Module: Introduction

Page: Introduction

0.1

Introduction
Please give a general description and introduction to your organization

Australia and New Zealand Banking Group Limited (“ANZ”) is a major international banking and financial services group that is among the top 25 largest listed banks in the world. ANZ is also one of the five largest and most successful listed companies in Australia and the number one bank in New Zealand. We are committed to building lasting partnerships with our customers, shareholders and communities across the 32 markets where we operate. We provide a full range of banking and financial products and services to approximately 8 million retail, institutional and corporate customers and employ over 48,000 people worldwide. Our approach to business includes a carefully considered approach to climate change. We recognise that as a financial institution we have a responsibility to reduce the direct impacts of our operations by reducing our organisational carbon footprint. Equally, we have a responsibility to influence reductions in the indirect impacts that occur as a consequence of our activities as lenders as well as through our procurement activity. This strategic approach is strengthened through:

1. Executive commitment from the CEO that is supported by the responsibility of Management Board members and business unit line managers for the development and delivery of programs that meet the needs of our customers and assist them to transition to a lower carbon future in an informed way.
2. An explicit policy to increase our lending for lower carbon emission power generation (i.e. renewables and gas) by 15-20% by 2020, and publicly report on our progress against this target each year.
3. A strategy to assist our customers to achieve their business or personal objectives and transition in a thoughtful, informed and strategic way to a lower carbon economy. This includes the provision of products, services and expertise.
4. Governance and Management Frameworks (including an Environmental Management System & carbon accounting system - Enablon) that support the allocation of budgets and resources where most needed to achieve the aspirational outcomes of annual targets/KPIs related to reducing our direct and indirect impacts.
5. Committed and informed employees: recognising that the achievement of KPIs on a day-to-day basis rests on all of our employees clearly understanding how they are contributing to the management of our direct and indirect impacts on the climate.

0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Fri 01 Oct 2010 - Fri 30 Sep 2011

0.3

Country list configuration

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

Select country
Australia

0.4

Currency selection

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

AUD ($)

0.5

Please select if you wish to complete a shorter information request

0.6

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

Module: Management [Investor]

Page: 1. Governance

1.1

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

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

1.1a

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

ANZ's Board has ultimate responsibility for risk management, and is supported by the Board Risk Committee, which has formal responsibility for the overview of ANZ's management of new & emerging risks including climate change-related risks. Opportunities are also identified for products and servies and these are built into the business strategy, approved by the Credit & Market Risk Committee, the bank's Management Board and ultimately the Board Risk Committee.
At management level, the Corporate Responsibility Committee (CRC) is a strategic leadership body that works with the Management Board to oversee and advise

on ANZ’s corporate responsibility (CR) strategy and priorities, and plays an important role in engaging in discussion / debate and providing strategic leadership on current and emerging trends on climate change issues.

1.2

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

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Corporate executive team	Monetary reward	Climate change metrics contribute to a balanced scorecard which drives performance appraisal and linked remuneration.
Chief Operating Officer (COO)	Monetary reward	Meeting emission reduction targets. Meeting carbon neutrality targets. Meeting energy, water, paper, air travel, fleet and waste targets.
Environment/sustainability managers	Monetary reward	Meeting emission reduction targets. Meeting carbon neutrality targets. Meeting energy, water, paper, air travel, fleet and waste targets.
Facility managers	Monetary reward	Meeting energy usage targets.
Business unit managers	Monetary reward	Communicating climate change issues to customer-facing staff.
All employees	Monetary reward	Providing advice on climate change-related banking and finance issues to customers. Generation of business for climate change-related financing requirements.

Page: 2. Strategy

2.1

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

Integrated into multi-disciplinary company wide risk management processes

2.1a

Please provide further details (see guidance)

ANZ’s risk management framework provides a uniform structure for the identification and management of risks, including climate change related risks, from the Board to business unit level. ANZ’s Board has ultimate responsibility for risk management and is supported by four Board-level committees, including:

- Risk Committee - responsibility for business, market, credit, equity and other investment, financial, operational, liquidity and reputational risk management. Climate change is a contributing factor to each of these risk areas.
- Audit Committee - reviews financial and environmental reporting principles and policies, controls and procedures and the effectiveness of ANZ's internal control and risk management framework.

The Board Committees are supported by the Chief Risk Officer and formal Management Committees, which are responsible for coordination of each of the areas of risk management and provide regular updates to the Board and senior management. They include: the Credit & Market Risk Committee (CMRC); the Operational Risk Executive Committee (OREC) (which oversees our Business Continuity Plans (BCP)); the Group Asset & Liability Committee (GALCO); the Corporate Responsibility Committee (CRC) and the Reputation Risk Committee (RRC).

- The quarterly Corporate Responsibility Committee (CRC) oversees and advises on ANZ’s Corporate Responsibility (CR) strategy and priorities, monitors current and emerging CR and climate change risks and opportunities and reports to Management Board on response strategies. The CRC plays an important role in engaging in discussion and debate and in providing strategic leadership on current and emerging trends on climate change issues. The CRC is chaired by the CEO and comprises Management Board members with accountability for key aspects of ANZ’s CR activities along with other senior executives representing functions and geographies. Over 2011 the CRC formally reviewed and advised on a number of climate change related initiatives and issues including ANZ’s carbon neutral commitment. All business units are responsible for understanding best practice approaches to the management of issues arising from climate change, as well as monitoring new trends that may impact either the operation of the company/business unit or the sustainability of its customers.
- The bi-monthly Reputational Risk Committee (RRC) is chaired by the Chief Risk Officer. The RRC is responsible for: understanding and assessing the impact of current and emerging environmental, social, business and regulatory risks and exposures, including those related to climate change, on ANZ's reputation, and approving appropriate strategies to manage and mitigate; overseeing New Product Committees to ensure that reputation risk issues are considered appropriately, and mandating the development and implementation of appropriate policies and guidelines across ANZ for managing reputation risk. Responsibility for managing reputation risk is further embedded at the highest levels of the bank, with a proportion of our senior executives’ remuneration ‘at risk’ and dependent on effective management of economic, social and environmental risk issues.
- For more immediate risks, including those related to climate change, ANZ has an Early Alert Review Committee (EARC). This Committee utilises a Reputational Risk Radar tool to source external allegations from the media about key sectors and controversial issues (including those related to climate change) related to our business or clients. This tool was formally implemented in 2011 and helps to identify, confirm and respond to social, environmental and governance issues involving an existing or prospective client at an early stage. Our Sustainable Development team monitors this information and briefs relevant client relationship managers on issues. When serious issues emerge they are reviewed in detail to establish their substance and where appropriate, referred to the EARC. Depending on the nature of risk, the EARC may request that the business seek a formal response to the issue or allegation from existing or potential customers. This response is reviewed by EARC and a recommendation made to consider the issue further with the client, monitor the issue closely or escalate the issue for consideration by one of our regional or divisional RRCs.

These formal governance structures are supported by an independent risk management function which oversees activities such as risk measurement, reporting and portfolio management. The risk function provides Management Board with a monthly report describing the external environment, emerging threats and opportunities and status updates on current issues. In addition our Internal Audit function has responsibility for evaluating and advising on how to improve the effectiveness of ANZ's operations, including our risk management processes around environmental reporting.
In 2011 a business Carbon Working Group (CWG) was established to co-ordinate and execute a plan for the introduction of a carbon price in Australia from July 2012. The CWG is implementing ANZ's business response to the carbon price mechanism in three ways: increasing staff awareness to enable them to engage with clients and undertake credit analysis, managing the risks (e.g. adding a carbon risk overlay to existing risk management frameworks, implementing any required additional systems/processes) and creating and capturing opportunities.
ANZ also works in partnership with external stakeholders to better understand the nature of climate change risk. Examples include the World Bank, where we are bringing cleaner, cheaper and more sustainable sources of energy to communities most exposed to the direct impacts of climate change and the World Wildlife Fund (WWF) Australia where we building our capacity for rigorous decision-making based on environmental standards in our Institutional business. During 2011, ANZ consulted with WWF during the revision of the energy policy and also sought perspectives on issues from other NGOs and industry bodies including the Australian Conservation Foundation and the Clean Energy Council. Our criteria for determining materiality and priorities for climate change risk management are driven by our on-going consultation with Non-Government Organisations, community-based groups, individuals, and other civil society stakeholders to better understand their concerns or issues related to climate change. What we learn from our stakeholders assists us to minimise reputational risk, identify opportunities for new products and services, and better understand the issues that matter to our communities.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes (see guidance)

i. Climate change is a key consideration in the business strategies of our Corporate & Institutional Divisions, the management of risks to our reputation & the capacity of our clients to meet their financial obligations & the identification of opportunities for new products & services. Management of our own environmental "footprint" is also impacted.
ii. The particular aspects of climate change that have impacted ANZ's strategy relate to the introduction of a carbon price, legislation & regulations (emissions trading, compulsory emissions reporting) & the associated transition to a lower carbon economy, as well as the direct physical impacts to our staff & clients as a result of extreme weather events.

