmental and Social Framework which outlines the minimum requirements we expect of our business, customers and suppliers and includes, amongst other items, the standards we apply to the agriculture, forestry and fisheries sectors.
Insurance underwriting (Insurance company)	No, we don't assess this	<Not Applicable>	In August 2019, we released the Environmental and Social Framework which outlines the minimum requirements we expect of our business, customers and suppliers and includes, amongst other items, the standards we apply to the agriculture, forestry and fisheries sectors.
Other products and services, please specify	Please select	<Not Applicable>	

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	We have developed an ESG Risk Assessment Tool (incorporated into our pricing tool) that is integral to the business lending decision process. The tool includes assessment of climate risk, as well as other social and governance risks. This ESG risk assessment involves understanding how our customers are managing ESG risk, including the physical and transition impacts of climate change. A Project Steering Group oversees monitoring and continuous improvement of this tool.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	During the manager selection process for equities currently, the Responsible Investment team conducts high level carbon emissions analysis of the shortlisted managers for new recommendations. This includes Carbon Emissions, Average Weighted Carbon Intensity and Low Carbon Transition scores. CFSIL also periodically conducts a Manager Research Survey. As part of this survey we ask for a breakdown of the climate risk understanding, assessment and implementation conducted by new fund managers.
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	In response to the climate scenario analysis undertaken in FY18, the following strategic responses were identified: • Consider business and customer implications and emerging insurance product needs • Explore approaches to risk mitigation Consider customer awareness and engagement options
Other products and services, please specify	Please select	

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

Company-specific description

Increased litigation related to identifying, managing and disclosing climate-related risks and opportunities.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Potential (estimated) cost of climate-related litigation claims, on the basis of historical costs.

Cost of response to risk

500000

Description of response and explanation of cost calculation

• Identification of climate risks and opportunities through scenario analysis • Incorporation of climate into risk management, strategy and governance processes We have a comprehensive set of policy frameworks that govern our approach to climate risk management. The Risk Management Strategy documents the Group's key risk management practices across all major risk classes. Additionally, our ESG training (ESG Fundamentals and the ESG Risk Tool) includes climate risk – physical and transition – to help identify the risks, as well as suggestions on the type of evidence that clients should provide. This approach is aimed to enhance risk identification and governance to reduce likelihood of climate-related litigations affecting our business. We estimate the cost to manage this risk as the cost of the central team overseeing climate change risk. This estimate does not include the distributed effort across the different business and support units to monitor and manage this risk on a transaction and portfolio basis.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
Market risk

Company-specific description
Change to sectoral lending and investment exposures due to change in demand for customers' commodities e.g. coal

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1500000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
This is our total committed exposure (TCE) to coal mining and generation in FY19 Energy Value Chain. TCE is the balance outstanding and undrawn components of committed facility limits. It is calculated before collateralisation and excludes gross settlement exposures on derivatives.

Cost of response to risk
500000

Description of response and explanation of cost calculation
Scenario analysis looking at transition risks and opportunities across all sectors of the economy. The results of the scenario analysis inform our strategic management decisions, including our business lending decisions. For example, as a result of this analysis, we are focusing our management of transition risks into enhancing our approach to sustainable finance. In FY19 our lending exposure to low carbon projects grew to $5.1 billion (against a target of $15bn by 2025), reflecting our expertise in this market. We estimate the cost to manage this risk as the cost of the central team overseeing climate change risk. This estimate does not include the distributed effort across the different business and support units to monitor and manage this risk on a transaction and portfolio basis.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Other, please specify (Customer viability / business continuity)

Climate risk type mapped to traditional financial services industry risk classification
Credit risk

Company-specific description
Increased severity and frequency of extreme weather events such as cyclones and floods has been identified by the Group to have a potential substantial financial impact on the business. These events could impact business continuity and/or viability and therefore, loan serviceability. This poses a credit risk to the Group.

Time horizon

Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
52300000

Potential financial impact figure – maximum (currency)
5230000000

Explanation of financial impact figure
The financial implication of increased severity of extreme weather events relates to loan serviceability (credit risk) when businesses and communities are impacted by weather related natural disasters. We have estimated the part of our current portfolio which may be high risk, where this is located and how it could change over time. We have considered high risk to be properties where the increase in insurance costs from 2018 because of climate change have the potential to create financial strain for customers and their property values. High risk properties make up only 0.01% of our portfolio (by outstanding balance) in 2020 and could rise to be around 1% in 2060 if there are no changes in the way we lend in these areas. FY19 value of our outstanding home lending portfolio was $522,942 million (see page 47 of FY19 Annual Report). The 0.01%-1% estimate represents our current and potential future exposure to high risk properties $52.3m-$5.23b.

Cost of response to risk
500000

Description of response and explanation of cost calculation
Our approach to identifying and managing the physical climate-related risks to our retail and business lending includes scenario analysis which will then inform our strategic management response. Our ESG risk assessment tool has been updated for physical risk considerations. For our residential and small business customers, the Group provides support through our Disaster Relief and Hardship programs. These include emergency financial packages such as grants, repayment deferrals and on the ground support including providing access to cash. It is important for the Bank to consider the impacts and risks of physical climate changes on our customers as well as our insurance and residential lending portfolios. We will continue to develop our understanding of physical climate change and the locations and types of properties most affected by climate risk. Based on these learnings, we will build our capability to effectively respond, develop and implement business rules (such as maximum loan to valuation ratios or loan conditions) to protect both our customers and the Bank. We estimate the cost to manage this risk as the cost of the central team overseeing climate change risk. This estimate does not include the distributed effort across the different business and support units to monitor and manage this risk on a transaction and portfolio basis.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Upstream

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
The Group has committed to sourcing renewable energy for 100% of our Australian power needs by 2030 in line with our RE100 commitments to source 100% of electricity from renewables. In addition, we have installed solar panels at 66 sites Australia-wide as at 30 June 2019.

Time horizon
Long-term

Likelihood
Virtually certain

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
120000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Annual savings from solar PV across 17 CBA and 2 BW retail sites. Cost savings is based on actual utility invoices and current electricity contracts.

Cost to realize opportunity
540000

Strategy to realize opportunity and explanation of cost calculation
Seeking and implementing initiatives to improve the energy performance and support transition to renewables in our own operations, led by our Property management group. For example, we have solar panels at 66 locations across Australia as at 30 June 2019. Costs to realize this opportunity have been calculated on the basis of total project cost for solar PV installation across 17 CBA and 2 BW sites in FY19. We have commenced sourcing renewable energy through a renewable PPA which was negotiated during FY18, providing 65% of Australian electricity as at 1 January 2020 and 100% of Australian electricity at 30 June 2020.

Comment
Our employees, customers and the wider community can view the performance of this network through our real-time public portal cbasolarpower.com.au.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
The Group notes an increasing demand for low emission energy sources in the market, as part of a transition to a net zero emissions economy. This demand has provided opportunity to lend to the renewable energy market in support of this transition, through committing to provide $15 billion of funding for Low Carbon Projects by 2025.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
15000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Low carbon project funding target of $15 billion by 2025. Eligible projects include renewable energy, 6-star rated commercial green buildings, energy efficiency and low carbon transport.

Cost to realize opportunity
400000

Strategy to realize opportunity and explanation of cost calculation
To support the transition to a net zero emissions economy, in 2017 we set a Low Carbon Target to make $15 billion of funding available to Low Carbon Projects by 2025. Eligible projects include renewable energy, 6-star rated commercial green buildings, energy efficiency and low carbon transport. In February 2019, we released the Green Social and Sustainability Funding (GSSF) Framework outlining the governance and asset eligibility criteria for Sustainable Funding Instruments issued by CBA. A Project Steering Group was established to support the governance of the GSSF Framework with additional personnel costs required through the data capture and assurance process in tracking this target. The cost estimate also includes a cost estimate for the external assurance process.

Comment
We support and advocate for our stakeholders, including our customers, to transition to a net zero emissions economy and seek balanced risk/reward opportunities to invest in their mitigation and adaptation innovation. We do this by: – making $15 billion of funding available to Low Carbon Projects by 2025.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Changing consumer behaviour and increased demand for low carbon products provides the Group with the opportunity to develop and issue products such as climate bonds or low carbon funds. Further, recently we provided a sustainability-linked loan to Queensland Airports Limited (QAL) that supports their goal of reducing carbon emissions. QAL will receive a lower interest rate on the loan if it meets its carbon reduction targets. The financing is the first in Australia to be directly linked to a reduction in a borrower's carbon emissions.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
475000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
In July 2019, we provided $150 million of debt funding to Queensland Airports Limited (QAL) for the Gold Coast Airport redevelopment, with $75 million provided in the form of a sustainability linked loan. A second $400 million three-year bilateral sustainability linked loan with Wesfarmers in March 2020.

Cost to realize opportunity
400000

Strategy to realize opportunity and explanation of cost calculation
Sustainability linked loans tie a borrower's cost of funding to their ESG performance. The intent is to connect capital to with borrowers' commitment to making a positive impact that will strengthen ties with stakeholders and the broader community. The cost calculation is based on an estimate of two roles focused on sustainable finance offerings such as sustainability linked loans.

Comment
We are addressing climate change by supporting our customers and people in the transition to a low carbon economy. We support and advocate for our stakeholders, including our customers, to transition to a net zero emissions economy and seek balanced risk/reward opportunities to invest in their mitigation and adaptation innovation.

Identifier
Opp4

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
In May 2019 we announced a new reward scheme for energy efficient home owners, known as the Green Mortgage initiative as a pilot.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
2000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

During the pilot period, over 4,000 customers took up the $500 cash-back offer.