- We are supporting clients managing their environmental impacts responsibly & planning for the future. We factored carbon pricing into lending decisions, including specific sensitive sector policies which are applied to the water, forestry, energy, & mining sectors. This is supported by client screening tools & due diligence processes.

- We reviewed our four sensitive sector policies to explicitly incorporate climate change considerations. Our revised Energy Policy introduces a number of specific requirements to guide our involvement with the power generation sector including a target to increase our lending for lower carbon emission power generation (renewables & gas) by 15-20% by 2020.
- We are embedding a culture of responsible lending across our Institutional business, where economic, social & environmental (including climate change) risks & opportunities are understood & balanced in all our decisions. ANZ's social and environmental risk training program is mandatory for all Credit Approval Discretion holders in our Commercial, Corporate & Institutional Divisions. To date 1,294 staff (58%) have completed it.
- Our partnership with WWF has an educational component which builds awareness of relevant social & environmental issues.
- We continue to build our expertise in renewable & low carbon energy projects, equipping us to support this growth industry as well as existing high-emitting energy clients who will seek to diversify into a wider range of energy sources. We funded the first project financed wind farm in Australia in 2003 & have since supported renewable energy projects generating ~3,700MW globally.
- We are committed to reducing our direct impacts on the environment, in particular our premises energy use & carbon emissions. We have had public environmental targets & reporting since 2005 & dedicated specialist staff responsible for implementing our environmental program. A key focus is the development of performance targets & environmental action plans & the use of an Environmental Management System (EMS) as the framework in support of our program. In 2011 we updated our EMS to ensure it aligned with international best practice & was suitable for application in line with our Super Regional Strategy. Revised country EMSs were prepared for Australia & NZ & the EMS was piloted in Singapore. In 2012 we plan to expand the program further.
- Our primary focus is achieving a reduction in premises energy, travel (air, accommodation & fleet) & the use of paper (office / customer correspondence) & waste. All of these activities are included within the scope of our carbon inventory. Our significant investment in infrastructure (ANZ Centre in Melbourne & a new data centre in NZ) are leadership examples of our commitment to the mitigation of our direct climate change risks. We are applying similar environmental requirements in our approach to identifying suitable new commercial offices regionally. In Singapore in 2011, we moved to a new building which has been granted Singapore's highest environmental rating (Green Mark Platinum) & we are seeking a Green Mark Gold rating for our tenancy as supported by our in-country EMS. In Brisbane we will move to a new 6 Star Green Star design rated office building in 2012 & are aiming for a 5 star NABERS Energy tenancy rating & in Sydney we will move to a new building in mid-2013 which has been awarded a 6 Star Green Star office design rating.

iii. Our short term strategy is focussed on helping our staff & customers prepare for the introduction of a carbon price in Australia in 2012. We directed significant resources to establish a Carbon Working Group (CWG) to support the transition to a lower carbon economy. Through 2011 the CWG ran seminars to provide the scientific, policy & socio-economic context for our staff to help them understand the impacts of carbon pricing and climate change on our clients and business. The CWG has adopted a strategic, evidence based approach to engaging with clients to understand both the direct and indirect impacts on their businesses. We have continued to achieve carbon neutrality across our own operations and have been certified carbon neutral by Low Carbon Australia. We have also offset our carbon emissions from our operations outside of Australia using the NCOS framework. Other examples include:

- A focus on climate-change related opportunities in our corporate and institutional businesses, including: our target to increase our lending for lower carbon emission power generation (i.e. renewables and gas) by 15-20% by 2020; our partnership with WWF; the development and management of our electricity & emissions trading and product capability; the economic analysis of the impact of carbon pricing schemes & the management of our exposure to the coal-fired power sector.
- Air Travel: we are reducing our reliance on air travel by using technology such as "telepresence" video conferencing. We have 50 telepresence units across five countries & plan to deploy approximately 20 more units in FY12.
- Business Continuity: Our BCPs have been updated to better equip the organisation to respond to natural disasters.

iv. Our long term strategy (3-5 years) is to build capability in our people so that they are responsible, balanced decision makers who are trusted advisors to our clients. We are continuing to build our expertise in relation to renewable energy and energy-efficient projects, ensuring we are equipped to support the industry. We have an explicit target to increase increase lending for lower carbon emission power generation (i.e. renewables and gas) by 15-20% by 2020.

2.2b

Please explain why not

2.3

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

Yes

2.3a

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

ANZ engages with a range of stakeholders to encourage action on mitigation & adaptation to climate change. Engagement on this issue, as with all issues material to ANZ, follows a structured, comprehensive process as highlighted by the following examples:

- ANZ engages directly with Government across the region on the issue of climate change through traditional channels of engagement. In Australia we have had recent discussions with both major political parties & government departments on issues related to climate change. We also provide submissions on key pieces of legislation. On 10 July 2011 the Australian Government announced that it will establish a $10 billion commercially oriented Clean Energy Finance Corporation (CEFC) as part of its Clean Energy Future Package. ANZ made a submission to the review of the CEFC & included key themes such as the scope for the operations of the CEFC & the market gap in financing low emissions technologies. The Australian Government has introduced a Contract for Closure mechanism which is aimed at purchasing via auction 2000MW of generation capacity & subsequently shutting it down subject to energy security certainty. This will only apply to those generators within an intensity above 1.2tCO_2e/MWh. ANZ engaged directly with Government on the mechanism as the proposed approach may not close the assets of highest intensity & could thus impact the Australian energy market in terms of carbon emissions & security of supply & efficiency. Key points of discussion centred on the incentives needed to ensure sponsors continue to manage assets over the short to medium term to ensure energy security & efficiency as new generation capacity is built.
- ANZ supports government efforts to mitigate & adapt to the impacts of climate change. As part of an NZ govt initiative, EnergyWise, we have partnered with energy companies in New Zealand to help bring affordable energy efficiency measures (products/technologies) to households.
- ANZ is also engaged in the public debate on renewable energy. In 2011 ANZ sponsored & provided a keynote presentation for the Committee for Economic Development of Australia (CEDA) Renewable Energy forum discussing the potential benefits of a carbon pricing mechanism for the evolving renewables sector; the challenges & opportunities inherent in growing a long-term, sustainable renewables sector in Australia; & how financial institutions can assist in integrating renewable energy generation sources into our energy infrastructure. The Clean Energy Council is the peak renewable energy industry body in Australia. The Council staged the inaugural Clean Energy Week in 2011. Throughout the event, ANZ provided industry expertise on how best to finance/commercialise renewable energy initiatives.

- ANZ engages on climate change issues and opportunities through its partnerships and memberships. For example, ANZ has partnered with the World Bank to encourage the use of renewable energy in the Pacific. This partnership aims to bring cleaner, cheaper and more sustainable sources of energy to communities most exposed to the direct impacts of climate change. This is delivered through close collaboration with the governments of Fiji, Papua New Guinea, Solomon Islands, Republic of Marshall Islands and Vanuatu. ANZ will administer $5 million of funding to help approved local financial institutions provide affordable loans to individuals and small businesses in Pacific Island communities for the purchase of renewable energy such as solar energy, hydro energy and bio-fuels such as coconut oils. ANZ will also participate in the program as a lender. The program aims to redress the limited access to electricity in Pacific island countries, one of the key barriers to economic growth in the region, and to reduce the region's current reliance on high cost diesel as a source of energy. We are also a member of the UNEP FI Climate Adaptation Working Group.
- ANZ works with clients and retail customers that will be impacted by a price on carbon, helping them to understand the risks as well as providing finance for measures to increase the energy efficiency of assets, reduce greenhouse gas emissions or pursue alternative energy opportunities including renewable energy projects. We are well placed to assist them managing their obligations under an emissions trading scheme in Australia and have recently become active in the New Zealand scheme. Through these varied engagements, ANZ works actively with stakeholders to encourage mitigation and adaptation, particularly through financing energy efficient technologies, as well as alternative and renewable energy sources. In addition ANZ Economics is a centre of expertise for research on climate change risks and opportunities. It has distributed regular updates to staff/clients on the progress and economic implications of emissions trading (e.g. updates on implementation of the New Zealand Emissions Trading Scheme and sectoral impact) as well as integrated analysis of the impact of climate change issues (e.g. impact of disasters, such as the recent flooding in Australia, on the broader economy and society).

Page: 3. Targets and Initiatives

3.1

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

Absolute and intensity targets

3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
1-01	Scope 1+2+3	78%	6%	2009	208172	2011	This target relates to ANZ’s Australian operations.
1-02	Scope	9%	2%	2009	22086	2011	This target relates to ANZ’s New Zealand

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
	1+2+3						operations.

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
1-03	Scope 1+2+3	78%	6%	metric tonnes CO2e per FTE employee	2009	10.16	2011	This target relates to ANZ's Australian operations

3.1c

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

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comments
1-03	Decrease	6	Decrease	6	This relates to ANZ's Australian operations

3.1d

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

ID	% complete (time)	% complete (emissions)	Comment
1-01	100	100	<100%. Despite strong gains in our environmental performance, we have faced challenges in reducing our absolute carbon emissions in Australia. ANZ's regional business growth, including a number of acquisitions, has led to an increase in absolute carbon emissions, in particular associated with increased energy used at data centres and air travel.
1-02	100	100	In New Zealand, absolute greenhouse gas emissions have been reduced by 13% since 2009, well in excess of our 2.5% target. This has been achieved by improving our energy efficiency, reducing road travel, minimising the use of paper, less reliance on natural gas, and an increasing use of renewable energy.
1-03	100	0	ANZ was able to achieve a reduction per FTE of 0.5% during the period, but the target was not met due to air travel and data centre growth.