Cost to realize opportunity
2000000

Strategy to realize opportunity and explanation of cost calculation
To help home loan customers benefit from more affordable and sustainable energy, the Retail Banking Services division ran a pilot in 2019 offering $500 cash-back to customers with an installed and certified solar PV system of five kilowatts (kW) or greater. The cost estimate is based on over 4,000 customers taking up the $500 cash back offer.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?
Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
DDPP RCP 4.5 RCP 8.5 Other, please specify (IEA 2DS, IEA 4DS)	We have undertaken a phased approach to climate scenario analysis at a portfolio level. A detailed description of inputs, assumptions, methodologies, outputs, implications and next steps are outlined on p.50-56 of our FY18 Annual Report (AR), and on p.58-60 of our FY19 AR. In FY18, three climate scenarios were modelled, two aligned to a two-degree ambition and one a three-degree ambition. All scenarios included the use of the Deep Decarbonisation Pathways Project as the reference scenario for our transition analysis. For our physical risk analysis, we used the RCP4.5 and RCP 8.5 reference scenarios. In addition, the Global Coordination scenario used IEA 2DS as a reference scenario and the Policy Inertia scenario used IEA 4DS. Out of model adjustments relate to carbon price; international energy demand; domestic energy use; carbon offset market activity; materials efficiency; and new business models. The timeframe for analysis is to 2050 for transition risk, and to 2060 for physical risk, to account for the longer-term timeframe in which physical impacts occur. Transition risks analysis of our business lending portfolio shows that a significant majority (97%) of our business lending portfolio sits within sectors that continue to grow under all scenarios. There is a small portion of our portfolio – less than 2% - which sits in sectors that contract under all scenarios. And the remainder of our portfolio (1%) sits across sectors which grow under one or two scenarios and decline under other scenarios. We have incorporated the transition risk analysis results into our client-level due diligence process, with an initial focus on carbon-intensive sectors. We incorporate relevant questions into the process to allow us to understand their exposure and strategy to respond to climate risk. This helps us to determine our clients' resilience and inform our lending decisions. Two sectors which contract under all scenarios, and identified as climate-sensitive, are coal-powered electricity and coal mining. In August 2019 we released our Environmental and Social Framework, including a commitment to continue to reduce our exposures to thermal coal mining and coal fired power generation, with the view to exiting the sector by 2030, subject to Australia having a secure energy platform. Physical risk analysis undertaken in FY18 on our home-lending and insurance portfolios modelled the expected impacts on property damage and loss over time and the expected insurance premium cost impacts over time. The impact of climate change for five perils were considered: coastal inundation, soil contraction, inland flooding, wind (cyclone) and bushfire. Using the estimated annual average losses to customers from physical risks and the percentage of the portfolio considered high risk due to the expected insurance premium rise. An example of a strategic responses taken is the continuing focus on supporting sector-wide initiatives that enhance climate resilience and reduce disaster risk, including through our membership of the Climate Change Action Committee within the Insurance Council of Australia. Physical risk analysis undertaken in FY19 on grains, livestock and dairy agriculture portfolios modelled the expected impacts to productivity and subsequently profitability, along with the potential adaptive measures available to mitigate. Using the profitability and productivity impacts, we were able to estimate how climate change could affect the credit risk metrics of our existing agribusiness customers. We are using the findings of our analysis to inform the future management of our agriculture portfolio, including building better tools to manage and monitor our risks. We will focus on supporting our customers operating in areas that will be significantly impacted by climate change, and upskilling our agribusiness teams to incorporate considerations of climate resilience and adaptation into conversations with our farming customers.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	We are committed to playing our part in limiting climate change in line with the goals of the Paris Agreement and supporting our customers, communities and the business transition to a low carbon economy and net zero emissions by 2050. In August 2019 we released our E&S Framework, replacing our previous ESG Lending Commitments, Climate Policy Position Statement, and Environment Policy. The public E&S Framework supports our internal E&S Policy. It outlines the minimum requirements we expect of our business, customers and suppliers and includes the standards we apply to the fossil fuel-related sector. For example, we are committed to supporting our stakeholders, including our customers, to transition to a net zero emissions economy and seek opportunities to invest in mitigation and adaptation, by making $15 billion of funding available to Low Carbon Projects by 2025. We are a signatory to the Equator Principles and use the standards they set to assess, mitigate, manage and monitor ESG risk for project finance loans. Other business loans are assessed under our own ESG policies, systems and processes. To ensure consistency with our E&S commitments, we apply a compulsory ESG risk assessment process for all Institutional Bank loans, and for large loans in other business units, integrated into the pricing tool. The process includes an initial ESG risk assessment and consideration of the client's capacity and strategy to manage risks; with additional due diligence required and/or escalation to senior management where medium/high ESG risks are identified. Our CFS business integrates ESG risks and opportunities into the investment process; governed by a Responsible Investing Framework and in a manner consistent with delivering long-term investment outcomes for customers and clients. Some segments of our portfolios will be increasingly impacted by climate change e.g. properties/assets in high risk areas for climate impacts; carbon intensive sectors such as coal; opportunities around sustainable finance e.g. low carbon transport, renewable energy, green buildings. Further, certain investment strategies are more impacted than others depending on asset class and underlying portfolio holdings/asset types. This is measured by carbon footprinting, transition risk and physical scenario analysis.
Supply chain and/or value chain	Yes	The Group measures its environmental footprint and we are committed to complying with, or exceeding, the requirements of environmental legislation relevant in all areas in which we operate. • We continue to embed the management of E&S risks and opportunities within our supply chain, within the activities of our procurement staff and buyers. This has included enhancing their E&S capability through a responsible procurement training module which details the E&S risks that can exist in supply chains and the processes for mitigating or managing these risks. • We continue to identify E&S risks within our supply chain through spend categories assessments. We assess for the presence of E&S risk, likelihood of occurrence and presence of mitigations and controls. • We are assessing the climate impacts associated with our lending and insurance portfolios through scenario analysis, and incorporating these results into our client-level due diligence process. Further, we expect that suppliers to the Group will: ● Meet all relevant local and national environmental protection laws, regulations and standards as well as strive to comply with international environmental protection standards ● Actively manage the environmental impact of their operations, and take responsibility for minimising the negative impact of their product and services throughout their lifecycle ● Establish environmental targets and report regularly in the public domain on progress towards these ● Have an Environmental Management System (EMS) aligned to ISO 14001, or plan, to identify and manage environmental risks (such as energy usage, water usage, waste and emissions) ● Have suitable sustainable certification related to the primary materials in their product (e.g. sustainable forestry certification for paper products) ● Have reporting capability on energy consumption and greenhouse gas emissions
Investment in R&D	Yes	The Group continuously scans and identifies gaps in the market for low-carbon products and investment opportunities. Aware of the opportunity for business development, the Group has developed and offers low-carbon ethical superannuation funds, and green bond investment fund. Specifically, customer testing identified gaps in the superannuation product investment menus and retail distribution team product strategy which has been filled by identifying an institutional green bond investment manager, whom we have developed a distribution partnership with.
Operations	Yes	In August 2019, we released our Environmental and Social Framework which outlines our minimum standards, targets and commitments in regards to climate change. This includes: • Continuously reducing our own Australia-based emissions by investing in smart technologies and practices, for example, by: sourcing renewable electricity for 100% of our Australian power needs by 2030 in line with our RE100 commitments.. • Supporting and advocating for our stakeholders, including our customers, to transition to a net zero emissions economy and seek balanced risk/reward opportunities to invest in their mitigation and adaptation innovation, by making $15 billion of funding available to Low Carbon Projects by 2025. • Ensuring our business lending policies support the responsible transition to a net zero emissions economy by 2050. For example, by continuing to reduce our exposures to thermal coal mining and coal fired power generation, with the view to exiting the sector by 2030, subject to Australia having a secure energy platform. • Reporting regularly on key metrics in order to measure our progress and hold ourselves accountable to our stakeholders with regard to climate risks and opportunities; including within our FY19 Annual Report, available here: https://www.commbank.com.au/about-us/investors.html