3.1e

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

3.2

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

Yes

3.2a

Please provide details (see guidance)

ANZ has a variety of initiatives, products and services that support our customers and third parties to avoid GHG emissions, as outlined below.
Project Finance: Our Project Finance team finances renewable energy projects in Australia and offshore. Current renewable financing is approximately 3700 Megawatts, representing approximately 30% of our Project Finance energy portfolio. The finance provided by ANZ for these renewable energy projects results in direct GHG emissions reductions for the energy user. The total amount of emissions which are avoided over time is dependent on client-specific circumstances and factors. We have set a public target to increase our lending for lower carbon emission power generation (i.e. renewables and gas) by 15-20% by 2020, and publicly report on our progress against this target each year.

Renewable energy projects include:

- Waste gas projects, e.g. power generation plants utilising waste emissions (coal-bed methane and landfill gas) that would otherwise be vented and emitted untreated to air.
- Wind farms, e.g. various wind energy projects such as the AGL 400 MW Macarthur Wind Farm. The Macarthur wind farm, located in Victoria, Australia will be the largest wind farm in the Southern hemisphere and once operational, will have the capacity to power more than 220,000 average Australian homes and abate more than 1.7 million tonnes of greenhouse gases every year.
- Geothermal power projects in New Zealand.
- Hydro power, including the construction of hydroelectric plants in Laos.
- Economic analysis of the impacts of carbon pricing schemes on our corporate and institutional customers.
- Development of electricity and emissions trading products for our corporate and institutional customers.

Online Statements: ANZ is rolling out Online Statements to eligible ANZ internet banking customers. Online Statements are a PDF version of an account statement which can be accessed within ANZ's internet banking facilities. Customers that register for Online Statements elect to no longer receive paper statements. By forgoing the use of paper bank statements, ANZ customers are reducing emissions, e.g. embodied emissions within paper, as well as those associated with paper wastage and shipping and handling. As at September 2011 through this initiative we have avoided 325 tonnes of carbon emissions and delivered approximately 14.3 million e-statements.

The New Zealand scheme EnergyWise, where we have partnered with four energy service companies to help retail customers invest in solar, water saving, & energy efficient products, is on-going. In addition ANZ has formed a number of alliances and partnerships with organisations to offer a financial incentive to customers purchasing solar hot water systems and when installing energy (solar) & water efficient systems. We are exploring new product options to assist the transition towards a lower carbon economy. ANZ provided funding to the Smart Meter Initiative which assists Australian residents to monitor and manage their energy consumption and help them reduce their scope 2 emissions.

3.3

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

Yes

3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings (only for rows marked *)
Under investigation	218	
To be implemented*	0	0

Stage of development	Number of projects	Total estimated annual CO2e savings (only for rows marked *)
Implementation commenced*	5	705
Implemented*	62	6364
Not to be implemented	46	

3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Energy efficiency: building services	In Australia ANZ has implemented a range of projects based on the findings of the EEO assessments. These have included: economy cycle tuning and refinement of building controls scheduling at major commercial sites. In addition, we have undertaken site-specific works to improve energy efficiency,, such as hot water time controls and increased cleaning of induction units.	1464	148890	420000	1-3 years
Energy efficiency: building services	ANZ has implemented a number of initiatives to reduce lighting energy use at the ANZ Centre, ANZ's global headquarters. A lux level management review resulted in approximately 8% total office tenancy energy savings and the refit of lift light fittings.	437	35099	13000	<1 year
Energy efficiency: building services	ANZ undertook a lighting replacement exercise at our head office in Sydney, Australia.	308	31000	400000	>3 years
Energy efficiency: building services	In New Zealand a building management system upgrade occurred at National Bank House, which has led to a reduction in natural gas usage.	61	29000	0	>3 years
Energy efficiency: building services	In New Zealand 3 year project to upgrade air condition units to remove R22 refrigerant, reducing electricity consumption in those premises.	33	37500	0	>3 years
Transportation: fleet	In New Zealand ANZ has implemented a policy change to mandate four-cylinder vehicles as existing vehicles are replaced.	186	123089	0	<1 year
Other	In New Zealand ANZ has changed to purchasing a carbon neutral paper product	442	0	0	<1 year

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
	for office printing as provided by the key supplier.				

3.3c

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

Method	Comment
Other	We have set an explicit target to increase our lending for lower carbon emission power generation (i.e. renewables and gas) by 15-20% by 2020, and publicly report on our progress against this target each year.
Compliance with regulatory requirements/standards	While ANZ in Australia is obligated to report under the National Greenhouse and Energy Reporting (NGER) and Energy Efficiency Opportunities (EEO) Acts, we consider this an opportunity to report transparently to stakeholders. Under the EEO Act, ANZ is categorised as a 'high energy user' and as such, has a mandatory obligation to identify energy efficiency opportunities and report to the Federal Government on progress with implementation of these opportunities. ANZ has submitted a five year energy efficiency assessment plan and reports annually to the Government and the public until the end of the five year reporting cycle. In 2011 as part of the EEO program the Department of Energy Resources and Tourism (DERT) and ANZ worked together to complete a verification audit including the development of a revised Energy Efficiency Operational Procedure developed by ANZ. The DERT issued a final verification report which recognised ANZ as demonstrating best practice in our approach to: The development of energy use performance objectives, the allocation of resources to the achievement of energy use performance objectives, the communication between the Board and relevant ANZ personnel in regards to the review and subsequent signing of EEO reports. We continue to benefit from the long term financial savings through more efficient use of energy and the implementation of innovative technologies in our operations.
Dedicated budget for energy efficiency	ANZ has an annual budget for specific energy efficiency initiatives in addition to any savings that might be achieved through maintenance and project activity as part of existing operational and capital expenditure processes. In 2011 ANZ had a dedicated budget of $4m for energy efficiency initiatives and worked closely with our strategic partners Jones Lang LaSalle to determine the best application of this investment.
Dedicated budget for other emission reduction activities	ANZ has a dedicated budget for the purchase of offsets to achieve carbon neutrality.
Employee engagement	Programs of employee engagement were undertaken in relation to achieving ANZ’s carbon neutral commitment and associated initiatives in relation to energy efficiency. Our internal Carbon Working Group has conducted programs to

Method	Comment
	increase staff awareness of carbon issues.
Financial optimization calculations	We have assessed our existing emission intensive Project Finance customers in Australia for the impact of a potential price on carbon and are managing re-financing risk for these clients by working with them to look at energy efficiency opportunities which will not only reduce their current operating costs but also reduce their future liabilities for a potential price on carbon. A Carbon Working Group monitors the entire Project Finance portfolio, and manages risk exposure on a geographical and sector level.
Internal price of carbon	ANZ has a Supply Chain Governance Framework in place to monitor any future price on carbon. The framework ensures ANZ includes social and environmental criteria in its procurement specifications and encourages suppliers to manage their own social and environmental risks.
Internal incentives/recognition programs	Responsibility for managing climate change risk is embedded at the highest levels of the bank, with a proportion of our most senior executives' remuneration 'at risk' and dependent on effective management of economic, social and environmental risk issues.
Partnering with governments on technology development	ANZ is currently in partnership with the World Bank to encourage the use of renewable energy in the Pacific. This partnership aims to bring cleaner, cheaper and more sustainable sources of energy to communities most exposed to the direct impacts of climate change. This is delivered through close collaboration with the governments of Fiji, Papua New Guinea, Solomon Islands, Republic of Marshall Islands and Vanuatu. ANZ will administer $5 million of funding approved local financial institutions provide affordable loans to individuals and small businesses in Pacific Island communities for the purchase of renewable energy such as solar energy, hydro energy and bio-fuels such as coconut oils. ANZ will also participate in the program as a lender. The program aims to redress the limited access to electricity in Pacific island countries, one of the key barriers to economic growth in the region, and to reduce the region's current reliance on high cost diesel as a source of energy.