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	Revenues We continue to expand our exposure to sustainable financing including climate bond arrangements, renewable energy, low carbon transport and energy efficient buildings, with a $15 billion Low Carbon Project funding target by 2025. For CFS, current product revenues are not expected to be majorly impacted, and new products with new sources of revenue are being developed. Operating costs Additional analysis and data collection requirements are adding increasing operational costs in legal, research, analysis and data subscription fees to some areas of the business. Rising electricity prices are relevant to our facility operations and have been factored into our financial planning for operating costs. The Group closely manages its electricity consumption through robust data management processes such as Envizi. In response to this risk, and to recognise the opportunity of costs savings associated with reducing electricity consumption, we: – have committed to sourcing renewable electricity for 100% of our Australian power needs by 2030 – as at 30 June 2019 we have reached 65% of this target; - are increasing on-site renewable energy (solar PV) generation capacity to 2MW by 2025: So far we have installed solar panels at 66 sites Australia-wide to reduce exposure to fluctuating market electricity prices. The payback period of these solar panels is 4.5 years; - are leasing all new main commercial office spaces, and designing and building all new retail branches with a minimum 5 star Green Star ratings; and - have committed to maintaining operational performance of all main commercial spaces to a minimum of 4.5 stars as predefined by NABERS Tenancy Energy and NABERS Indoor Environmental Quality. Capital expenditures/capital allocation The Group has allocated capital towards the implementation of our Sustainable Property Strategy 2016-2020. This Strategy includes a commitment to generating our own electricity at our retail branches, and as such we have now installed more than 1,105kW of solar panels across 66 sites in Australia. The impact in terms of the environmental benefits and financial savings from retail operations is significant, with some sites producing up to 40% in energy savings and 60% in cost savings. Up to the end of FY19, the solar panels have saved more than 3,200 tonnes CO2. The real time solar panel portal can be accessed at: http://cbasolarpower.com.au Acquisitions and divestments Whilst climate is not a driving factor in acquisition or divestment processes, the Group has identified, assessed and continuously manages climate change risks of our key portfolios. We continue to monitor and manage climate related risks and opportunities for our investments and insurance business, although both the CFS and General Insurance businesses have been under strategic review for possible divestment. The Group strategy is a 5 year strategy set in May 2018 and reviewed annually. Access to capital Environmental, social and corporate governance (ESG) investing is becoming an increasingly important consideration in the investment decision making process among institutional investors, asset owners and for some retail customers and shareholders. To support the allocation of capital toward a sustainable economy and CBA's role in the sustainable finance market, CBA developed a GSSF Framework (https://www.commbank.com.au/content/dam/commbank-assets/about-us/docs/green-framework.pdf). More information on how/where this sustainable finance is provided, is included in the Climate Bond Annual Impact Report https://www.commbank.com.au/content/dam/commbank-assets/about-us/2019-06/cba-2022-climate-bond-annual-impact-report-june-2019.pdf. Assets Most of the Group's assets are financial assets, over 75% of which are loans to customers. We have been supporting the shift in the Australian economy towards low carbon energy alternatives, with a significant movement in our lending to the energy value chain from coal towards renewables; as at 30 June 2019 our exposure to renewables is $3.6 billion. Further, we have committed to funding $15 billion in Low Carbon Projects by 2025; and arranged $1.8 billion of climate bonds in FY19. The Group does not own a material number of physical assets and we have not identified any relevant climate-related risks and opportunities which impact the financial planning related to these. Our operations efficiency initiatives and opportunities (e.g. solar panels and PPA) relate to buildings and fleet vehicles which are all leased. Liabilities The Group has not identified any significant climate-related risks and opportunities which may significantly impact our financial planning related to our liabilities at this stage. However, in FY18 we conducted scenario analysis on our building insurance policies in our General Insurance portfolio in terms of physical climate risk. This showed that only a small proportion of properties in high risk locations and with vulnerable characteristics are projected to experience a significant increase in impacts that may lead to difficulties in customers servicing their loans (creating a liability risk for CBA). Such impacts include increases in potential impacts on insurance claims and affordability of insurance. . Annual average losses (under the high emissions (RCP 8.5) scenario) to customers across our home lending portfolio are expected to increase by 27% by 2060 - this is less than 1% per annum; and high risk properties make up only 0.01% of our portfolio, rising to just 1% in 2060 if there are no changes in the way we lend in these areas. Based on these learnings we are building our capability to effectively respond, develop and implement business rules (such as maximum loan to valuation ratios or loan conditions) to protect both our customers and the Bank from risks associated with climate change. The expected impact of climate change may compound the existing issue of insurance affordability in areas with high risk of severe weather events. To counter this threat, we will consider the most effective approaches to mitigating against physical climate change risks. This will include consideration of our products and services through which there may be opportunities to assist or incentivise customers to make home resilience improvements, and advocating on their behalf for governments to invest in mitigation measures to respond to community level risks.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.2

(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.2a

(C-FS3.2a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy Risk policy	Majority of the portfolio	The Group is a major provider of non-retail loans. A key step in due diligence for non-retail lending is the assessment of potential transactions for environmental, social and governance (ESG) risks, including climate risk, through our ESG Risk Assessment Tool. All Institutional Banking and Markets loans, as well as large loans in other business units, are evaluated through the Group's compulsory ESG risk assessment process. The risk of climate change is assessed at origination and during the annual review process. Exposures with medium or high risk profiles are subject to additional due diligence and heightened consideration and assessment in the credit process. As at 30 June 2019, there is considered to be no material risk of loss due to climate-related risk in our client exposures. Climate related issues are integrated in the Overall Risk Framework (Risk Appetite Statement and Risk Management Strategy)
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Sustainable/Responsible Investment Policy	All of the portfolio	The purpose of the Responsible Investment Policy (RI Policy) is to guide the Registrable Superannuation Entity Trustee (RSE Trustee) and Responsible Entity (RE) on Colonial First State Investments Limited's (CFSIL's) approach to Environment, Social and Governance (ESG) risks and opportunities and its stewardship activities. The Policy reflects the requirements of Financial Services Council (FSC) standard 20, section 10, 11, regulatory requirements of Australian Securities and Investments Commission (ASIC) RG 65, section 1013DA and Australian Prudential Regulation Authority (APRA) SPG 530, para 1, 34-36. The Responsible Investment Policy: - Defines environmental, social, governance, climate risks and ethical issues; - Highlights beliefs and principles to which CFSIL manages these risks in both capacities (RSE and RE); - Outlines CFSIL's approach to implementing these principles in managing these risks; - Stewardship activities including proxy voting, engagement and exclusions.
Insurance underwriting (Insurance company)	Risk policy Other, please specify (Commonwealth Insurance Limited Pricing Policy)	All of the portfolio	Climate related issues are integrated in the Overall Risk Framework (Risk Appetite Statement and Risk Management Strategy) and in the pricing policy.
Other products and services, please specify	Please select	Please select	

C-FS3.2b

(C-FS3.2b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
All fossil fuels	Bank lending	New business/investment for new projects	We ensure our business lending policies support the responsible transition to a net zero emissions economy by 2050, by: only providing Banking and Financing activity to New oil, gas or metallurgical coal projects if supported by an assessment of the environmental, social and economic impacts of such activity, and if in line with the goals of the Paris Agreement.
Coal	Bank lending	New business/investment for new projects	We ensure our business lending policies support the responsible transition to a net zero emissions economy by 2050, by: continuing to reduce our exposures to thermal coal mining and coal fired power generation, with the view to exiting the sector by 2030, subject to Australia having a secure energy platform.
Oil & gas	Bank lending	New business/investment for new projects	We ensure our business lending policies support the responsible transition to a net zero emissions economy by 2050, by: • only providing Banking and Financing activity to New oil, gas or metallurgical coal projects if supported by an assessment of the environmental, social and economic impacts of such activity, and if in line with the goals of the Paris Agreement. • recognising and supporting gas as a transition fuel, while working with our customers in accordance with our own climate scenario analysis, which is informed by the Intergovernmental Panel on Climate Change's guidance; and we do not provide project finance for the mining, exploration, or development of oil sands, or for oil and gas exploration and development in the Arctic.

C-FS3.3

(C-FS3.3) Are climate-related issues factored into your external asset manager selection process?

Yes, for some assets managed externally

C-FS3.3a

(C-FS3.3a) How are climate-related issues factored into your external asset manager selection process?

	Process for factoring climate-related issues into external asset management selection	Comment
Row 1	Review asset manager's climate-related policies Use of external data on asset managers regarding climate-related risk management	As part of the fund manager selection process, CFSIL's responsible investment team requests any documentation regarding climate change policy, practices and case studies. While it is not mandatory as part of the data collection, it is encouraged and enables the responsible investment team to build a holistic picture of the manager base. Analysis of Carbon metrics to measure risks is also conducted for equity portfolios using MSCI systems and methodology. This includes Carbon Emissions, Average Weighted Carbon Intensity and Low Carbon Transition scores.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2016

Target coverage
Country/region

Scope(s) (or Scope 3 category)
Scope 1

Base year
2009

Covered emissions in base year (metric tons CO2e)
10931

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
83.72

Target year
2020

Targeted reduction from base year (%)
52.7

Covered emissions in target year (metric tons CO2e) [auto-calculated]
5170.363

Covered emissions in reporting year (metric tons CO2e)
6370

% of target achieved [auto-calculated]
79.1752717624804

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
This target relates to the Australian operations of CBA. The ‘covered emissions in base year as % of total base year emissions’ figure is calculated over the total base year emissions for the Group for Australian operations (i.e. CBA and Bankwest). CBA Scope 1 2020 target. Following the Bank's successful 20% reduction target achieved in 2013, the Bank set a new Scope 1 emissions target for FY20. During FY19, we reduced our Scope 1 emissions by 1.8% and remain on track to meet and exceed our 2020 target.

Target reference number
Abs 2

Year target was set
2016

Target coverage
Country/region

Scope(s) (or Scope 3 category)
Scope 2 (location-based)

Base year
2009

Covered emissions in base year (metric tons CO2e)
139303

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
85

Target year
2020

Targeted reduction from base year (%)
57.4

Covered emissions in target year (metric tons CO2e) [auto-calculated]

59343.078

Covered emissions in reporting year (metric tons CO2e)
65152

% of target achieved [auto-calculated]
92.7352080208382

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
This target relates to the Australian operations of CBA. The ‘covered emissions in base year as % of total base year emissions’ figure is calculated over the total base year emissions for the Group for Australian operations (i.e. CBA and Bankwest). CBA Scope 2 2020 target. Following the Bank's successful 20% reduction target achieved in 2013, the Bank set a new Scope 2 emissions target for FY20. During FY19, we reduced our Scope 2 emissions by 3.0% and remain on track to meet and exceed our 2020 target.