3.3d

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

Page: 4. Communication

4.1

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

Publication	Page/Section Reference	Identify the attachment
In annual reports (complete)	Pg 11, 18	http://www.anz.com/resources/3/b/3b9a04804919b3b1a79df7fc8cff90cd/2011_Annual_Report_ANZ.pdf
In voluntary communications (complete)	Pg 4-10, 19-22	http://www.anz.com/resources/0/3/0316860046e23385b8ceb98e6b40af84/2011InterimReport.pdf
In voluntary communications (complete)	pg 7, 15-16	http://www.anz.com/resources/6/6/66d299004256ece7866ffed5d952e73b/Final_Interim_10.pdf
In voluntary communications (complete)		http://www.anz.com/about-us/corporate-responsibility/ad/june-11-carbon-trading.htm
In other regulatory filings (complete)		http://www.cleanenergyregulator.gov.au/National-Greenhouse-and-Energy-Reporting/Publication-of-NGER-data/greenhouse-and-energy-information/Greenhouse-and-Energy-information-2010-2011/Pages/default.aspx#3
In other regulatory filings (complete)		http://www.anz.com/resources/4/8/483ea3004981f695bb16fbfc8cff90cd/EEO+2011+Public+Report+Final+.pdf
In voluntary communications (complete)	Chairman's AGM speech	http://media.corporate-ir.net/media_files/IROL/96/96910/agm2011/2011_Annual_General_Meeting_Chairmans_Address.pdf

Module: Risks and Opportunities [Investor]

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5.1

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

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

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
R1	Emission reporting obligations	Within Australia, ANZ has an obligation to report under both the National Greenhouse and Energy Reporting (NGER) Act and the Energy Efficiency Opportunities (EEO) Act. Under NGER, ANZ is required to report its greenhouse gas emissions and energy consumption on an annual basis to the Department of Climate Change and Energy Efficiency (DCCEE). There are financial and criminal penalties associated with non-compliance under the NGER Act. ANZ's operations are categorised as 'high energy' user. ANZ therefore has a mandatory obligation to identify energy efficiency opportunities and report to the Australian Federal Government on progress with implementation of these opportunities under the EEO Act. ANZ has submitted a five year energy efficiency assessment plan and reports annually to the Government and the public until the end of the five year reporting cycle. Please see 2011 submissions in the attachments.	Other: Reputational risk as a result of non-compliance or poor performance. Financial penalties also apply for non-compliance.	Current	Direct	Exceptionally unlikely	Low
R2	Other regulatory drivers	Emissions trading / Carbon price: The Carbon Pricing Mechanism legislated in late 2011 will mean some of ANZ’s existing clients face a carbon liability for their direct emissions. As this may impact on their ability to service ANZ loans, the financing of some of our	Other: Increases risk profile of ANZ’s debt facilities (lending).	Current	Indirect (Client)	Likely	Medium

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		coal generator clients will be subject to review following the introduction of the carbon price. Emissions-intensive clients who are not eligible for assistance under the Jobs and Competitiveness Program, clients who operate in the aviation or engineering industries and small to medium sized enterprises who have may not be able to pass through increased fuel and energy costs to their customers will also be subject to review. The impact is likely to be less in industries such as the aluminium sector due to the assistance they will obtain under the Jobs and Competitiveness Program. The commitment and/or capacity of our clients to adapt to regulatory requirements directly impacts on their profitability and reputation, and therefore their overall risk profile, particularly as mandatory carbon constraints and trading systems are introduced in more economies, such as the NZ Emissions Trading Scheme (NZ ETS), the European Emissions Trading Scheme (EU ETS) and the newly legislated Australian carbon price mechanism which will come into effect on 1 July 2012.					
R3	Other regulatory drivers	Emissions trading / Carbon price: A price on carbon will impact ANZ by virtue of our larger suppliers being regulated on their carbon emissions, resulting in increased operational costs for ANZ. Key examples include increases to the cost of air travel, electricity and diesel.	Increased operational cost	Current	Indirect (Supply chain)	Virtually certain	Low
R4	General environmental regulations, including planning	In Australia organisations are exposed to the risk of regulatory intervention in relation to misleading or deceptive claims about the sustainability or environmental performance (e.g. carbon neutrality) of the organisation and/or products and services. The Australian Competition and Consumer Commission (ACCC) monitors this and has released a set of guiding principles (ref. Green Marketing and the	Other: Reputational risk as a result of non-compliance. Financial penalties may also apply.	Current	Direct	Exceptionally unlikely	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		Trade Practices Act), which highlights the regulatory risks of broad claims about environmental sustainability and the need for all businesses, including ANZ, to ensure public statements, marketing and reporting about environmental performance, climate change strategy and products are specific and supported by fact.					

5.1b

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

R1: Direct regulatory risk (National Greenhouse and Energy Reporting / Energy Efficiency Opportunities)
i. There are direct financial penalties for the company & CEO for failing to comply with the National Greenhouse and Energy Reporting (NGER) & Energy Efficiency Opportunities (EEO) Acts in Australia.
ii. We have a management program in place, including:

- bi-monthly internal reporting in accordance with the Acts to ensure information is on track for deadlines;
- scheduled briefings to internal stakeholders to ensure adequate time for review and approval;
- scheduled briefings to keep Management Board informed of the development & implementation of any issues/opportunities.

iii. Ongoing management costs (approx $150k) are required, particularly for the resources to collect, report & review relevant data & to obtain internal/external assurance. Capital costs have also been invested in the implementation of smart meters and associated reporting technology.
R2: Indirect regulatory risk as a result of emissions trading/carbon price (clients)
i. The capacity of our clients to adapt to regulatory requirements directly impacts on their profitability & reputation. With the new carbon pricing mechanism in Australia some of our clients will have a direct carbon liability. Risks to the profitability of our clients have obvious financial implications for ANZ’s profitability. There is a clear case to assess clients' preparedness for regulatory requirements in addition to the requirements in our sensitive sector policies & our social/environmental screening. Our new Energy Sector Policy states that "ANZ will seek to ensure that global performance benchmarks and legal/regulatory compliance standards in respect of Energy transactions are exceeded". We have reviewed our portfolio & assessed clients' exposure to the carbon pricing mechanism using publicly available NGER (National Greenhouse and Energy Reporting Act) data. Carbon pricing is now fully factored into our due diligence & assessment processes. We recognise the carbon pricing mechanism may have an impact on the refinancing of coal generators in the LaTrobe Valley and we have put management resources in place to manage our exposure to this industry. We have also assessed clients in the aviation and engineering industries & SME enterprises with large inputs and energy usage that are emissions intensive, but will not receive assistance from the Jobs and Competitiveness Program.

ii. In order to manage the risks associated with the profitability/reputation of clients, we assess regulatory risks as part of our credit risk assessment. This is underpinned by sensitive sector policies, client screening and other due diligence processes. We prioritised resources to establish ANZ's Carbon Working Group (CWG) to co-ordinate and execute our plan to be ready for the introduction of a carbon price mechanism in Australia from 1 July 2012. The CWG is implementing ANZ's business response by increasing staff awareness to assist them in applying our sensitive sector policies, engage with customers, conduct social/environmental screening & undertake credit analysis. Our partnership with WWF-Australia supports this by communicating and engaging on social, environmental & regulatory issues. The partnership also provides support for specific transactions. To mitigate the risks associated with energy-intensive clients we continue to assess the ability of current & future clients to manage their own carbon pricing risks. We are also managing refinancing risk for these clients by working with them to understand their level of exposure to the carbon price & look at energy efficiency opportunities which will not only reduce their current operating costs but also reduce future carbon liabilities. The CWG monitors the Project Finance portfolio on a geographic & sector level & internal experts monitor the risk exposure of the Project Finance loan book.
iii. Various ongoing costs (which have not been quantified) have been associated with these management processes, particularly in relation to the time and effort of senior management on the Carbon Working Group and resources required to develop the client assessment tool, implemented existing Sensitive Sector policies and provide legal services (e.g. in relation to the impact of regulation).
R3: Indirect regulatory risk as a result of emissions trading / carbon price (suppliers)
i. Where our suppliers are or will be impacted by a carbon price, there will most likely be an increase cost, which will have an impact on our operational costs. The three most likely service areas that will impact us directly are energy, air travel and information communications technology.
ii. ANZ is committed to integrating ethical, environmental and social considerations into the procurement of goods and services. ANZ's Responsible Sourcing Framework assesses business risks and the ethical, environmental and social impacts of our supply arrangements and factors this into our sourcing decisions. Our approach is set out in our Sustainable Procurement Policy and our standards for suppliers are contained in our Supplier Code of Practice (SCOP), supported by our supply chain engagement process. Our policy contains guiding principles such as: inclusion of social and environmental requirements in procurement specifications; helping suppliers understand their ethical, environmental and social risks; and encouraging and influencing suppliers to improve their management of social and environmental risks including GHG emissions. We apply a risk-based approach in managing supplier compliance, i.e. suppliers of products or services with high environmental or social impacts (e.g. energy intensity) must fully comply and undertake a combination of self-assessment and on-site audits.
iii. Various relatively minor costs are associated with these management processes, particularly in relation to the resources required to develop, implement, review and update the Sustainable Sourcing Framework and processes, engage with suppliers and audit supplier self-assessments.
R4: Indirect environmental regulatory risk
i. Non-compliance could result in financial penalties and reduced business opportunities for ANZ.
ii. To ensure accurate/ robust reporting each year ANZ obtains independent assurance over its environmental footprint performance. ANZ's end-of-year integrated CR report is also assured by separate independent experts. Low Carbon Australia has certified ANZ's Australian operations as carbon neutral using the National Carbon Offs

5.1c

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

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
R5	Other physical	ANZ has a large branch presence in the Pacific island	Reduction/disruption in	Current	Direct	Likely	High