Target reference number
Abs 3

Year target was set
2016

Target coverage
Country/region

Scope(s) (or Scope 3 category)
Scope 1

Base year
2009

Covered emissions in base year (metric tons CO2e)
2126

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
16.28

Target year
2020

Targeted reduction from base year (%)
70.9

Covered emissions in target year (metric tons CO2e) [auto-calculated]
618.666

Covered emissions in reporting year (metric tons CO2e)
627

% of target achieved [auto-calculated]
99.4471032962834

Target status in reporting year
Underway

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
This target relates to the Australian operations of Bankwest. The ‘covered emissions in base year as % of total base year emissions’ figure is calculated over the total base year emissions for the Group for Australian operations (i.e. CBA and Bankwest). Bankwest Scope 1 2020 target. Following the Bank's successful 20% reduction target achieved in 2013, the Bankset a new Scope 1 emissions target for FY20. During FY19, we reduced our Scope 1 emissions by 3.0% and remain on track to meet and exceed our 2020 target.

Target reference number
Abs 4

Year target was set
2016

Target coverage
Country/region

Scope(s) (or Scope 3 category)
Scope 2 (location-based)

Base year
2009

Covered emissions in base year (metric tons CO2e)
24586

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
15

Target year

2020

Targeted reduction from base year (%)
60

Covered emissions in target year (metric tons CO2e) [auto-calculated]
9834.4

Covered emissions in reporting year (metric tons CO2e)
5486

% of target achieved [auto-calculated]
129.477480408905

Target status in reporting year
Achieved

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
This target relates to the Australian operations of Bankwest. The ‘covered emissions in base year as % of total base year emissions’ figure is calculated over the total base year emissions for the Group for Australian operations (i.e. CBA and Bankwest). Bankwest Scope 2 2020 target. Following the Bank's successful 20% reduction target achieved in 2013, the Bank set a new Scope 2 emissions target for FY20. During FY19, we reduced our Scope 2 emissions by 6.1% and have exceeded our 2020 target.

Target reference number
Abs 5

Year target was set
2012

Target coverage
Country/region

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based) +3 (downstream)

Base year
2008

Covered emissions in base year (metric tons CO2e)
12133

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
75

Covered emissions in target year (metric tons CO2e) [auto-calculated]
3033.25

Covered emissions in reporting year (metric tons CO2e)
6873

% of target achieved [auto-calculated]
57.8037858182917

Target status in reporting year
Underway

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)
This target relates to the New Zealand operations of ASB. The ‘covered emissions in base year as % of total base year emissions’ figure is calculated over the total base year emissions for the ASB. This existing target pre-dates the Paris Agreement and Science Based Targets Initiative. In 2019, ASB became a signatory to the Climate Leaders Coalition. As part of this commitment, the bank will set science-based targets using its 2019 inventory as a baseline. The intention is to replace this target with a science-based target within the next 12 months.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Year target was set
2016

Target coverage
Country/region

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Intensity metric
Metric tons CO2e per unit FTE employee

Base year
2015

Intensity figure in base year (metric tons CO2e per unit of activity)
3.05

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2020

Targeted reduction from base year (%)
34.4

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
2.0008

% change anticipated in absolute Scope 1+2 emissions
31.3

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO2e per unit of activity)
2.11

% of target achieved [auto-calculated]
89.5920701486847

Target status in reporting year
Underway

Is this a science-based target?
Yes, this target has been approved as science-based by the Science Based Targets initiative

Please explain (including target coverage)
We set an emissions intensity target for Australian operations in 2015 to reduce Scope 1 and 2 emissions intensities expressed in FTE by 34.4% between 2015 and 2020. The final target is to reduce emissions to 2.0 Tonne CO2-e/FTE by FY20. We are on track to meet and exceed this target.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2016

Target coverage
Country/region

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Production

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
kWh

Target denominator (intensity targets only)
<Not Applicable>

Base year
2015

Figure or percentage in base year
0

Target year
2020

Figure or percentage in target year
1250

Figure or percentage in reporting year
1105

% of target achieved [auto-calculated]
88.4

Target status in reporting year
Underway

Is this target part of an emissions target?
Abs-2 & Abs-4

Is this target part of an overarching initiative?
Other, please specify (Property Sustainability Strategy and Environmental and Social Framework)

Please explain (including target coverage)
Renewable energy – solar PV installation CBA Group initiated onsite solar PV rollout in 2015. During FY19, installation was completed at 19 retail branches across the CBA and Bankwest portfolio. Total installed capacity reached 1,105 kW. 2020 target is 1,250 kW.

Target reference number
Low 2

Year target was set
2016

Target coverage
Country/region

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Production

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
MWh

Target denominator (intensity targets only)
<Not Applicable>

Base year
2015

Figure or percentage in base year
0

Target year
2020

Figure or percentage in target year
1500

Figure or percentage in reporting year
1127.5

% of target achieved [auto-calculated]
75.1666666666667

Target status in reporting year
Underway

Is this target part of an emissions target?
Abs-2 & Abs-4

Is this target part of an overarching initiative?
Other, please specify (Property Sustainability Strategy and Environmental and Social Framework)

Please explain (including target coverage)
Renewable energy production CBA Group initiated onsite solar PV rollout in 2015. Onsite renewable energy production is increasing year on year as more systems are installed and commissioned. FY19 production increased to 1,127.5 MWh compared to 770.8 for FY18.

Target reference number
Low 3

Year target was set
2019

Target coverage
Country/region

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
0

Target year
2030

Figure or percentage in target year
100

Figure or percentage in reporting year
65

% of target achieved [auto-calculated]
65

Target status in reporting year
Underway

Is this target part of an emissions target?

Is this target part of an overarching initiative?
RE100

Please explain (including target coverage)
Sourcing renewable energy During the year we signed up, as the first Australian corporate, to RE100. This commits us to source 100% of our electricity consumption from renewable sources by 2030. As of June 2019, we are sourcing 65% of our national needs from renewable energy.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	50	1000
To be implemented*	75	1500
Implementation commenced*	25	500
Implemented*	426	6012
Not to be implemented	30	600

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Building Services)

Estimated annual CO2e savings (metric tonnes CO2e)
32

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
35834

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Please select

Comment
Office Consolidation - Reduction in natural gas usage.

Initiative category & Initiative type

Transportation	Other, please specify (Reduction in company fleet vehicle usage)

Estimated annual CO2e savings (metric tonnes CO2e)
242

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Please select

Comment
Reduction in fleet usage. - Reduction in fleet services due to office relocations.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
106

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
118320

Investment required (unit currency – as specified in C0.4)
542999

Payback period
4-10 years

Estimated lifetime of the initiative
21-30 years

Comment
Low carbon energy installation - Solar PV installation at 17 CBA and 2 BW retail sites for on-site renewable energy generation

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
435

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
74778

Investment required (unit currency – as specified in C0.4)
2745247

Payback period
4-10 years

Estimated lifetime of the initiative
6-10 years

Comment
Lighting - LED lighting upgrade across 81 CBA retail sites and 25 BW retail sites.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
80

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
45000

Investment required (unit currency – as specified in C0.4)
215890

Payback period
4-10 years

Estimated lifetime of the initiative
6-10 years

Comment
HVAC - HVAC upgrades across 5 CBA retail sites.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (UPS)

Estimated annual CO2e savings (metric tonnes CO2e)
299

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
226590

Investment required (unit currency – as specified in C0.4)
1020000

Payback period
11-15 years

Estimated lifetime of the initiative
11-15 years

Comment
UPS Upgrades - UPS upgrades for 1&11 Harbour St, 301 Murray St, 79 St John St

Initiative category & Initiative type

Company policy or behavioral change	Site consolidation/closure

Estimated annual CO2e savings (metric tonnes CO2e)
1348

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
230319

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Please select

Comment
ATM Closures - 214 ATM closures across CBA and BW portfolio.

Initiative category & Initiative type

Company policy or behavioral change	Site consolidation/closure

Estimated annual CO2e savings (metric tonnes CO2e)
2151

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
817818

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Please select

Comment
Branch Closures - 71 retail branch closures across CBA and BW portfolio.

Initiative category & Initiative type

Company policy or behavioral change	Site consolidation/closure

Estimated annual CO2e savings (metric tonnes CO2e)
1320

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
214760

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Please select

Comment
Office Consolidation - Office consolidation across commercial portfolio.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	A dedicated budget is allocated for managing and reporting in line with the regulatory requirement in relation to National Greenhouse and Energy Reporting (NGERs).
Dedicated budget for energy efficiency	A dedicated budget is specifically set aside to achieve the Group's carbon reduction target established in July 2015. This target was set as part of the Property Sustainability Strategy and is aimed at Group Property reaching a carbon intensity of 2 tCO2-e / FTE by 2020 for the Group's domestic property portfolios. Emissions reductions for this reporting period included identifying and evaluating several potential reduction activities. As an example, during the FY19 reporting period initiatives included: 1. Energy efficiency projects in commercial and retail portfolios, including but not limited to, lighting upgrades, HVAC replacements, HVAC controls and security and lighting interfaces, 2. The Relocation of employees from inefficient buildings to energy efficient properties, and 3. Installation of solar panels on retail branches. New emission intensity targets will continue to drive investment in emissions reduction activities.
Dedicated budget for low-carbon product R&D	A dedicated budget is allocated to each property team annually for 'innovation, test and learn', including exploration of power purchase agreements.
Employee engagement	Group wide communications is issued to all employees for: - Property Sustainability Strategy - Emissions reduction target and progress - Major milestones - Renewable energy and power purchase agreement World Environment Day, National Recycling Week, Earth Hour and day light savings, etc.
Other (Engagement with building services maintenance contractors)	Sustainability forums are held with relevant building services maintenance contractors and client relationship managers to discuss Property Sustainability Strategy, projects and progress. Property data and insights are shared as required.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Product

Description of product/Group of products
In the 2017 financial year we set ourselves a Low Carbon Target lending of $15 billion by 2025 for Sustainable Finance. Eligible projects include renewable energy, 6-star rated commercial green buildings, energy efficiency and low carbon transport.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Climate Bonds Taxonomy

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

Asset classes/ product types

Bank lending	Commercial Loans

Comment
Our progress as at 30 June 2019 shows our exposure to low carbon projects is $5.1 billion.

Level of aggregation
Product

Description of product/Group of products
For Colonial First State, the Affirmative Global Bond Fund (AIM Global Bond Fund) is a global green bond investment fund utilising ESG criteria and an environment impact screen.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Climate Bonds Taxonomy

% revenue from low carbon product(s) in the reporting year

0

% of total portfolio value
0

Asset classes/ product types

Investing	Fixed Income

Comment
This year we have received $16m external in-flows into the Affirmative Global Bond Fund (AIM Global Bond Fund). For further information, please refer to: https://www3.colonialfirststate.com.au/adviser/investments-adviser/investment-solutions/fixed-income/affirmative-global-bond-fund.html

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Level of aggregation
Product

Description of product/Group of products
In 2019, ASB developed and launched two new Positive Impact Funds (one available through the ASB KiwiSaver Scheme and one through ASB Investment Funds). The fund is comprised of income assets (around 40%) and growth assets (around 60%), with a preference for investments that generate a positive and measurable social and/or environmental impact, alongside a financial return. The growth asset portion of the fund is currently around 64% lower in carbon intensity compared to the wider market. This percentage is relative to the MSCI World Index (as of 7 November 2019).

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (Metric used to calculate emissions avoided is a calculation of the fund weighted average carbon intensity (WACI) vs benchmark WACI. We note that this method of carbon footprint calculation is the preferred method in the latest report from the TCFD).)

% revenue from low carbon product(s) in the reporting year
1

% of total portfolio value
0.19

Asset classes/ product types

Investing	Listed Equity

Comment
This is an ASB-specific product – the NZ subsidiary of CBA. These products provide customers with an option to invest in line with their values on environmental and social issues. As the funds grow ASB plans to refine the exclusion criteria, and to explore further ways to support companies that are making a positive environmental and social impact, in New Zealand and globally. The % of total portfolio value reported is as at May 2020.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
July 1 2008

Base year end
June 30 2009

Base year emissions (metric tons CO2e)
13057

Comment
Scope 1 carbon emissions relate to the consumption of gas and fuel by domestic retail, commercial properties and the business use of our domestic tool-of-trade vehicle fleet.

Scope 2 (location-based)

Base year start
July 1 2008

Base year end
June 30 2009

Base year emissions (metric tons CO2e)
163889

Comment
Scope 2 carbon emissions relate to the electricity use by domestic retail and commercial properties and domestic ATMs and certain residential properties.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Australia - National Greenhouse and Energy Reporting Act
New Zealand - Guidance for Voluntary, Corporate Greenhouse Gas Reporting
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Toitū carbonzero programme

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
7624

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
As at 30 June 2019, our total Scope 1 Greenhouse Gas Emissions was 7,624 tonnes. It comprises the sum of: • Scope 1 Greenhouse Gas Emissions (Australia): Scope 1 Greenhouse Gas Emissions (Australia) relate to the consumption of natural gas and stationary fuel used in retail, commercial and data centre properties under our operational control as defined under National Greenhouse and Energy Reporting (NGER). It also includes the business use of our tool-of-trade vehicle fleet. Source of emissions factors: National Greenhouse Accounts (NGA) Factors (2018). • Scope 1 Greenhouse Gas Emissions (New Zealand): Scope 1 Greenhouse Gas Emissions (New Zealand) relate to the consumption of natural gas and stationary fuel used in commercial properties. It also includes the business use of our tool-of-trade vehicle fleet. Source of emissions factors - Measuring Emissions: A Guide for Organisations (2019). Scope 1 Greenhouse Gas Emissions (Other): Scope 1 Greenhouse Gas Emissions (Other overseas) is an estimate of multiplying the Scope 1 Emissions per FTE as at 30 June 2019 in Australia by the number of FTEs of all the Group’s other overseas offices.

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment
Our Scope 2 Greenhouse Gas Emissions are reported as a location-based figure. We do not report market-based Scope 2 emissions due to the extent of our operations. For example, we have operational control of ATMs in buildings but are unable to determine market-based emission factors associated with those facilities.

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
78757

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
As at 30 June 2019, our total Scope 2 Greenhouse Gas Emissions was 78,757 tonnes. It comprises the sum of: • Scope 2 Greenhouse Gas Emissions (Australia): Scope 2 Greenhouse Gas Emissions (Australia) relate to the electricity used by ATMs, retail, commercial, residential and data centre properties under our operational control as defined under NGER. FY19 data now includes data centres considered under operational control. Source of emissions factors: NGA Factors (2018). • Scope 2 Greenhouse Gas Emissions (New Zealand): Scope 2 Greenhouse Gas Emissions (New Zealand) relate to the electricity use by ATMs and retail and commercial properties. Source of emissions factors - Measuring Emissions: A Guide for Organisations (2019).; and Scope 2 Greenhouse Gas Emissions (Other); Scope 2 Greenhouse Gas Emissions (Other overseas) is an estimate of multiplying the Scope 2 Emissions per FTE as at 30 June 2019 in Australia by the number of FTEs of all the Group’s other overseas offices. The 2018 approach differs from prior year data, which included invoiced electricity consumption data for Asia locations.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
38212

Emissions calculation methodology
This includes: >Scope 3 Office Paper Greenhouse Gas Emissions (Australia operations): emissions generated from our office paper used in our commercial operations and retail branches under our operational control in Australia. (Australia operations) Source of emissions factors: DEFRA (2017). Scope 3 Stationary Greenhouse. >Scope 3 Data Centres Greenhouse Gas Emissions (Australia operations) relate to the electricity and diesel consumption in our Australian data centres not under our operational control as defined under NGER. CBA has (Australia operations) not had operational control of any data centres since FY18. Source of emissions factors: NGA (2018).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
89

Please explain
Global Scope 3 emissions reported in FY19 are 99,243 tCO2-e, with Australian operations contributing 88,282 representing 89% of total.

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial institution, capital goods do not represent a material source of Scope 3 emissions for the Group.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
8345

Emissions calculation methodology
This includes: • Scope 3 Purchased Electricity Greenhouse Gas Emissions (Australia operations): indirect emissions associated with the electricity used by ATMs, retail, commercial and residential properties under our operational (Australia operations) control in Australia. Source of emissions factors: NGA (2018). • Scope 3 Stationary Greenhouse Gas Emissions (Australia): indirect emissions associated with diesel and Gas Emissions (Australia natural gas used in retail, commercial and data centre properties in Australia under our operational control as operations) defined under NGER. Source of emissions factors: NGA (2018).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
89

Please explain
Global Scope 3 emissions reported in FY19 are 99,243 tCO2-e, with Australian operations contributing 88,282 representing 89% of total.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Upstream transport and distribution are not considered to be a relevant Scope 3 emission sources for the Bank. Unlike other industries, banking does not procure large quantities of goods requiring freight. Despite this, the Bank acknowledges the importance of its influence on its supply chain.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1401

Emissions calculation methodology
This includes: Scope 3 Waste to Landfill Greenhouse Gas Emissions (Australia operations): emissions generated from our waste to landfill from our commercial properties under our operational control in Australia. Source of emissions factors: NGA(2018).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
89

Please explain
Global Scope 3 emissions reported in FY19 are 99,243 tCO2-e, with Australian operations contributing 88,282 representing 89% of total.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
20531

Emissions calculation methodology
This includes: Scope 3 Transport Greenhouse Gas Emissions (Australia): rental car and taxi use, business use of private vehicles, dedicated bus service, business flights, and indirect emissions from business use of our tool-of-trade operations vehicle fleet. Source of emissions factors: NGA (2018) and DEFRA (2017) for flights.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
89

Please explain
Global Scope 3 emissions reported in FY19 are 99,243 tCO2-e, with Australian operations contributing 88,282 representing 89% of total.

Employee commuting

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Employee commuting is not currently calculated but we are considering doing so in the future.

Upstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
19793

Emissions calculation methodology
This includes: Scope 3 Base Building Greenhouse Gas Emissions (Australia operations) relate to emissions generated from CBA's proportion (by net lettable area) of base building electricity and natural gas usage for our Australian Commercial offices. Source of emissions factors: NGA (2018).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
89

Please explain
Global Scope 3 emissions reported in FY19 are 99,243 tCO2-e, with Australian operations contributing 88,282 representing 89% of total.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This is not a relevant emission source for the Bank. The Bank's products are financial instruments that do not require transportation. Emissions from distribution through our branch network and fleet are captured in the relevant Scope 1, 2 and 3 categories.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This is not a relevant emission source for the Bank. The Bank's products are financial instruments that are intangible and do not have any processing requirements.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This is not a relevant emission source for the Bank. The Bank's products are financial instruments that are intangible in nature.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This is not a relevant emission source for the Bank. The Bank's products are financial instruments that are intangible.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This is not a relevant emission source for the Bank.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This is not a relevant emission source for the Bank.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
CBA Group has no other relevant emissions sources.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
CBA Group has no other relevant emissions sources.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
3.5493692731

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
86381

Metric denominator
unit total revenue

Metric denominator: Unit total
24337000000

Scope 2 figure used
Location-based

% change from previous year
3.4

Direction of change
Decreased

Reason for change
This decrease is due to a number of emissions reduction activities (as reported in 4.3b), including: • Office Consolidations • Solar PV installations at retail sites • LED. HVAC and UPS upgrades ATM and branch closures