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
	climate drivers	countries, including Fiji, Kiribati and the Solomon Islands, and growing businesses in the Greater Mekong region. These communities are particularly vulnerable to the effects of climate change and over the last twelve months have experienced extreme weather events including cyclones, typhoons and floods. We also have a branch network throughout Australia, many regions of which are also prone to cyclones and other extreme weather events. Our customers and clients from these regions rely on us to deliver banking services to them in times of disaster.	production capacity				
R6	Change in precipitation extremes and droughts	ANZ has many major customers and clients within sectors which are directly and severely impacted by changes in precipitation extremes and droughts, e.g. agriculture, mining, energy, infrastructure development and urban development. For example: Agribusiness customers across Southwest Western Australia have been and are continuing to be impacted by severe drought. They have seen the driest two-year period on record which has had a significant impact on agricultural outputs. Consequently, the cash flow of these farmers has been impacted, which poses a credit risk to ANZ. Conversely, the recent floods in Queensland and parts of Victoria have also had adverse impacts on our clients. The floods caused widespread damage to the agriculture and mining industries in Queensland, the impact of which is still affecting the coal industry. Mortgages, property values and the ability to service loans have also been impacted. This has affected profit in these industries which in turn poses a credit risk to ANZ.	Inability to do business	Current	Indirect (Client)	More likely than not	Medium
R7	Other physical climate drivers	We recognise that in times of extreme weather events our suppliers may also be inhibited from supplying vital goods and services to our branch networks in the Pacific and also remote and regional country centres. This could lead to an interruption of services during a time of most need in these areas. Many of these areas also experience a shortage in the supply of mains electricity as a matter of	Inability to do business	1-5 years	Indirect (Supply chain)	About as likely as not	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		course. This is further exacerbated in times of extreme weather events. It is essential that ANZ can ensure a backup energy source to continue operations.					

5.1d

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

R5: Direct physical risks as a result of tropical cyclones
i. The potential financial implications of the risk before taking action: The financial implications associated with cyclones & other extreme whether events primarily relate to the capital costs (not quantified) to repair structural damage to offices/branches as well as reduced profits as a result of an inability to do business.
ii. The methods you are using to manage this risk: To reduce our direct risks associated with extreme weather events our insurance & Business Continuity Plan (BCP) arrangements for ANZ properties provide for the particular weather events prone to the area, including flooding, storms & cyclones. e.g. the site for our back-office processing hub in Fiji (which provides the back-office services for all operations in the Pacific) was specifically selected for its low risk of exposure to the effects of flooding, cyclones & earthquakes, strengthening the resilience of all our Pacific operations against these physical risks. ANZ has multiple BCPs per site detailing likely risks (including extreme weather events & mitigation procedures) & a Disaster Recovery Plan to ensure that businesses impacted by extreme weather events are able to resume as soon as possible.
iii. The costs associated with these actions: Various ongoing costs (which have not been quantified) have been associated with these management processes, particularly in relation to the resources required to research the risks specific to each region and to update and review the BCP.
R6: Indirect (client) risks as a result of floods and drought
i. The potential financial implications of the risk before taking action: Clients impacted by changes in precipitation extremes and droughts could potentially experience a fall in revenue and decreased profitability due to disruptions to business as usual (e.g. reductions in crop yields). This in turn could impact on any financial arrangements with ANZ and therefore on ANZ's profitability (unquantified). Furthermore, the delivery of customer assistance packages, the provision of disaster relief funding and ongoing support has a financial cost to the Bank.
ii. The methods you are using to manage this risk: The processes in place to manage these risks include:
Sensitive sector policies are applied to our business activities in the water, forestry, energy & mining & minerals sectors.

- All clients of our Institutional Business are screened for social and environmental risks at the beginning of the relationship and thereafter as part of each annual review. An assessment tool aligned with our Sensitive Sector policies is provided to staff to assist them complete the screening. This process enables staff to evaluate the physical impacts of climate change on clients, particularly those in high risk sectors such as agriculture, so we can better understand the indirect risks to our business through loss of profitability and interruption to their businesses.
- ANZ employees are provided with regular industry intelligence/advice and other information on environmental issues associated with specific industries, including the risks and financial implications associated with changing climates and extreme weather conditions. e.g.

- ANZ Economics released a paper analysing the impact of major flooding in central Queensland on local industries and the recovery prospects for industry sectors.
    - ANZ issues an internal “ANZ Coal Update” to inform staff about the impacts on the industry as a result of floods. This helps keep staff abreast of the immediate issues arising from the QLD floods.
    - Globally ANZ Markets and Research group releases numerous publications that analyse the direct and flow-on impacts of natural disasters on the economy.
- A Disaster Relief and Recovery process sets out the range of measures we can offer affected communities, including donations, financial assistance for impacted customers and/or staff, together with a decision-making process to ensure ANZ’s response is fast, effective and appropriate. The policy formalises our process for developing, implementing and monitoring our response to assist customers and communities impacted by weather-related and other events that cause a serious disruption to community life.
- We encourage customers and clients impacted by extreme weather events to contact ANZ to discuss the likely impact on their business and offer a range of relief packages including fee waivers, loan restructuring, additional working capital facilities and carry-on finance to meet short-term needs (and thus reduce any risk to ANZ).

iii. The costs associated with these actions: Various ongoing costs (which have not been quantified) have been associated with these management processes, particularly in relation to the resources required to review and update policies, undertake relevant industry research, and develop new products and services to assist impacted clients.

R7: Indirect (supplier) risks as a result of extreme weather conditions

i. The potential financial implications of the risk before taking action: In the event our suppliers are impacted by extreme weather events that inhibit the supply of vital goods and services, this could lead to an interruption of ANZ’s services and therefore reduced revenue and profitability (which has not been quantified).

ii. The methods you are using to manage this risk: To manage this risk in relation to our supplier base, we have developed the Sustainable Sourcing Framework to assess business risks, and the ethical, environmental and social impacts of our supply arrangements, and ensure these are factored into our sourcing decisions. Our approach to responsible sourcing is set out in our Sustainable Procurement Policy and our standards for suppliers are contained in our Supplier Code of Practice (SCOP). This is supported by a tailored supply chain engagement process. We apply a risk-based approach in managing supplier compliance, and performance is publicly reported each year. To mitigate the risks associated with a shortage in the supply of mains electricity in times of extreme weather events, we have accelerated our investment in renewable energy in our Pacific operations, including solar-powered branches in the Cook Islands and Kiribati and solar-powered ATMs in the Cook Islands.

iii. The costs associated with these actions: Various ongoing costs (which have not been quantified) have been associated with these management processes, particularly in relation to the resources required to develop, implement, review and update policies and processes associated with the

5.1e

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

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
R8	Reputation	ANZ is aware of the potential risks climate change poses to our reputation as a responsible bank. Banks continue to come under	Reduced demand for	Current	Direct	Virtually certain	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		scrutiny from NGOs and other groups for their role in financing industries with high environmental impacts, such as power generation, mining and forestry. We understand our decisions to financially support some clients and projects can also potentially disrupt or even displace local communities. We also understand that the expectations of a wide range of stakeholders are equally important to our business. We also face risks to our reputation if we do not meet or exceed the environmental standards and practices we encourage our corporate customers and suppliers to adopt. In particular, ANZ has faced criticism for our financial support of coal-fired power stations, funding of coal exporters in the region and involvement in the forestry and mining industries. We have also been questioned about our support of some clients operating in countries with developing legal and governance frameworks and whether appropriate environmental standards are being applied to their activities. We expect this scrutiny to continue into the future. In response to these risks we have developed comprehensive governance structures, policies, training and tools.	goods/services				

5.1f

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

R8: Direct reputational risk associated with business activities
i. The financial services sector has faced criticism from anti-coal movements . Failure to apply appropriate social and environmental standards to our decisions and respond effectively to stakeholders raising concerns about the bank's involvement in a particular transaction (e.g. financing coal based projects) can result in public criticism, activism against the bank and ultimately damage to our brand and reputation, consequently leading to reduced revenue and profit (which has not been quantified).
ii. ANZ is currently undertaking the following activities to manage this risk:

- We have publicly committed to a target of increasing our lending for lower carbon emission power generation (i.e. renewables and gas) by 15-20% by 2020, and publicly reporting on our progress against this target each year.
- ANZ's Reputation Risk Committee (RRC) functions at a Group-wide and regional level within the organisation and covers wide ranging reputational issues, including those relating to climate change. Representatives from the Sustainable Development team provide advice to the RRC as required on issues related to

climate change and sustainability. In addition, the Project Finance team also reports to the RRC as required. For example, the team consulted to the RRC during 2011 when the energy sector policy was updated. The General Manager of External Affairs also sits on the RRC . Furthermore, our risk governance framework supports staff to identify issues that could potentially impact ANZ's reputation, e.g. lending money to a new client associated with a significant social or environmental issue.

- To demonstrate our commitment to climate change mitigation and enhance and protect our reputation, we responsibly manage our carbon footprint and operate under our commitment to responsible business practices in every region we operate. In 2011 ANZ maintained its commitment to achieve carbon neutrality across our global operations. ANZ's claims relating to carbon neutrality are consistent with the Australian Government's NCOS, thereby providing stakeholders with certainty and confidence.
- We also undertake an extensive program of stakeholder engagement to minimise risks, identify ideas for new products and services, and understand and respond to the issues that matter to our communities. We engage continuously, listen to a range of opinions, formulate responses and make specific public and auditable commitments where appropriate. We report our progress and outcomes to stakeholders on a regular basis through informal dialogue and our various corporate responsibility publications and communications tools.
- In addition, we collaborate with NGOs and other organisations to increase our capacity to make balanced, evidence based decisions, thereby protecting our brand. In 2011 we updated our four sensitive sector policies to ensure they remain consistent with our values, our CR framework, meet industry standards and incorporate feedback from external stakeholders. Our Energy Sector Policy was approved by Management Board following consultation with our customers, environmental NGOs, industry, and sector experts. In addition, we engaged with WWF-Australia during the revision of ANZ's Energy Sector Policy and also certain client transactions . WWF also assisted with building ANZ's capacity for rigorous decision-making based on environmental standards, particularly in the development of policies and guidelines for sensitive sectors such as forestry, energy, water, mining and metals.

Various ongoing costs (which have not been quantified) have been associated with these management processes, particularly in relation to the resources required to manage the RRC and internal emissions reporting processes, as well as capital costs associated with investing in energy efficient technology and purchasing offsets for the purposes of reducing ANZ's greenhouse gas emissions and achieving carbon neutrality.

5.1g

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

5.1h

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

5.1i

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

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6.1

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

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

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
)1	Cap and trade schemes	Emission trading schemes and a price on carbon provide revenue opportunities for ANZ with both existing clients and in new market developments. For example, we became active within the NZ ETS in the last year (e.g. through the provision of trading services to clients) and the carbon price mechanism in Australia will provide similar opportunities from 1 July 2012 for ANZ to work with clients to assist them in meeting future obligations (e.g. facilitate pricing and hedging of permits) and help them identify energy efficiency opportunities. We have provided economic analysis of	New products/business services	Current	Direct	Very likely	High

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		the likely impacts of carbon pricing and used this to produce a “Carbon Tax Fact Pack” to drive engagement with our corporate and institutional clients.					
)2	Other regulatory drivers	The Australian Government last year increased the share of renewable energy by expanding the Mandatory Renewable Energy Target (MRET) to 45,000 MWh or 20% by 2020, more than four times the previous target. This has increased demand for Renewable Energy Certificates (RECs) and continues to encourage and support the expansion of renewable energy projects across Australia. This has created a number of opportunities for ANZ, including greater investment opportunities in renewable energy developments and an increase in demand for existing products and services (e.g. increased trading for RECs).	Increased demand for existing products/services	Current	Direct	Very likely	Medium-high
)3	Emission reporting obligations	While ANZ in Australia is obligated to report under the National Greenhouse and Energy Reporting and Energy Efficiency Opportunities Acts, we consider this an opportunity to enhance our reputation by reporting transparently to stakeholders. Enhancing our reputation will continue to attract customers and investors. As an organisation we also continue to benefit from the implementation of innovative energy-efficient technologies and associated long term financial savings, and the implementation of rigorous measurement and tracking systems that ultimately lead to the reporting of credible energy and greenhouse data.	Other: Enhanced reputation	Current	Direct	More likely than not	Low

6.1b

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

O1: Direct opportunities relating to a price on carbon
i. In New Zealand some of ANZ's corporate clients have a liability under the NZ ETS, which has resulted in a number of new service opportunities for ANZ, particularly in relation to energy and carbon trading mechanisms. In Australia some of our corporate clients are considering the implications of a cost of carbon on their business and investigating energy-efficiency opportunities. This has created a number of investment opportunities for ANZ and has increased our capability and knowledge in the area, allowing us to expand our service offerings. Both have resulted in an increase in revenue.
ii. To optimise the opportunities presented to ANZ as a result of a carbon price, we are continuously undertaking market research to understand the needs of current and future clients. Through this we are expanding our knowledge and capabilities and developing new and improved services and products to meet client needs. e.g.

- As a result of the NZ ETS and other international carbon markets we have established the Energy and Emissions Trading desk, through which we assist our clients to meet their liabilities by procuring various credits on their behalf (e.g. New Zealand Units, Certified Emission Reduction (CER) Units, Renewable Energy Certificates (RECs). Examples of our involvement to date include:
    - Trading in RECs, NSW Gas Abatement Certificates and Verified Emission Reductions under Australia's former Greenhouse Friendly Voluntary Carbon Offsetting Scheme to assist clients manage mandated and voluntary carbon and renewable energy targets.
    - Trading in Certified Emission Reductions created from Clean Development Mechanism (CDM) projects.
    - Providing hedging of renewable energy and carbon credits output for carbon abatement projects in Australia and internationally.
- Internally, ANZ business and product teams meet regularly to discuss regulatory and market developments so ANZ can best position to respond effectively to customer demand and solution requirements that are consistent with the market evolution.
- ANZ is working with clients to reduce energy consumption across their businesses by financing more energy efficient plant, equipment and buildings. Our clients benefit from lower operating costs now and reduced liabilities into the future as carbon pricing is implemented. To improve our ability to assist our clients, we are now able to offer end-to-end advice and assistance around the implementation of energy efficient technologies, including advisory services in relation to potential technology improvements and finance and investment services to facilitate the implementation of those measures.

iii. Various ongoing costs (which have not been quantified) have been associated with these actions, particularly in relation to the resources required to establish new services, including IT infrastructure, staff training, marketing of new products, etc.
O2: Direct opportunities relating to MRET
i. The government's expanding Mandatory Renewable Energy Target has encouraged greater investment in renewable energy sources. ANZ will continue to assist clients through arranging finance for these projects. Projects that may have previously been considered as having marginal returns will now fall into a more profitable category and be considered more seriously for commencement of development.
ii. To ensure that we maximise the opportunities presented by the expanding renewable energy sector, ANZ is undertaking the following:

- We continue our support of renewable energy infrastructure through investment in the Energy Infrastructure Trust (EIT), a special-purpose trust with over $788 million in equity funds invested in energy assets. These include renewable energy assets such as steam plants, biodiesel fuel plants and wind farms. ANZ Specialist Asset Management, a wholly owned subsidiary of ANZ, is the Trustee for EIT. ANZ owns 5.2% of the units in EIT.
- Our project finance team finances a number of renewable energy projects in Australia and offshore (estimated at 30% of the Project Finance energy portfolio). These include waste gas projects, wind farms, geothermal energy, hydro power and biomass energy. We have set a target increase our lending for lower carbon emission power generation (i.e. renewables and gas) by 15-20% by 2020, and publicly report on our progress against this target each year.

iii. Various ongoing costs (which have not been quantified) have been associated with these actions, particularly in relation to the resources required to establish new services, including IT infrastructure, staff training, marketing of new products, etc, as well as investment costs.
O3: Direct opportunities relating to emissions reporting obligations
i. The potential financial implications of the opportunity: While ANZ is directly required to comply with the EEO and NGER Acts, we have already experienced the operational cost savings that have eventuated from improving our energy efficiency in terms of both our FTE and m2 intensity. Examples of the financial savings associated with these initiatives include:

- A saving of $66,099 as a result of lighting efficiency improvements

- A saving of $148,890 as a result of energy efficiency improvements in major buildings
- A saving of $123,089 as a result of an increase in fuel efficiency of fleet cars in NZ.

While we anticipate that there will be a cost to further improve our performance in this area for capital upgrades, we know that the long term, year on year savings justify that expenditure.
ii. We have a management program in place, which includes:

- Internal monthly reporting of scope 1 & 2 emissions in accordance with the NGER and EEO Acts to ensure all information is on track for 31st October reporting. Internal monthly reporting ensures that any issues in collecting or calculating data are resolved on a periodic basis and also serves to reduce the workload when annual reporting is required.
- Scheduled briefings to relevant internal stakeholders to ensure adequate time for review and approval.
- In addition to the monthly internal reporting described above, there are scheduled briefings and submission of board papers to the Management Board and the Board of Directors to keep them informed of the development and implementation of new opportunities.

iii. There are both capital and annual (or routine) costs associated with our NGER and EEO programs. These include the implementation of smart meters and other energy efficiency upgrades, the annual cost of assurance over data and management costs associated with monthly internal and external reporting of data.