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Intensity figure
1.91

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
86381

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
45165

Scope 2 figure used
Location-based

% change from previous year
12.81

Direction of change
Decreased

Reason for change
This decrease is due to a number of emissions reduction activities (as reported in 4.3b), including: • Office Consolidations • Solar PV installations at retail sites • LED. HVAC and UPS upgrades ATM and branch closures

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C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	1127.5	Decreased	1.17	One of the reasons that led to the reduction in gross Scope 2 emissions was the increase in solar panels installed in branches during FY19. The calculation for change in this category is as follows: change in emissions (1,127.5) divided by total Scope 1 and 2 emissions in prior year (96,017)
Other emissions reduction activities	2514	Decreased	2.62	The bank has undertaken a range of emission reduction activities which accounted for savings of 2,514 tonnes CO2-e in 2019, particularly in Scope 2 emissions; including office consolidations and LED. HVAC and UPS upgrades. The calculation for change in this category is as follows: change in emissions (2,514) divided by total Scope 1 and 2 emissions in prior year (96,017).
Divestment	3499	Decreased	3.64	There has been a divestment of 71 Retail Branches and 214 ATMs which accounted for savings of 3,499 tonnes CO2-e in 2019. The calculation for change in this category is as follows: change in emissions (3,499) divided by total Scope 1 and Scope 2 emissions in prior year (96,017)
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified	2496	Decreased	2.6	The remaining gross global Scope 1 and 2 emissions which could not be classified have been amalgamated and recorded under 'Unidentified'. Emissions value has been calculated consistent with those in rows above: change in emissions (2,496) divided by total Scope 1 and 2 emissions in prior year (96,017).
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	29507	29507
Consumption of purchased or acquired electricity	<Not Applicable>	0	115985	115985
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1128	<Not Applicable>	1128
Total energy consumption	<Not Applicable>	1128	145492	146620

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CBA-2019-Annual-Report Copy.pdf

Page/ section reference
p.305-306

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CBA-2019-Annual-Report Copy.pdf

Page/ section reference
p.305-306

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CBA-2019-Annual-Report Copy.pdf

Page/section reference
p.305-306

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CBA-2019-Annual-Report Copy.pdf

Page/section reference
p.305-306

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Waste generated in operations

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CBA-2019-Annual-Report Copy.pdf

Page/section reference
p.305-306

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
CBA-2019-Annual-Report Copy.pdf

Page/section reference
p.305-306

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Change in Scope 1 emissions against a base year (not target related)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics (excluding the low carbon transition metrics) reported in pages 297-298 of the 2019 Annual Report have been verified by PwC. See assurance statement on pages 305-306. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. CBA-2019-Annual-Report Copy.pdf
C5. Emissions performance	Change in Scope 2 emissions against a base year (not target related)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics (excluding the low carbon transition metrics) reported in pages 297-298 of the 2019 Annual Report have been verified by PwC. See assurance statement on pages 305-306. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. CBA-2019-Annual-Report Copy.pdf
C5. Emissions performance	Change in Scope 3 emissions against a base year (not target related)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics (excluding the low carbon transition metrics) reported in pages 297-298 of the 2019 Annual Report have been verified by PwC. See assurance statement on pages 305-306. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. CBA-2019-Annual-Report Copy.pdf
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics (excluding the low carbon transition metrics) reported in pages 297-298 of the 2019 Annual Report have been verified by PwC. See assurance statement on pages 305-306. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. CBA-2019-Annual-Report Copy.pdf
C6. Emissions data	Year on year change in emissions (Scope 3)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics (excluding the low carbon transition metrics) reported in pages 297-298 of the 2019 Annual Report have been verified by PwC. See assurance statement on pages 305-306. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. CBA-2019-Annual-Report Copy.pdf
C7. Emissions breakdown	Year on year change in emissions (Scope 1 and 2)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics (excluding the low carbon transition metrics) reported in pages 297-298 of the 2019 Annual Report have been verified by PwC. See assurance statement on pages 305-306. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. CBA-2019-Annual-Report Copy.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement
Code of conduct featuring climate change KPIs

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
Our Supplier Code of Conduct (SCOC) is included in either supplier contracts or our T&Cs, requiring all supplier's agreement. The SCOC includes expectations regarding minimising greenhouse gas emissions and negative impacts of goods and services throughout their lifecycle.

Impact of engagement, including measures of success
All suppliers must agree to our SCOC, assessing energy use and carbon emissions in their business, as well as the services that they provide the bank, when signing a contract with CBA.

Comment
Supplier Code of Conduct is available at: https://www.commbank.com.au/personal/apply-online/download-printed-forms/Supplier-Code-of-Conduct.pdf

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Type of engagement
Compliance & onboarding

Details of engagement
Climate change is integrated into supplier evaluation processes

% of suppliers by number
55

% total procurement spend (direct and indirect)
99

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
Our suppliers for Australian and international operations are charted on a heat map against their climate and energy, and climate physical risk. Going forward, this will be used to prioritise how we address climate risk in our suppliers. When responding to CBA RFP's suppliers must complete a Sustainability Questionnaire. This document requests information on monitoring carbon emissions and setting reduction targets for Scope 1, 2 and 3 emissions.

Impact of engagement, including measures of success
Success for CBA's heat map will be the identification of climate risk within our supply chain. This will provide opportunities to work with our suppliers to minimise this risk

and reduce their climate impact.

Comment
CBA transacted with 55% of total Australian and International CBA active suppliers which generated climate risk rating This supplier base generated ~99% of total addressable spend with a climate change risk rating.

Type of engagement
Compliance & onboarding

Details of engagement
Included climate change in supplier selection / management mechanism

% of suppliers by number
1

% total procurement spend (direct and indirect)
1

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
CBA engages with a variety of suppliers on innovation in their respective products and services. As an example of this, as reported in our 2019 Annual Report, CBA has announced a PPA deal whereby we will source 100% of our electricity consumption from renewable sources by 2030.

Impact of engagement, including measures of success
Success of the PPA agreement is measured by progress against our 100% target. As at 30 June 2019 the proportion of electricity supply coming from the PPA is 65%.

Comment
For further information, please refer to the 2019 Annual Report at: https://www.commbank.com.au/content/dam/commbank-assets/about-us/2019-09/cba-annual-report-2019-spreads.pdf The <1% reflects our electricity spend/supplier base.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect climate change and carbon information at least annually from suppliers

% of suppliers by number
1

% total procurement spend (direct and indirect)
1

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
CBA works with company fleet providers to monitor fleet fuel use and emissions, and source fuel efficient vehicle options.

Impact of engagement, including measures of success
Success of our work with fleet providers is measured by reductions in emissions of our vehicle fleet. In FY19, compared to FY18, our Australian operations Scope 1 and 3 transport emissions reduced by approximately 4% overall.

Comment
For further information, please refer to the 2019 Annual Report at: https://www.commbank.com.au/content/dam/commbank-assets/about-us/2019-09/cba-annual-report-2019-spreads.pdf

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Type of engagement
Compliance & onboarding

Details of engagement
Included climate change in supplier selection / management mechanism

% of suppliers by number
1

% total procurement spend (direct and indirect)
1

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
We are committed to continuously reduce our own Australia-based emissions by investing in smart technologies and practices, for example by easing all new main commercial office spaces,and designing and building all new retail branches with a minimum 5 star Green Star rating.

Impact of engagement, including measures of success
By working with the developers of our two new CBS and Axle offices in Sydney to target leading industry standards, we estimate reducing emissions by over 5,000tCO2-e. Whilst some of this reduction in emissions can be as a result of the improved standard of the building, some of the reductions can also be contributed to office ‘consolidation’.

Comment
For further information, please refer to the two industry publications: https://www.thefifthestate.com.au/innovation/building-construction/a-big-day-for-commonwealth-banks-6-star-groundscraper-at-eveleigh/ https://new.gbca.org.au/news/gbca-news/volume-certification-reaffirms-commonwealth-banks-commitment-to-addressing-climate-change/

Type of engagement
Compliance & onboarding

Details of engagement
Included climate change in supplier selection / management mechanism

Code of conduct featuring climate change KPIs
Climate change is integrated into supplier evaluation processes

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
As a signatory to the Climate Leader's Coalition, ASB – a subsidiary of CBA in NZ - are committed to engaging with their suppliers on their climate impact. ASB has included climate risk in their supplier risk assessment tool 'Supply Right'. This tool asks the supplier for information around their environmental policies, strategies, targets, certifications and engagement practices. These questions have been developed to get a better understanding of the climate impact of ASB's procurement practices, beyond its immediate boundaries. All ASB-registered suppliers must complete the Supply Right questionnaire and accept ASB's supplier code of conduct, which has been recently revised to include reference to the supplier's environmental impact and performance. A small percentage of scope 3 emissions are derived from businesses who do not have a formal arrangement with ASB e.g. transactions in the General Ledger or staff reimbursements.

Impact of engagement, including measures of success
Success for ASB is the identification of climate risk within our supply chain. This will provide opportunities to work with our suppliers to minimise this risk and reduce their climate impact.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Compliance & onboarding

Details of engagement
Please select

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5
100

Portfolio coverage (total or outstanding)
Majority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement
ESG risk assessment process All Institutional Bank loans, as well as large loans in other business units, are evaluated through our compulsory ESG risk assessment tool. Medium or high ESG risk profiles are subject to additional due diligence and escalated depending on the level of risk. We continue to provide guidance to our bankers on executing the business lending commitments in the E&S Framework. The overall ESG risk levels are aligned with the Equator Principles' risk categories A, B and C. Additional ESG due diligence is required for transactions which have medium or high ESG risks identified in the initial assessment.