6.1c

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

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
O4	Other physical climate opportunities	Climate change provides us with the opportunity to work collaboratively with our clients to manage and reduce the risks that extreme weather events may have on their business. We continue to develop innovative products for our clients, which has assisted us to become a trusted and valuable adviser on these issues.	New products/business services	Current	Direct	More likely than not	Low
O5	Other physical climate opportunities	Effective and appropriate emergency response assistance continues to demonstrate that ANZ is committed to the communities in which it operates and this in turn leads to loyal customers and satisfied and committed employees.	Increased demand for existing products/services	Current	Indirect (Client)	More likely than not	Low

6.1d

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

O4: Direct opportunities to develop new products and services
i. The opportunity to develop innovative products and services to assist our clients to manage and reduce their climate change risks (as a result of direct weather impacts) has increased revenue. This includes development of our electricity and emissions trading and product capability and the provision of economic analysis and advice on the impacts of carbon pricing.
ii. To optimise the opportunities presented to ANZ as a result of the physical impacts of climate change, we are continuously undertaking market research to understand the needs of current and future clients. Through this we are expanding our knowledge and capabilities and developing new and improved services and products to meet client needs. For example, there are a range of financial tools available to our customers to assist in managing the risks posed by weather, including catastrophe bonds, insurance products and the supply of hedging instruments.
iii. Various ongoing costs (which have not been quantified), particularly in relation to the resources required to develop and market new products.
O5: Indirect opportunities to enhance reputation as a result of climate change
i. As well as the humanitarian impact, natural disasters (caused as a result of climate change) can have huge financial costs for affected regions and communities immediately following the event, with total damage frequently running into the billions of (Australian) dollars. In addition to providing support and assistance through ANZ's range of financial tools designed for disaster recovery, this has also provided an opportunity for ANZ to donate time and resources to the recovery effort. We are positioning ourselves as trusted advisors to clients who are facing risks or disruption as a result of climate change and carbon pricing.
ii. To successfully manage this opportunity, ANZ's Business Continuity Team and Group Crisis Management team develops plans and processes for the organisation to effectively and efficiently respond to natural disasters, including scenario planning. Examples of the way in which ANZ has acted during times of need to develop and strengthen our relationships as a responsible corporate citizen with customers and communities are outlined below.

- The damage caused by the Queensland floods affected over 200,000 people, many of whom were customers, staff, or other important stakeholders of ANZ. We quickly mobilised a crisis management team to address the immediate impacts of the disaster and implemented a support package which included temporarily suspending loan repayments, waiving bank fees for impacted customers, restructuring finances, providing access to dedicated call-centre staff specifically trained to help customers manage finances through a crisis and temporary adjustments to customer lending limits. We also donated $1 million to the Queensland flood relief appeal.
- The same emergency measures from the QLD flood crisis were extended to customers impacted by Cyclone Yasi. Furthermore, many victims of the recent cyclones were clients and staff of ANZ. Those impacted were provided with clothing donated by staff and access to a phone to contact family and friends. Our New Zealand team sent a contingent of staff to provide additional resources to support the branch and local community with their recovery efforts.
- In addition, during 2011 ANZ responded to other natural disasters including floods, droughts and fires in Australia (including NSW, Queensland, Victoria and Western Australia), cyclones in the Pacific Islands, earthquakes in New Zealand and the tsunami in Japan. In each case the standardised emergency relief process was used to govern our provision of immediate relief, charitable donations and modified/concessional financial services.

iii. In addition to costs associated with ANZ's BCP and associated resourcing costs, over $3.7m has been donated to recovery efforts for natural disasters.

6.1e

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

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
O6	Changing consumer behaviour	ANZ can capitalise on the expected increase in demand for renewable energy alternatives and environmentally responsible investment options in Australia, Asia and the Pacific. The investment and commitment we have made to developing staff awareness and skills, combined with regular internal roundtable discussions with representatives from carbon trading, legal, finance and client diagnostics teams, help us to develop new product and service opportunities.	New products/business services	Current	Direct	Virtually certain	Medium

6.1f

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

O6 Changing consumer bahviour
i. The opportunity to develop and market innovative products and services as a result of an increase in consumer demand for environmentally responsible products has increased revenue.
ii. ANZ has a Global Product Management Policy that governs how new products are developed, released and managed across our different business units. Business units employ a variety of methods to gain customer feedback to guide their product development decisions, including independent and syndicated market research, direct customer contact through our contact centres, websites and relationship managers, industry forums and analytics-driven insights.
iii. Various ongoing costs (which have not been quantified) have been associated with these actions, particularly in relation to the resources required to develop and market new products.

6.1g

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

6.1h

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

6.1i

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

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

Page: 7. Emissions Methodology

7.1

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

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Wed 01 Oct 2008 - Wed 30 Sep 2009	15745	181861

7.2

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

Please select the published methodologies that you use
Australia - National Greenhouse and Energy Reporting Act
New Zealand - Guidance for Voluntary, Corporate Greenhouse Gas Reporting
India GHG Inventory Programme
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

7.2a

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

7.3

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

Gas	Reference
Other: Carbon dioxide	IPCC Second Assessment Report (SAR - 100 year)

7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference

Attachments

https://www.cdproject.net/Sites/2012/87/1187/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/7.EmissionsMethodology/worksheet-to-input-of-EF.xlsx

Page: 8. Emissions Data - (1 Oct 2010 - 30 Sep 2011)

8.1

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

Operational control

8.2a

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

18202

8.2b

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

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

8.2c

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

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

8.2d

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

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

8.3a

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

206220

8.3b

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

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

8.3c

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

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

8.3d

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

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

8.4

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

8.4a

Please complete the table

Reporting Entity	Source	Scope	Explain why the source is excluded

8.4

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

No

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded

8.5

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

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 5% but less than or equal to 10%	Data Gaps	ANZ has chosen the uncertainty factor of 5%-10% based on the Asia/Pacific/Europe/America data being a combination of actual and estimated data (primarily for the emissions from company vehicles) .	Less than or equal to 2%		In the Pacific region ANZ uses a regional factor published by the IEA and has not been able to use local factors as they are not readily available. These countries represent only 3% of ANZ's total scope 1 & scope 2 emissions.

8.6

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

Verification or assurance complete

8.6a

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

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

8.6b

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

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Reasonable assurance	ISO14064-3	Yes for Australian, New Zealand and Indian operations http://www.anz.com/resources/e/6/e677828049b98cea9917bfc3936870f6/2011+ANZ+GHG+Verification+Statement.pdf
Limited assurance	ISO14064-3	For the APEA operations (Asia, Pacific, Europe and America) http://www.anz.com/resources/f/5/f569040049b98b3598fabfc3936870f6/2011+ANZ+Assurance+Statement+APEA.pdf
Other: Verification	Other: ISAE3000, WRI Greenhouse Gas Protocol and ISO14064-3:2006	ANZ's Global inventory, procurement and cancellation of carbon credits http://www.anz.com/resources/9/e/9edaf30049b98c259909bfc3936870f6/2011+ANZ+Assurance+Statement+Carbon+Offset.pdf
Other: Certification	Other: Australian National Carbon Offset Standard	ANZ's Australian operations have been certified Carbon Neutral under the Low Carbon Australia's Carbon Neutral Program ANZ Certification and Recommendations Letter 231210.pdf

8.7

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

Verification or assurance complete

8.7a

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

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

8.7b

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

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Reasonable assurance	ISO14064-3	Yes for Australian, New Zealand and Indian operations http://www.anz.com/resources/e/6/e677828049b98cea9917bfc3936870f6/2011+ANZ+GHG+Verification+Statement.pdf
Limited assurance	ISO14064-3	For the APEA operations (Asia, Pacific, Europe and America) http://www.anz.com/resources/f/5/f569040049b98b3598fabfc3936870f6/2011+ANZ+Assurance+Statement+APEA.pdf
Other: Verification	Other: ISAE3000, WRI Greenhouse Gas Protocol and ISO14064-3:2006	ANZ's Global inventory, procurement and cancellation of carbon credits http://www.anz.com/resources/9/e/9edaf30049b98c259909bfc3936870f6/2011+ANZ+Assurance+Statement+Carbon+Offset.pdf
Other:	Other:	ANZ's Australian operations have been certified Carbon Neutral under the Low Carbon Australia's Carbon Neutral Program ANZ

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Certification	Australian National Carbon Offset Standard	Certification and Recommendations Letter 231210.pdf

8.8

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

No

8.8a

Please provide the emissions in metric tonnes CO2e

Attachments

https://www.cdproject.net/Sites/2012/87/1187/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/8.EmissionsData(1Oct2010-30Sep2011)/2011+ANZ+Assurance+Statement+APEA.pdf
https://www.cdproject.net/Sites/2012/87/1187/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/8.EmissionsData(1Oct2010-30Sep2011)/ANZ Certification and Recommendations Letter 231210.pdf
https://www.cdproject.net/Sites/2012/87/1187/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/8.EmissionsData(1Oct2010-30Sep2011)/2011+ANZ+GHG+Verification+Statement.pdf
https://www.cdproject.net/Sites/2012/87/1187/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/8.EmissionsData(1Oct2010-30Sep2011)/2011+ANZ+Assurance+Statement+Carbon+Offset.pdf

Page: 9. Scope 1 Emissions Breakdown - (1 Oct 2010 - 30 Sep 2011)

9.1

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

Yes

9.1a

Please complete the table below

Country	Scope 1 metric tonnes CO2e
Australia	7696
Other: New Zealand	5607
Other: India	2025
Other: Asia/Pacific/Europe/America Operations	2874

9.2

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

By GHG type

9.2a

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

Business Division	Scope 1 metric tonnes CO2e

9.2b

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

Facility	Scope 1 metric tonnes CO2e

9.2c

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

GHG type	Scope 1 metric tonnes CO2e
CO_2	17777
CH_4	287
N_2O	138

9.2d

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

Activity	Scope 1 metric tonnes CO2e

Page: 10. Scope 2 Emissions Breakdown - (1 Oct 2010 - 30 Sep 2011)

10.1

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

Yes

10.1a

Please complete the table below

Country	Scope 2 metric tonnes CO2e
Australia	160113
Other: New Zealand	5882
Other: India	12164
Other: Asia/Pacific/Europe/America Operations	28061

10.2

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

By facility

10.2a

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

Business division	Scope 2 metric tonnes CO2e

10.2b

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

Facility	Scope 2 metric tonnes CO2e
Commercial	99624

Facility	Scope 2 metric tonnes CO2e
Retail / ATMs	65048
Data Centres	41548

10.2c

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

Activity	Scope 2 metric tonnes CO2e

Further Information

Page: 11. Emissions Scope 2 Contractual

11.1

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

Yes

11.1a

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

11.1b

Explain the basis of the alternative figure (see guidance)

11.2

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

No

11.2a

Please provide details including the number and type of certificates

Type of certificate	Number of certificates	Comments

Further Information

Page: 12. Energy

12.1

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

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

12.2

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

Energy type	MWh
Fuel	66845
Electricity	256132
Heat	0
Steam	0
Cooling	0

12.3

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

Fuels	MWh
Natural gas	14412
Other: Diesel (Premises)	2309
Motor gasoline	50124

Further Information

Page: 13. Emissions Performance

13.1

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

Increased

13.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Acquisitions	2	Increase	The increase in emissions has been the result of the Royal Bank of Scotland assets acquired in 2009 being included for a whole financial year for the first time.

13.2

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
0.0000133489	metric tonnes CO2e	unit total revenue	5	Decrease	Revenue and business activity continue to increase at a faster rate than growth in emissions.

13.3

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
4.55	metric tonnes CO2e	FTE Employee	10	Decrease	ANZ has been able to reduce the growth in total emissions at a rate faster than the growth in the number of FTE's in the organisation. FTE growth was 13% in 2011, whilst emissions growth was 2%. FTE growth has been concentrated in our APEA division, which is less emissions-intensive.

13.4

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
0.19	metric tonnes CO2e	square meter	17	Increase	There was a 13% reduction in total space occupied as ANZ optimised its global portfolio, primarily associated with acquired Royal Bank of Scotland property assets. More staff are now more efficiently occupying less real estate which has led to an increase in this intensity measure.

Page: 14. Emissions Trading

14.1

Do you participate in any emission trading schemes?

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

14.1a

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

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

14.1b

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

14.2

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

Yes

14.2a

Please complete the following table

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose e.g. compliance
Credit Purchase	Wind	Shanggyi Manjing Widfarm Project	VCS	10000	8331	Yes	Voluntary Offsetting
Credit Purchase	Wind	Liaoning (Kangping Furoshan-China	VCS	14876	14876	Yes	Voluntary Offsetting
Credit Purchase	Wind	Lianing (Faku Baujiagou) - China	VCS	15120	15120	Yes	Voluntary Offsetting
Credit Purchase	Wind	Liaoning (Faku Heping) - China	VCS	16983	16983	Yes	Voluntary Offsetting
Credit Purchase	Biomass energy	Biomass Residue Powewr Project – Ghazipur - India	VCS	50000	50000	Yes	Voluntary Offsetting
Credit Purchase	Geothermal	Wayang Windu Phase 2 – Geo Thermal Project – Indonesia	VCS	50000	50000	Yes	Voluntary Offsetting
Credit Purchase	Wind	Liaoning (Faku Heping) - China	VCS	80729	80729	Yes	Voluntary Offsetting
Credit Purchase	Wind	Lianing (Faku Baujiagou) - China	VCS	102292	90770	Yes	Voluntary Offsetting

Further Information

15.1

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

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Business travel	45823	Air travel: ANZ uses the greenhouse gas emission factors (kg CO2-e/mile flown) available in the 'Greenhouse Gas Conversion Factors for Company Reporting' published by the UK Department for Environment, Food and Rural Affairs and the UK Department of Environment and Climate Change (available at http://www.defra.gov.uk/environment/business/reporting/conversion-factors.htm). This includes applying a 9% uplift factor to take into account the additional distance flown between two points due to non-direct routes, delays and circling as well as the class of travel. ANZ, uses the distance categories as defined in the Greenhouse Gas Protocol calculation tool for transport and mobile sources (available at http://www.ghgprotocol.org/calculation-tools/all-tools) as the basis for the emission factors associated with the flight type.	
Fuel- and energy-related activities (not included in Scopes 1 or 2)	23175	Transmission losses (actual): ANZ has calculated transmission losses for the following emissions sources: diesel, gas, electricity and vehicle use for tool of trade vehicles. This has been calculated for Australia using (NGA FACTORS, and New Zealand (Ministry For Environment).	
Fuel- and energy-related activities (not included in Scopes 1 or 2)	4354	Transmission losses (estimated): ANZ has used an extrapolation process to calculate scope 3 emissions where data is not available for a number of the local countries. This covers all countries in the Asia/Pacific/Europe/America region.	
Business travel	3385	ANZ has estimated the emissions from a private car using the 'combined factor' in the Australian Government's Green Vehicle Guide. This has been based on GHG for a Ford Falcon as the default car type.	
Business travel	1663	ANZ has applied average Australian trip data made available (on an annual basis) by the Australian Taxi Industry Association (ATIA) and used the overall cost of taxi fares as a proxy for the distance driven and therefore the carbon impact of taxi travel (see http://www.atia.com.au/library.php?tab=1). As the majority of Australia's taxi fleet still consistis of 6-cylinder vehicles fuelled by LPG, it is assumed that all taxi travel occurs in LPG powered Ford Falcons. ANZ uses the factor in the "Australian Government's Green Vehicle Guide to estimate the volume of fuel used in the taxis. ANZ has then extrapolated this data for all other countries based on FTE.	

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Business travel	8551	ANZ has calculated the emissions associated with a staff member staying in a hotel using a combination of the average electricity used per room night and the average occupancy for the hotel for the country identified, based on available government data. The local emission factor has been applied to estimate the GHG associated with electricity use. A similar approach has been applied to calculate the average gas and diesel use as well. Further information on this method is provided on anz.com	
Purchased goods & services	7046	ANZ has taken the total tonnes of paper for print and office and multiplied by the emission factor developed by the Royal Melbourne Institute of Technology and published by the Victorian Environmental Protection Agency.	
Waste generated in operations	2215	ANZ estimates the total volume of waste generated in a year based on the results of bi-annual audits at key commercial properties. ANZ has then applied the factor for commercial and industrial waste available in the NGA factors. This data has then been applied to all other countries based on number of FTEs.	
Fuel- and energy-related activities (not included in Scopes 1 or 2)	5182	ANZ has calculated the emissions for commercial sites in Australia where it is a tenant and not responsible for base building energy. This is based on calculating the average kWh/m2 for the building provided by the landlord and allocating the leased space occupied by ANZ.	
Fuel- and energy-related activities (not included in Scopes 1 or 2)	2033	For our Australian business ANZ has estimated the emissions for IT equipment which are housed in data centres not managed by ANZ. ANZ has calculated the total electrical power for the IT equipment and multiplied this by the Power Usage Effectiveness (PUE) ratio as defined by the Greengrid. ANZ has used the ratio for its existing data centres as the basis for the calculation.	

15.2

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

Verification or assurance complete

15.2a

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

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

15.2b

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

Level of verification or assurance	Relevant verification standard	Relevant statement attached
Reasonable assurance	ISO14064-3	Reasonable assurance obtained for Australia and India. See attached assurance statement
Limited assurance	ISO14064-3	Limited assurance obtained for New Zealand See attached assurance statement
Limited assurance	Other: Based on current best practice guidance provided in the ISAE3000, the WRI Greenhouse Gas Protocol and the ISO 14064-3:2006.	Limited assurance obtained for APE&A region. See attached assurance statement
Other: Certification	Other: Australian: National Carbon Offset Standard (NCOS)	ANZ's Australian operations have been certified carbon neutral under the Australia Carbon Trust's Carbon Neutral Program.

15.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

15.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in methodology	5	Increase	Base building emissions. This is a new source of emissions for ANZ, not previously reported.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in methodology	2	Increase	Outsourced data centre emissions. This is a new source of emissions for ANZ, not previously reported.
Fuel- and energy-related activities (not included in Scopes 1 or 2)		1	Increase	Transmission losses. This is the result of the increase in scope 2 emissions and associated increase in scope 3 emissions.
Purchased goods & services	Emissions reduction activities	5	Decrease	Paper. There has been a change in the emissions factors published by the Environmental Protection Agency in Australia which together with a reduction in paper consumption has lead to a 43% reduction in emissions from this source.

Attachments

https://www.cdproject.net/Sites/2012/87/1187/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/2011+ANZ+Assurance+Statement+Carbon+Offset.pdf
https://www.cdproject.net/Sites/2012/87/1187/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/ANZ Certification and Recommendations Letter 231210.pdf
https://www.cdproject.net/Sites/2012/87/1187/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/15.Scope3Emissions/2011+ANZ+GHG+Verification+Statement.pdf
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Module: Sign Off

Page: Sign Off

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

Gerard Brown
Group General Manager, Corporate Affairs
Australia and New Zealand Banking Group Limited