Impact of engagement, including measures of success
This year's ESG training provides bankers with prompts to understand clients' plans for climate transition and resilience to physical climate risks.

Type of engagement
Engagement & incentivization (changing customer behavior)

Details of engagement
Please select

% of customers by number
0

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
Minority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement
In July 2019, we provided $150 million of debt funding to Queensland Airports Limited (QAL) for the Gold Coast Airport redevelopment, with $75 million provided in the form of a sustainability linked loan. The Gold Coast Airport financing is the first in Australia to be directly linked to a reduction in carbon emissions, aligning to a widely adopted carbon emission industry framework, the Airport Carbon Accreditation Program. Another example is the $400 million three-year bilateral sustainability linked loan with Wesfarmers in March 2020. The loan is structured to incentivise better social outcomes and environmental outcomes by providing Wesfarmers a discounted interest rate for achieving ambitious carbon emissions intensity reductions targets in the chemicals business.

Impact of engagement, including measures of success
Sustainability linked loans tie a borrower's cost of funding to their ESG performance. The intent is to connect capital with borrowers' commitment to making a positive impact that will strengthen ties with stakeholders and the broader community.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	The Group has been engaged with the Green Building Council of Australia (GBCA) for the development of rating tool for retail portfolio. Refer RE100 commitment. Refer to Power Purchase Agreement (PPA) Refer to CBA's Net Zero commitment.	The Group supports the on-going operation and improvement of the rating tools being developed by GBCA. The rating tool will assist in lifting the performance of retail fitouts. All of the Group's future fitouts will be built to 5 Star standard design.
Energy efficiency	Support	The Group has been engaged with the CitySwitch Program since the program began and was awarded the National Signatory Award for its outstanding demonstration of countrywide sustainability action in 2018.	The Group supports the on-going operation and improvement of the City Switch Program. The data disclosed as part of annual reporting is key to establishing industry and sector benchmarks.
Mandatory carbon reporting	Support	The Group is committed to providing climate change information in mainstream reporting including NGER reporting and reporting to the CDP.	The Group supports carbon reporting through the National Greenhouse and Energy Reporting (NGERs) and has publicly reported carbon metrics since 2009.
Cap and trade	Support	We have engaged with the Federal Government, both directly and through the Business Council of Australia, on its review of climate change policies.	Current policy offerings include the Emissions Reduction Fund.
Adaptation or resilience	Support	We continue to focus on supporting sector-wide initiatives that enhance climate resilience and reduce disaster risk, including through our membership of the Climate Change Action Committee within the Insurance Council of Australia.	Over the past year the Climate Change Action committee has made significant inroads towards meeting the challenge presented by climate change by working with communities, local governments and industry to create measurable change. It has already agreed to work on 33 projects, two of which are now compete with another 20 projects under way.
Mandatory carbon reporting	Neutral	Engaging with APRA on the proposed introduction of climate stress testing for ADI's - through the Australian Banking Association (ABA).	The Group is engaging with APRA through the Australian Banking Association (ABA) and Climate Measurement Standards Initiative (CMSI) and remains committed to reporting consistent with the TCFD recommendations.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
Responsible Investment Association of Australia (RIAA)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The RIAA purpose is to encourage the responsible investment of capital into sustainable assets. They have significant emphasis on climate change, as part of the sustainable investment approach.

How have you influenced, or are you attempting to influence their position?
The Group is a member of RIAA. We do not directly influence the position or direction of its work, however, as members we participate in its ongoing debates and policy developments.

Trade association
Principles for Responsible Investment (PRI)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
PRI leads action on climate risk, and is the leading proponent of responsible investment. It works to understand ESG factors as an independent body, with ongoing engagement with policymakers and the UN.

How have you influenced, or are you attempting to influence their position?
The Group's climate stance is aligned with the PRI's current position.

Trade association
Carbon Market Institute

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The Carbon Market Institute believes that market-based solutions are the most efficient policy mechanism to address the challenge of climate change.

How have you influenced, or are you attempting to influence their position?
The Group's climate stance is aligned with the Carbon Market Institute's current position and have sponsored the Carbon Market Institute Summit 2018.

Trade association
Australian Banking Association (ABA)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The ABA supports the view that climate change is a material, foreseeable, and actionable risk which will present challenges to the Australian economy if action is not taken. Banks have a key role to play in the management of physical and transition risks associated with climate change.

How have you influenced, or are you attempting to influence their position?
Each ABA member, including CBA, is undertaking specific actions tailored to the individual characteristics of their bank to address climate change. The banking industry in Australia supports the goals of the 2015 Paris Climate Agreement.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

All direct and indirect activities that influence policy are consistent with the Group overall climate change and ESG related strategy which is integrated into a multi-disciplinary company-wide risk management process. Processes in place to ensure all engagement is consistent with our overall climate change strategy include:

• The Group overarching Risk Appetite Statement (RAS), which fundamentally guides the Group risk culture and sets out the boundaries of risk tolerance, which includes climate change and sustainability issues. We assess potential engagement activities through our RAS lens to determine whether they fit within our risk strategy (which includes climate change)

• Risk tolerance boundaries are defined by the principles and metrics, both quantitative and qualitative, that must be considered collectively and not in isolation. • Group-wide Environmental and Social Policy sets a foundation and creates a framework for understanding and managing the Group's direct and indirect activities that could influence policy are consistent with our climate change strategy.

• Development and execution on the Group's ESG Lending commitments outlined in the E&S Framework, and risk screening tool which assesses our indirect activities across seven ESG themes including biodiversity, water, climate and energy, pollution, labour & human rights, workplace health and safety and anti-corruption and bribery. Internal sector specific policies; the Group uses a number of ESG policies for high impact/sensitive sectors so as to ensure ESG risks and opportunities are considered at deal initiation and during the life of a transaction.

• Public disclosure of the Group's Environmental and Social Framework commitments and progress toward meeting these commitments. This includes Equator Principles III training for staff, alignment of ESG lending framework with Equator Principles III to ensure consistency between policy and internal strategy.

• The Group uses a Responsible Investment Framework to guide investments on ESG decisions and commitments, through the guiding principles of integrity, balance and transparency.

• Group Environmental Management System (EMS) was certified to ISO: 14001 in FY19. The system provides a consistent approach to planning, implementing and reviewing the environmental management process. The system incorporates an Environmental Aspects and Impacts register, identifying environmental attributes of products, activities and services and their effects on the environment. This register provides a risk rating for each outcome and therefore provides the Group with relevant information for addressing policy matters.

The key elements of our Responsible Investment Strategy which are directly related to climate change are:

• Integration of carbon and other climate related data into our systems and reporting processes including portfolio assessments for climate change risks.

• Actively engaging with our clients to ensure we can anticipate and meet their needs now and into the future.

• Including climate change as part of our training program for example by inviting in external experts to present and engage with our investment teams.

• Improved disclosure of climate change as a material business and investment issues. Continued support of the Investor Group on Climate Change and other industry bodies who are working on climate change.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
CBA-2019-Annual-Report Copy.pdf

Page/Section reference
Our approach to addressing climate change chapter

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment
This document was released in August 2019.

Publication
Other, please specify (Environmental and Social Framework)

Status
Complete

Attach the document
CBA environment-and-social-framework Copy.pdf

Page/Section reference
Whole document – particularly Pages 8-10

Content elements
Governance
Strategy
Risks & opportunities
Emission targets

Comment
This document was released with our FY19 Annual Results in August 2019.

Publication
Other, please specify (Responsible Investing Framework)

Status
Complete

Attach the document
CBA sustainability-responsible-investing-framework Copy.pdf

Page/Section reference
Whole document

Content elements
Governance
Strategy

Comment

Publication
Other, please specify (Green Social and Sustainability Funding Framework)

Status
Complete

Attach the document
CBA green-framework Copy.pdf

Page/Section reference
Whole document

Content elements
Governance
Strategy
Risks & opportunities

Comment
This document was released in February 2020.

Publication
Other, please specify (Emissions of business lending portfolio)

Status
Complete

Attach the document
CBA assessed-emissions-report Copy.pdf

Page/Section reference
Whole document

Content elements
Emissions figures

Comment
This document was released with our FY19 Annual Results in August 2019.

Publication
Other, please specify (Emissions of business lending portfolio)

Status
Complete

Attach the document
CBA assessed-emissions-report-fy19 Copy.pdf

Page/Section reference
Whole document

Content elements
Emissions figures

Comment
This document was released with our FY20 Annual results in August 2020.

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Equator Principles Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Responsible Banking Other, please specify (Global Reporting Initiative Standards)	CBA became a signatory to the Equator Principles III (EPIII) in May 2014. We use the EPIII standards to assess, manage, mitigate, and monitor Environmental, Social, and Governance (ESG) risks in project-related financing and report annually on our progress. Colonial First State has become a signatory to the UN-endorsed Principles for Responsible Investment (PRI); this is just one of a number of activities associated with the implementation of Colonial First State's Responsible Investing Framework. CBA is a supporter of, and reports in line with, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We became a signatory to UN PRB in late 2019. Our non-financial reporting is presented in accordance with the Global Reporting Initiative Standards (Core option) which provides global standards for sustainability reporting.
Industry initiative	Principles for Responsible Investment (PRI) UNEP FI Principles for Responsible Banking Climate Bonds Initiative Partner Programme UNEP FI Other, please specify (Australian Sustainable Finance Initiative; Climate Measurement Standards Initiative; Climate Leaders Coalition (NZ); Minderoo Foundation)	In 2017, CBA became a partner to the Climate Bonds Initiative (CBI) to support the CBI's mission to mobilise the bond market for climate change solutions. Colonial First State has become a signatory to the UN-endorsed Principles for Responsible Investment (PRI); this is just one of a number of activities associated with the implementation of Colonial First State's Responsible Investing Framework. We are participating in the Australian Sustainable Finance Initiative to support a more resilient and sustainable economy for Australia; including participating across a range of working groups and holding a place on the steering committee. In New Zealand we have joined more than 100 NZ companies committed to the Climate Leaders Coalition. As a part of this commitment, we are addressing the climate impacts of our own operations and supporting our customers' transition to a low carbon economy. We are actively contributing to the Climate Measurement Standards Initiative, an industry-led collaboration developing a common approach to disclosing climate risk. In the first phase of this initiative, the focus is on physical risk projections of future repair and replacement costs for real estate and infrastructure assets in Australia. Participation has helped support our commitment to regular and transparent disclosure. We are collaborating with other organisations through the Minderoo Foundation to lift national resilience. The work allows us to proactively invest in building resilient communities, disaster risk reduction and disaster response.
Commitment	Other, please specify (UN Sustainable Development Goals; UN Global Compact; RE100; Paris Agreement (UN Framework Convention on Climate Change); NZ Climate Leaders coalition; Carbon Market Institute; Australian Banking Association – Corporate Sustainability Working Group)	The United Nations Sustainable Development Goals are 17 goals that provide a framework to address issues such as poverty, hunger, inequality and environmental degradation. We identify and map the SDGs that are most relevant to our strategy and stakeholders. We are a signatory to the United Nations Global Compact which encourages businesses to adopt sustainable and socially responsible policies. We are committed to implementing the UNGC's principles covering human rights, labour, the environment and anti-corruption. CBA continues to expand our branch solar panel network and our participation in RE100 – whereby we have undertaken to source 100% of our electricity needs from renewable energy sources by 2030. As a first step in that process, as of June 2019 we are sourcing 65% of our national needs from the Sapphire Wind Farm in New South Wales. We are committed to playing our part in limiting climate change in line with the goals of the Paris Agreement and supporting the responsible global transition to net zero emissions by 2050. In New Zealand, ASB is a member of the Climate Leaders Coalition which includes a commitment to science-based targets and climate risk disclosures. ASB is also Toitū carbonzero certified through Toitū Envirocare – an independent verification of carbon neutrality and robust emission reduction plans. Further, CBA is involved with the: • Carbon Market Institute • Investor Group on Climate Change • Responsible Investment Association Australia • Australian Banking Association – Corporate Sustainability Working Group • Business Council of Australia – Climate and Energy Policy Technical Groups • Insurance Council of Australia – Climate Change Action Committee

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD	Guided by our purpose to improve the financial wellbeing of our customers and communities, we recognise that we have a responsibility to manage our environmental risks and address the challenge of climate change. We are cognisant of the role we play, domestically and internationally, in supporting the transition to a low carbon economy. The projects and industries we lend to have tangible environmental impacts, and in accordance with our Environmental and Social Framework, we remain committed to measuring and mitigating these impacts. CBA has assessed the climate impact of its business lending activities since FY14. The insights garnered from this assessment provide us with a robust quantitative basis to identify and act upon key opportunities that can reduce the emissions arising from our business lending portfolio. The results are included in the FY18 and FY19 Annual Report TCFD chapter, along with standalone reports.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD	We measure the Carbon emissions of equity investments in select product portfolios in the FY18 and FY19 Annual Report TCFD chapter.
Insurance underwriting (Insurance company)	Please select	<Not Applicable>	
Other products and services, please specify	Please select	<Not Applicable>	

C-FS14.1a

(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)

Category 15 (Investments)

Evaluation status
Not relevant, explanation provided

Scope 3 portfolio emissions (metric tons CO2e)
<Not Applicable>

Portfolio coverage
<Not Applicable>

Percentage calculated using data obtained from client/investees
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Please explain
CBA has been reporting the assessed emissions intensity of the business lending portfolio since FY14 (kg CO2-e / $ expenditure). In prior years, Scope 3 emissions from category 15 "Investments" was included in response to question C6.5. The 2018 and 2019 CBA CDP submissions therefore included an absolute emissions figure based on an extrapolated estimate of this intensity rate. This year we are able to report using the new Financial Services supplement section C-FS14 Portfolio Impact, allowing us to provide more comparable results to our peers. An absolute emissions figure has therefore not been disclosed in 2020. For comparability with the ongoing methodology used for the past 6 years please refer to the assessed emissions reports at https://www.commbank.com.au/about-us/opportunity-initiatives/performance-reporting.html

C-FS14.1b

(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)

Metric type
Carbon intensity

Metric unit
Other, please specify (kg CO2-e / $ expenditure)

Scope 3 portfolio metric
0.26

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

Percentage calculated using data obtained from clients/investees
18

Calculation methodology
The business lending financed emissions analysis was conducted by EY, as informed by the principles set out in the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. This approach draws on the emerging protocols being discussed through the Greenhouse Gas Protocol and United Nations Environment Programme Finance Initiative (UNEP FI) working group. For methodology and further details, please refer to: https://www.commbank.com.au/content/dam/commbank-assets/about-us/docs/assessed-emissions-report-fy19.pdf In estimating the emissions arising from its lending activities, the Group used client-specific emissions where available, and modelled sector-specific emissions intensity data for its remaining lending exposures. Client-Specific Emissions - The Group focused on identifying client-specific emissions for those clients to which the Group has a material exposure, and for emissions-intensive industry sectors. Emissions data were sourced from the Australian National Greenhouse and Energy Reporting scheme, the Australian National Greenhouse Gas Inventory, publicly available reports and other company disclosures and known performance measures. The proportion of CBA debt exposure for which client-specific emissions data was available differed by sector. Emissions associated with debt exposure to the Finance and Government ANZSIC divisions are excluded from the scope of the metric. Intensity is measured as emissions per Australian dollar of client expenditure. Client expenditure is defined as the sum of capital and operating expenditure as reported publicly by clients or derived from financial databases.

Please explain
In 2020 we undertook a detailed assessment of the carbon emissions arising from the Group's business lending portfolio in FY19 The analysis provides the insights to identify and act on key opportunities to reduce the carbon emissions associated with our business lending. The analysis extends to business lending exposures for CBA, BankWest and ASB.. Emissions associated with debt exposure to the Finance and Government ANZSIC divisions are excluded from the scope of the metric, as these exposures are required to be held for regulatory, bank liquidity and other interbank operations purposes. The scope of this metric also excludes other exposures such as derivatives and leasing.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	Yes, by asset class Yes, by industry	The data reported in sections 14.1b can be disaggregated to provide a breakdown of emissions intensity of project finance, and for project finance in the electricity sector.

C-FS14.2a

(C-FS14.2a) Break down your organization’s Scope 3 portfolio impact by asset class.

Asset class	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Project finance	Carbon intensity	Other, please specify (kg CO2-e / $ expenditure)	0.16	The carbon intensity of CBA’s project finance activity is a sub-set of the carbon intensity of business lending figure reported in section 14.1b. This is calculated based on identified project finance exposures within CBA’s financial reporting systems. Project finance represents 10% of the total exposure used as a basis for the overall carbon intensity of business lending.

C-FS14.2b

(C-FS14.2b) Break down your organization’s Scope 3 portfolio impact by industry.

Industry	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Utilities	Carbon intensity	Other, please specify (kg CO2-e / $ expenditure)	0.14	The carbon intensity of CBA’s project finance activity related to electricity generation is a sub-set of the emissions intensity of business lending figure reported in section 14.1b. This is calculated based on identified project finance for electricity generation exposures (based on ANZSIC codes) within CBA’s financial reporting systems. Project finance related to electricity generation represents 1.5% of the total exposure used as a basis for the overall carbon intensity of business lending.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	Yes	We are transparently reporting the transition of the CBA business lending portfolio through the Energy Value Chain and business lending assessed emissions reporting. The insights garnered from this analysis provide us with a quantitative basis to identify key priorities to reduce the emissions arising from our business lending portfolio.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	Colonial First State Investments Limited (CFSIL) – a wholly owned subsidiary of CBA – conducts analysis of climate-related risks and opportunities across the equity allocation of Assets under Management (representing approximately 60%) using MSCI data and methodologies. Historically, the focus of this analysis has been on calculating the carbon emissions and emissions intensity of this portfolio in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2019 we also started assessing CFSIL portfolios for carbon-related assets (looking at the weight invested in the most carbon-intensive sectors), and reporting forward looking metrics such as low carbon transition scores (as defined by an external ESG service provider). CFSIL’s investments are managed by external investment managers, and CFSIL assesses the inherent climate-related risk within the aggregate portfolio of each manager at the selection and appointment stage, and on an ongoing basis.
Insurance underwriting (Insurance company)	Not applicable	
Other products and services, please specify	Please select	

C-FS14.3a

(C-FS14.3a) Do you assess if your clients/investees’ business strategies are aligned to a well below 2-degree world?

	We assess alignment	Please explain
Bank lending (Bank)	Yes, for some	We are supporting clients to effectively manage climate transition and physical risks, including transition and resilience strategies through the ESG risk assessment tool.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C-FS14.3b

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Bank lending (Bank)	No, but we plan to do so in the next two years	We continue to track the overall performance of our Scope 1 and 2 emissions reduction, and remain committed to set Science-based emissions reduction target (Scope 1 and 2) and a Scope 3 emissions reduction target.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Group Executive, Marketing and Corporate Affairs	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms