Module: Introduction

Page: Introduction

CC0.1

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 33 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 47,000 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.

ANZ’s Corporate Governance includes an explicit focus on building a corporate culture of sustainability. Our Corporate Governance principles focus on ethical and responsible decision-making to ensure that our activities are sustainable, which includes careful consideration of climate change aspects and impacts that relate directly and indirectly to our business.

ANZ supports responsible growth and prosperity for our customers, shareholders, people, and communities. We recognise that as economies transition towards lower carbon futures, there are opportunities for our business to demonstrate leadership in sustainability performance, and to support this transition through responsible lending, particularly in the energy sector.

Note: in 2013, we changed our greenhouse gas emissions reporting period to the year ending 30 June to align with government and regulatory reporting timelines. Previously it was defined as 1 October - 30 September.

CC0.2

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
Sun 01 Jul 2012 - Sun 30 Jun 2013

CC0.3

Country list configuration

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

Select country
Australia
New Zealand
American Samoa
Cambodia
China
Cook Islands
Fiji
Germany
Guam
Hong Kong

Select country
India
Indonesia
Japan
Kiribati
South Korea
Laos, People s Democratic Republic of
Malaysia
New Caledonia
Papua New Guinea
Philippines
Samoa
Singapore
Solomon Islands
Taiwan
Thailand
Timor Leste
Tonga
United Arab Emirates
United Kingdom
United States of America
Vanuatu
Vietnam
Myanmar

CC0.4

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 ($)

CC0.6

Modules
As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco sectors 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 not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.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.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

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

CC1.1a

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

The highest level of responsibility for climate change lies with ANZ's Board of Directors. Climate change is fully integrated in ANZ's approach to governing sustainability. The Board Governance Committee has responsibility for reviewing and approving climate change-related objectives, monitoring progress in achieving targets & reporting against them. The Board Risk Committee has formal responsibility for the overview of ANZ's management of new and emerging risks, including climate change-related risks. The Board Risk Committee reports on a quarterly basis to the Board of Directors and holds responsibility for delivery of business performance, including climate change activities.

At management level, the Corporate Sustainability & Diversity Committee (CSD), chaired by the CEO, is a strategic leadership body addressing climate change. The CSD is composed of three members of Management Board and representatives from each of ANZ's divisions. It reports to the Board Governance Committee twice a year with regards the setting of targets, performance against them and public reporting of them. The Reputation Risk Committee (RRC), chaired by the CRO, is responsible for understanding and assessing the impacts of specific transactions and broader relationships as they relate to current and emerging risks, including climate change. For example, our energy policy states that power generation with emissions above certain thresholds must automatically be reviewed by RRC.

CC1.2

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

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Board/Executive board	Monetary reward	Management of incentives for delivering on our climate change strategy are in place at the most senior levels of the organisation.
Chief Executive Officer (CEO)	Monetary reward	Climate change performance metrics contribute to a balanced scorecard which drives performance appraisal and linked remuneration for the CEO.
Chief Operating Officer (COO)	Monetary reward	Meeting organisational emission reduction targets for our direct emissions, including indirect emissions and supply chain management. Maintaining our carbon neutral positioning. Meeting energy, water, paper, air travel, fuel consumption and waste targets. Performance linked to remuneration through achievement of KRA's.
Corporate executive team	Monetary reward	Climate change metrics contribute to a balanced scorecard which drives performance appraisal and linked remuneration of the corporate executive team.
Environment/Sustainability managers	Monetary reward	Managing emissions profile and meeting emission reduction targets. Meeting carbon neutrality targets. Meeting energy, water, paper, air travel, fuel consumption and waste targets. Performance linked to remuneration through KRA's.
Facility managers	Monetary reward	Meeting energy usage and energy efficiency targets. Performance linked to remuneration through KRA's.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Business unit managers	Monetary reward	Communicating climate change issues to customer-facing staff. Performance linked to remuneration through KRA's.
Other: General Manager Group Corporate Affairs	Monetary reward	Overall responsibility for ANZ's sustainability agenda and performance and is correspondingly rewarded for delivery of our targets and performance.
Other: Head of Credit and Capital Management	Monetary reward	Responsible for increasing the proportion of lower-carbon (gas and renewables) power generation lending in our Project Finance business by 15-20% by 2020.
Other: Head of Social and Environmental Risk	Monetary reward	A senior Credit Approval Discretion (CAD) holder; reviews social and environmental considerations in relation to the credit-worthiness of clients and projects.
Other: Head of Corporate Sustainability	Monetary reward	Delivery of sustainability and climate change targets and reporting of progress against them is central to this role, with incentives reflecting this.
Other: Head of Best Practice and Compliance - Group Property	Monetary reward	Representative of property leadership team with responsibility for ensuring ANZ meets its EEO reporting obligations. Property Leadership member responsible for ensuring Energy Efficiency working group achieves its objectives.
Other: Head of Environmental Sustainability	Monetary reward	Responsible for managing the delivery against the energy management performance targets for ANZ and for ensuring that energy efficiency assessments are carried out in accordance with ANZ's assessment plan.
Other: General Manager Group Property	Monetary reward	Responsible for development and implementation of property strategy, including energy reduction projects across ANZ's property portfolio. Responsible for reviewing and approval of EEO public report, ahead of requesting COO submit to Board for noting.

Further Information

Page: CC2. Strategy

CC2.1

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

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Individual/Sub-set of the Board or committee appointed by the Board	ANZ considers risks and opportunities relating to climate change for all 33 markets in which we operate. This includes our core markets in Australia and New Zealand and growth markets in the Asia Pacific.	> 6 years	ANZ's Board, supported by committees, has overall responsibility and oversight of strategy, risks and opportunities relating to climate change. Executive Management committees which contribute to ANZ's climate change strategy include: 1. Corporate Sustainability & Diversity (CSD) Committee – responsible for overseeing ANZ's Sustainability strategy which includes monitoring current and emerging climate change risks and opportunities. CSD has responsibility for tracking the progress on environmental targets, including GHG and low emissions financing targets. It meets quarterly and is chaired by the CEO. 2. Reputation Risk Committee (RRC) – responsible for assessing impacts of current and emerging environmental, social, business and regulatory risks, including climate change-related risks in ANZ's lending portfolio that have potential consequences for ANZ's reputation. RRC approves appropriate strategies to manage and mitigate those risks. It meets quarterly and is chaired by the CRO.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Company Level: Our most material risks and opportunities relating to climate change result from our lending. We identify risks and opportunities using our social and environmental screening toolkit, sensitive sector policies and annual review process. Additionally, we monitor existing and prospective customers through the monthly Early Alert Review Committee and quarterly Reputation Risk Committee. This ensures that we understand a customer, or potential customer's approach to managing and mitigating climate change impacts. In 2013, 392 staff from our International and Institutional Bank division completed our Sustainability Leadership Program. The Program, delivered in partnership with WWF-Australia, helps our people make more informed decisions.

Asset Level: We recognize that ANZ and its physical assets are exposed to climate related events – for example, events such as severe storms, drought, fires, cyclones and floods may temporarily interrupt or restrict the provision of local or Group services. ANZ identifies and manages operational risk through our global Operational Risk Measurement and Management Framework (ORMMF). The ORMMF takes into account key risk indicators which are typically quantitative metrics that provide information about ANZ's key risks and trend indicators which provide information on whether an exposure to a particular risk is increasing or decreasing. Additionally, our Environmental Management System tracks ANZ's direct environmental impact in all 33 markets in which we operate. This includes 100% of our global electricity use which is ANZ's most material environmental impact. Results are discussed at the quarterly Environmental Sustainability Business Meeting where risks and opportunities are reviewed.

CC2.1c

How do you prioritize the risks and opportunities identified?

We prioritize material climate change risks and opportunities by determining the level of significance of each issue to ANZ using a consistent approach. This includes a careful consideration of how it may impact our business in its current and future state, its significance to key stakeholders and the extent to which it may have notable consequences to both ANZ and the wider community. Sustainability priorities which include climate change risks and opportunities are set and reviewed by the Corporate Sustainability and Diversity Committee using this approach annually and approved by the Board Governance Committee.

As a major lender to businesses across the Asia Pacific, our most material risks and opportunities relating to climate change result from our lending. We understand the importance of our role in supporting our customers to manage their environmental impacts. To help staff assess lending decisions and manage risks, we have developed Sensitive Sector policies for Energy, Extractives, Forests and Forestry, Hydropower, Military Equipment and Water. These apply wherever we operate and ensure social and environmental considerations are incorporated into all lending decisions.

More immediate climate change related risks and opportunities are assessed at the quarterly Reputation Risk Committee (RRC) and monthly Early Alert Review Committee (EARC). The EARC utilises a Reputational Risk Radar tool to source external allegations from the media about key sectors and controversial issues related to our business or clients. This tool helps to identify, confirm and respond to issues involving an existing or prospective client at an early stage. The issues are ranked internally (based on the number of reports received for each client and the relative severity of the allegation) to determine whether the allegation warrants further investigation by ANZ. Our Sustainable Development team monitors this information and briefs relevant client relationship managers on issues.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i)Climate change influences ANZ’s business strategy in both the short & long term
Explicit inclusion of sustainability leadership, including climate change, is necessary to deliver ANZ’s vision to be the ‘best connected, most respected bank across the Asia Pacific region’. Our approach to climate change was reviewed in 2013 as part of a broader review of our Sustainability Framework. The review included inputs from Strategy, representatives from our Business Divisions as well as materiality assessment & industry benchmarking. It identifies ‘Sustainable Development’, which incorporates our approach to climate change, as one of the 3 areas considered as a source of competitive advantage & commercial value for our business. We have specific targets to address climate risks & opportunities: these lead to revenue generation (increase lower carbon power generation lending) & cost reduction (reduce absolute GHG by 3% for emissions associated with our premises electricity use).

Our strategic Sustainability agenda is reported quarterly to the Corporate Sustainability & Diversity Committee (chaired by the CEO) & communicated regularly to a range of management committees such as Board Governance Committee. Our Environmental Sustainability team monitors ANZ’s direct impacts (including electricity use which accounts for ~60% of our total GHG emissions) & reports quarterly to the Property Leadership team. The Carbon & Renewables Working Group meets to review carbon & renewables commercial opportunities. The Reputation Risk Committee meets quarterly to discuss material risks & opportunities for progressing ANZ’s agenda.

ii)Several aspects of climate change have influenced ANZ’s business strategy
Need for adaptation – There is particular demand for ANZ products & services relating to energy efficiency opportunity identification & carbon trading support. ANZ’s Energy & Emissions Trading desk assists our clients to meet their liabilities by procuring various credits on their behalf. This capability has been extended to include energy efficiency market trading in Victoria (VEETS) & NSW (Energy Saving Certificates).
Opportunities to develop ‘green’ business - ANZ is a leader in funding renewable energy projects including lending for renewable power generation & sustainable investment products. Additionally we work with national & local governments to achieve their climate change commitments & facilitate a transition to a lower carbon future.
(iii)Our short term (1-3 years) strategy has been influenced by climate change

Customer focus: Creating competitive advantage for ANZ by adapting our financial products & services to help our staff & customers transition to a lower carbon future. Opportunity Identification: Our strategy includes an explicit focus on climate-change related opportunity identification in our Corporate & Institutional businesses. We have reviewed our 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.
Organisational focus: We continue to achieve carbon neutrality across our global operations & have been certified 'carbon neutral' under the Australian Government's National Carbon Offset Standard (NCOS) for the fourth consecutive year. We also use the NCOS framework to offset carbon emissions arising directly & indirectly from our operations outside of Australia. Our primary focus is achieving a reduction in premises energy, travel (air, accommodation & fleet) & use of paper (office/customer correspondence) & waste.
Risk Appetites & Risk Management: Client screening tools, Sensitive Sector Policies & due diligence processes ensure responsible decision making and management. In the Energy sector, Business Writing Strategies include target & emission intensity standards.
(iv)Our long term (3+ years) strategy has been influenced by climate change
Capability Development: We continue to build capability in our people via our online Social & Environmental Risk training module & Sustainability Leadership Program which was developed with WWF Australia, so that they are responsible, balanced decision makers who are trusted advisors to our clients.
Target Setting: We have an explicit target to increase the proportion of lower-carbon (gas & renewables) power generation lending in our Project Finance book by 15-20% by 2020. Additionally, we have targets for environmental reporting, reducing our environmental footprint, achieving carbon neutrality & improving supply chain management.
Opportunity identification: Explicit focus on climate-change related opportunity identification in our corporate & institutional businesses.
(v)Integration of climate change in our business strategy is delivering competitive advantage
- Our super regional strategy allows us to connect customers to commercial opportunities that support the transition to a low carbon future in 33 countries in which we operate.
- We are differentiating our service by building capability in our staff through training programs developed in conjunction with WWF Australia.
- We are pursuing an organic growth strategy that has provided greater resilience to the volatility of short-term political & market developments. This strategy has seen a range of credit & relationship managers develop expertise in carbon. Demonstrating our commitment to the sector, we are on track to increase the proportion of lower carbon (gas & renewables) power generation lending by 15-20% by 2020.
(vi)Some of the most significant business decisions made during the year have been influenced by the climate change driven aspects of the strategy
- Responding to the increasing climate change regulations for buildings in Australia, ANZ continued investing in our property portfolio to achieve carbon neutrality across global operations. ANZ Tower in Sydney is the latest of our sustainably designed properties, achieving 6 Star Green rating from the Green Building Council of Australia. Additionally, we have increased focus on operational efficiency driven by our public targets which include GHG reduction & resource efficiency.
- Trained a further 1,000 lending staff & 200 senior managers in our Sustainability Leadership Program to increase capability to manage risks & opportunities relating to climate change.
- We are on track to increase the proportion of lower-carbon (gas & renewables) power generation lending in our Project Finance business by 15-20 percent by 2020.
- Set our 2014 target to pilot sustainability workshops in one 'developed' & one 'emerging' Asian market to better understand & support mid-size corporate customers managing social & environmental risks & opportunities.
-Continued investment in capability to provide environmental & climate change related products & services such as our Carbon Trading solutions. The value of renewable energy certificates we traded in FY2013 was ~1,250m.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Cap and trade	Neutral	Recognising the importance of certainty to public and private investment in the energy market, ANZ supported the Government's Clean Energy Future legislation introduced in July 2012. Prior to the implementation of the Carbon Pricing Mechanism (CPM), ANZ engaged with the Federal Government to influence development of the policy, and to present its position on policy detail and structure.	ANZ supported the implementation of a market-based outcome balancing Australia's energy security and economic development needs. We note that since the end of the current reporting period there has been a change of government and the new government is moving ahead with its planned repeal of CPM legislation.
Clean energy generation	Neutral	ANZ engages directly with governments 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.	In working towards a solution, 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.

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Australian Bankers' Association (ABA)	Consistent	The Australian Bankers' Association (ABA) accepts the broad scientific and economic consensus that GHG emissions from human activities is contributing to changes in our climate, and that failure to reduce our emissions and stabilise the world's climate will have widespread environmental, economic, national security and public policy implications for Australia. The ABA considers the Australian Government to have a significant role in Australia's response to climate change and in supporting behavioural change in the wider community.	Yes. As one of ABA's largest members, ANZ was involved in consultation on the Association's position on climate change legislation.
Australian Financial Markets Association (AFMA)	Consistent	The Australian Financial Markets Association (AFMA) Carbon Committee has been an active participant in developing the necessary infrastructure for the Clean Energy Market and, given the change in government and government policy soon after the current reporting period, is well-placed to assist with the details around scheme repeal and its flow on consequences. AFMA does not hold an opinion on whether there should or should not be a carbon scheme. Our interest is only that any such scheme should be designed to create a sound market that will produce investor confidence and that any scheme unwind should also be done so as not to damage market participants or produce unfair or unintended consequences.	Yes. ANZ was involved in consultation on the Association's position on climate change legislation.

CC2.3d

Do you publically disclose a list of all the research organizations that you fund?

Yes

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

Yes

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

ANZ maintains partnerships and memberships with a number of organizations, some of which provide public work on climate change and associated topics. ANZ International and Institutional Banking holds a partnership with WWF Australia; we use their research to provide content for training programs and information.

WWF's work aims to assist ANZ identify, understand and resolve environmental sustainability issues and make informed decisions for the future. To meet this objective, programs of work have been designed around awareness, education and information, including: providing senior management with briefings on current emerging issues, training for key Institutional staff, and utilising WWF as a resource to provide another perspective on specific environmental sustainability issues. Effectively managing social and environmental risks that may be associated with our customers is key to our vision of becoming best connected, most respected bank across the Asia Pacific region.

CC2.3g

Please provide details of the other engagement activities that you undertake

Method: ANZ engages on climate change issues and opportunities by working directly with national and local governments as well as through our partnerships and memberships such as those with WWF Australia & UN Environment Programme for Financial Institutions.

Topic of engagement: ANZ supports government efforts to adapt to the impacts of climate change by funding various projects such as the development of domestic energy efficiency projects.

The nature of the engagement and actions advocated: In New Zealand we participate in the Energywise scheme to fund the development of domestic energy efficiency projects. We support Energywise through the provision of streamlined, fee-free access to funding for customers' energy efficency improvements including insulation, solar & efficient heating. In China we worked with the International Finance Corporation and a local town gas provider to help the town switch from coal to gas power. Such initiatives contribute to the country's 12th Five Year Plan commitments to reduce the carbon intensity of China's energy production by 17 percent by 2015 compared with 2010 levels.

ANZ partners with the World Bank's Sustainable Energy Financing Program (SEFP) which encourages 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 collaboration with the governments of Fiji, Papua New Guinea, Solomon Islands, Republic of Marshall Islands and Vanuatu. Through this program we act as a Fund Manager for the World Bank and also directly fund projects to bring more sustainable sources of energy to Pacific Island countries. In 2013 we approved $3.3 million for the purchase of Pacific Island renewable energy products such as solar panels, mini hyfro-pico systems, oil switching systems and energy efficient equipment.

CC2.3h

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

The Corporate Sustainability and Diversity Committee (chaired by the CEO) is a strategic leadership body that supports the Management Board to oversee and advise on ANZ's approach to current and emerging trends on climate change. It also plays an important role in engaging in discussion & debate and providing strategic leadership on current and emerging trends on climate change issues. Our Sustainability Framework, which includes our approach to climate change, has been endorsed by the Corporate Sustainability and Diversity Committee and all policy activities must be in line with this approved position. Where necessary, statements and engagement activities are reviewed by the Corporate Sustainability team as well as the Government and Regulatory Affairs team to ensure consistency. There are approved spokespeople on climate related issues and all public statements on climate change must be signed off by the General Manager Group Corporate Affairs.

Our formalised stakeholder engagement policy applies to all employees and aims to maintain structured engagement with stakeholders through consistent communication channels, clear ownership of relationships and clear accountabilities for relationship owners. This is available for our staff on our website and also intranet.

CC2.3i

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

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

Absolute target

CC3.1a

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
Abs1	Scope 1+2+3	71%	12%	2011	249250	2014	This target relates to Scope 1+2+3 emissions in ANZ's Australian-based operations. The target is to reduce emissions in FY2014 by 12% against FY2011 levels.
Abs2	Scope 1+2+3	6%	5%	2011	20163	2014	This target relates to Scope 1+2+3 emissions in ANZ's New Zealand-based operations. The target is to reduce emissions in FY2014 by 5% against FY2011 levels.
Abs3	Scope 3: Business travel	100%	10%	2011	53218.39	2014	This target relates to Scope 3 emissions associated with Business Air Travel by ANZ staff. The target is to reduce air travel emissions in FY2014 by 10% against FY2011 levels.

CC3.1b

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

CC3.1c

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	Comment

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Abs1	66.67%	56.2%	GHG emissions for ANZ's Australian-based operations in FY2013 were 6.7% below the FY2011 baseline.
Abs2	66.67%	29.2%	GHG emissions for ANZ's New Zealand-based operations in FY2013 were 1.5% below the FY2011 baseline.
Abs3	66.67%	100%	While ANZ has a target of reducing global air travel by 10% in FY2014, it managed to reduce it by 18% in FY2013 against the FY2011 baseline.

CC3.1e

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

CC3.2

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

No

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

CC3.3

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

Yes

CC3.3a

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

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	36	9515
To be implemented*	3	4983
Implementation commenced*	10	1782
Implemented*	35	2372
Not to be implemented	63	166

CC3.3b

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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
Energy efficiency: Building services	Lighting upgrades were implemented in four of ANZ's commercial sites. The upgrades were mainly associated with the replacement of T8 fluorescent tubes with T5 fittings that use 25-50% less energy (depending on the number of tubes being decommisioned/replaced). The implementation of these projects has helped reduce ANZ's Scope 2 & Scope 3 Emissions due to lower overall electricity consumption. This was a voluntary initiative from ANZ.	802	126000	425000	4-10 years	15 years	
Transportation: fleet	ANZ has implemented a 4-cylinder policy for our Australian and New Zealand vehicle fleets. This has helped to improve the fuel efficiency of the fleet with lower fuel demand translating into savings in ANZ's Scope 1 & 3 Emissions. This was a voluntary initiative from ANZ.	463	321000	0	<1 year	4 years	The average lease term for ANZ fleet vehicles is 3-4 years.
Energy efficiency: Building fabric	ANZ upgraded the window film on the western side of one of our major commercial buildings located in Sydney. The film has helped to reduce solar heat gain from the afternoon sun and therefore reduces the amount of electricity required to cool the building. This project has helped to reduce ANZ's Scope 2 & Scope 3 Emissions due to lower overall electricity consumption. This was a voluntary initiative from ANZ.	26	4530	24500	4-10 years	25 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
Energy efficiency: Building services	ANZ has implemented lighting upgrades across multiple new and refurbished branches across Australia. These upgrades have helped reduce ANZ's Scope 2 & Scope 3 Emissions due to lower overall electricity consumption. This was a voluntary initiative from ANZ.	99	26000	0	<1 year	15 years	
Energy efficiency: Building services	ANZ is engaged in an active strategy of consolidating and upgrading our retail property portfolio across Australia. By reducing overall floor space, it helps to reduce electricity demand for cooling, heating and lighting thereby reducing ANZ's Scope 2 & 3 emissions. This is a voluntary initiative from ANZ.	694	182000	0	<1 year	15 years	
Energy efficiency: Building services	ANZ implemented 29 minor energy efficiency projects across the commercial portfolio in Australia with an average payback of two years. These upgrades have helped reduce ANZ's Scope 2 & Scope 3 Emissions due to lower overall electricity consumption. This was a voluntary initiative from ANZ.	275	90000	200000	1-3 years	15 years	

CC3.3c

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

Method	Comment
Compliance with regulatory	Under the Energy Efficiency Opportunities (EEO) Act in Australia, ANZ is categorised as a 'high energy user' and has a

Method	Comment
requirements/standards	mandatory obligation to identify energy efficiency opportunities and report to the Federal Government on progress with implementation of these opportunities. ANZ received approval of its five year energy efficiency assessment plan from the Australian Government. It has received approval for its December 2013 annual report from the Australian Government. ANZ's approach to the EEO is to use the EEO framework as an energy management tool to support a business case that enables ANZ to implement opportunities on an on-going basis. Energy management will be a core part of the on-going business reporting across the property portfolio. Meeting EEO requirements has been the catalyst for the implementation of an energy reduction program an online reporting system (called ESP) that enables ANZ to identify, manage and measure environmental projects globally.
Dedicated budget for energy efficiency	ANZ's approves 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 FY13 ANZ had a dedicated budget of $1.68m for energy efficiency initiatives and worked closely with our strategic property and facilities management partners and energy efficiency consultants to determine the best application of this investment.
Dedicated budget for low carbon product R&D	ANZ has a dedicated budget for the purchase of robust carbon offsets to achieve carbon neutrality.
Dedicated budget for other emissions reduction activities	ANZ has a dedicated budget for other emission reduction activities including Environmental Consultants to develop business cases for emission reduction programs. This budget also includes an allocation for our ESP system that enables us to measure and manage the emissions associated with our property portfolio including forecasting emissions reductions.
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. In addition, ANZ has an Environmental Sustainability Internal Communications plan designed to increase employee awareness and engagement. In 2013 this plan included publishing detailed information on ANZ's intranet, participation in Earth Hour, case studies in newsletter communications and integration of environmental messaging into regular Health & Safety communications.
Lower return on investment (ROI) specification	ANZ include ROI specification in annual budget processes. ANZ calculates the ROI for energy efficiency projects. Proposed energy efficiency projects and their ROI's are presented in quarterly business review meetings for management consideration. This process step enables energy efficiency projects to shift up the priority list due to the demonstrable payback benefits realized through reduced energy consumption. ANZ has also updated design guidelines with new specifications that take into account the ROI (and lifetime cost) of energy related fixtures and fittings. ANZ has also updated design guidelines with new specifications that take into account the ROI (and lifetime cost) of energy related fixtures and fittings.
Financial optimization calculations	The Australian Carbon Pricing Mechanism (CPM), started on 1 July 2012, places a direct liability on a number of ANZ's larger commercial customers. Impacted clients have to monitor direct emissions & purchase/surrender permits based on the quantity of GHG Emissions they emit. The capacity of our clients to adapt to regulatory requirements directly impacts on their profitability & reputation. Risks to the profitability of our clients have obvious financial implications for ANZ. ANZ takes climate change-related risks into account for stress testing of our portfolios. We conduct carbon sensitivity analysis for energy sector transactions and conduct climate change sensitivity analysis to determine our exposure to industry sectors which have climate change risks. Climate change impacts & opportunities are built into social & environmental screening processes for ANZ's institutional businesses. 100% of new Institutional clients undergo social & environmental screening and these are

Method	Comment
	assessed annually through our Annual Review processes. A Carbon Working Group monitors the entire Project Finance portfolio, and manages risk exposure on a geographical and sector level.
Internal price of carbon	Investments in energy efficiency and other carbon reduction initiatives are considered in the context of our balancing of such investments with the cost of purchasing offsets to maintain our carbon neutral status. ANZ also pays for carbon in the purchasing of our electricity costs – and therefore considers how to reduce this cost in business cases for energy efficiency projects. ANZ has a Supply Chain Governance Framework in place to monitor any future price of both carbon offsets and regulatory governed electricity carbon costs.
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.
Marginal abatement cost curve	ANZ has completed marginal abatement cost curves, for its key commercial assets in Australia in determining which projects are most cost effective and carbon efficient to pursue. This has been an effective tool to use in prioritizing projects.
Partnering with governments on technology development	Part of supporting the move to a lower carbon economy involves working with national and local governments to achieve their climate change commitments. In China this year, we worked with the International Finance Corporation and a local town gas provider to help the town switch from coal to gas power. Such initiatives contribute to the country's 12th Five Year Plan commitments to reduce the carbon intensity of China's energy production by 17 percent by 2015 compared with 2010 levels. We also partner with the World Bank's Sustainable Energy Financing Program (SEFP). Through this program we act as a Fund Manager for the World Bank and also directly fund projects to bring more sustainable sources of energy to Pacific Island countries. In 2013 we approved $3.3 million for the purchase of Pacific Island renewable energy products such as solar panels, mini hyfro-pico systems, oil switching systems and energy efficient equipment. We participate in New Zealand's Energywise scheme to fund the development of domestic energy efficiency projects in New Zealand. We support Energywise through the provision of streamlined, fee-free access to funding for customers' energy efficency improvements such as insulation.
Other	We have set an explicit target to increase the proportion of lower-carbon (gas and renewables) power generation lending in our Project Finance business by 15-20% by 2020.and publicly report on our progress against this target each year.

CC3.3d

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

Further Information

Page: CC4. Communication

CC4.1

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

Publication	Page/Section reference	Attach the document
In mainstream financial reports (complete)	2013 Shareholder Review - Summary of Financial and Non-Financial Performance P6; Non-Financial Performance Overview P23	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC4.1/ANZ 2013 Shareholder Review.pdf
In mainstream financial reports (complete)	2013 Annual Report - Principle and Uncertainties P196 and P198	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC4.1/2013 Annual Report Final.pdf
In other regulatory filings (complete)	2012 - 2013 Greenhouse and Energy Information reported to the Australian Clean Energy Regulator under the National Greenhouse and Energy Reporting Act	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC4.1/NGER_s19 Report.pdf
In other regulatory filings (complete)	2012 - 2013 Submission to the Department of Resources, Energy and Tourism under the Energy Efficiency Opportunities Act	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC4.1/ANZ_EEO_2013_Public_Report.pdf
In voluntary communications (complete)	2013 Corporate Sustainability Review - Sensitive Sector Policies P24-27, Our Environment P58-61, Non-Financial Performance Overview P 66-69	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC4.1/ANZ_2013_CS_Review.pdf
In voluntary communications (complete)	2013 National Carbon Offset Standard Carbon Neutral Program - Public Disclosure Summary	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC4.1/PDS_ANZ_2013_Final_131028.pdf

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any climate change risks that have the 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

CC5.1a

Please describe your risks driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
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	Other: Reputational risk as a result of non-compliance or poor performance. Financial penalties also apply for non-compliance.	Up to 1 year	Direct	Exceptionally unlikely	Low	We face compliance costs arising from our regulatory reporting requirements, which include direct financial penalties for the company & CEO for	We have a management program in place, including written NGER/ EEO compliance procedures documents detailing roles, responsibilities, compliance obligations under the Acts, and	We manage compliance requirements within our existing resource base (FTE) and include assurance costs associated with our annual

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	NGER, ANZ is required to report its greenhouse gas emissions and energy consumption annually to the Australian Government. Non-compliance attracts financial and criminal penalties. Under the EEO Act, ANZ has a mandatory obligation to identify energy efficiency opportunities and report to the Australian Federal Government on its progress in implementing 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.						failing to comply with NGER & EEO Acts in Australia. Failure to comply can result in fines of up to AUD$340,000 plus daily penalties and can result in reputational damage which would impact against our brand. ANZ is the 5th most valuable brand in Australia and the most valuable Australian Bank with a brand value of AUD $5.5billion as at June 2013.	data/document management systems (including internal and contractor data collection, aggregation and verification procedures). In accordance with the compliance procedures, ANZ coordinates: 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.	Sustainability Report and NGER assurance within our business unit budgets (totalling approximately AUD $150,000). Licensing for our reporting tool ‘Enablon’ costs around AUD$80,000 per year. Capital costs have also been invested in the implementation of smart meters and associated reporting technology.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other regulatory drivers	Emissions trading / Carbon price: The Australian Carbon Pricing Mechanism (CPM) started on 1 July 2012, and places a direct liability on a number of ANZ's larger commercial customers. Impacted clients have to monitor direct emissions and purchase/surrender permits based on the quantity of GHG Emissions they emit. Specifically, power stations, mines and heavy industry clients will have to monitor direct emissions and purchase permits based on the quantity of greenhouse gases that they emit. Price pass-through of this impost will also indirectly affect other ANZ customers not	Other: Increases risk profile of ANZ's debt facilities (lending)	Up to 1 year	Indirect (Client)	Likely	Medium	Due to the CPM some of our clients have a direct carbon liability, others may have increased cost pressure due to indirect exposure. Risks to the profitability cash flow of our clients have significant adverse financial implications for ANZ's profitability due to rise of credit risk. Majority of this risk is concentrated in our International and Institutional business (operating income of $AU6,564M in FY13, 35% of	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 and Renewables Working Group (CRWG) to co-ordinate our business response to the CPM in Australia. Carbon pricing is now fully factored into our due diligence & assessment processes. The CRWG is implementing ANZ's business response by increasing staff awareness to assist them in applying our sensitive sector policies, engage with customers, conduct	Various ongoing costs are associated with management processes, particularly in relation to time and effort of senior management on the Carbon & Renewables Working Group and resources required to develop the client assessment tool, implement existing Sensitive Sector policies and provide legal services (e.g. in relation to the impact of regulation). Over 350 companies are liable under the CPM, many of whom are our customers.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	directly liable under the scheme. As this may impact on their ability to service ANZ loans, the financing of clients that are directly impacted is now subject to additional review. 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. In managing this risk for our clients, ANZ will continue to closely monitor policy developments in this space as the current Federal Government has indicated its intention to repeal the carbon tax and replace it with the Direct Action Plan. This is creating regulatory						total operating income).	social/environmental screening & undertake credit analysis. We are also managing refinancing risk through the CRWG 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.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	uncertainty which affects decision making around investments.								

CC5.1b

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate drivers	Customers & clients rely on us to deliver banking services to them at all times, including in the wake of natural disasters. ANZ has a large branch presence in Australia, and also Pacific island countries	Reduction/disruption in production capacity	Up to 1 year	Direct	Likely	Medium-high	Climate change presents a risk of physical impact to ANZ's infrastructure. The financial implications associated with increased cyclones & other extreme weather events primarily relate to the capital costs to repair structural damage to offices/branches as well as	Extreme weather has financial costs including capital costs to repair structural damage to offices/branches as well as reduced ability to operate & generate profits. To reduce our direct risks associated with extreme weather events we hold parameters for the site selection	Various ongoing costs 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. There are also

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	including Fiji, Kiribati and the Solomon Islands, and growing businesses in the Greater Mekong region. Many of these regions have communities that are particularly vulnerable to the effects of climate change, and over the last twelve months have experienced extreme weather events including bushfires, cyclones, typhoons and floods. These extreme events can adversely impact on our ability to service customers in						reduced profits as a result of an inability to do business. Of ANZ's AUD $702billion in total assets, AUD$2.1 billion is in operational premises and equipment (Sep-13).	of ANZ properties in areas prone to extreme weather in our Insurance & Business Continuity Plan (BCP). The parameters facilitate systematic consideration of location, design, and business continuity processes across our network. An example of this is the site selection process undertaken for our back-office processing hub in Fiji (which provides back-office services for all operations in the Pacific). In Fiji, we developed a "water-proof" branch that can easily be cleaned & made fully operational as soon as flood waters recede. This site was also	operational costs associated with site construction to protect against climatic events as well as the costs running of additional sites.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	affected regions unless we are well prepared.							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. In addition, ANZ has a container branch in Samoa, which is used for business continuity in the event of natural disasters in the region. 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	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								to resume as soon as possible.	
Change in precipitation extremes and droughts	ANZ has a large presence throughout rural and regional Australia, and many regions have been impacted by severe climatic events over the past twelve months. For example, ANZ's agricultural customers face variable climatic conditions that impact on their production levels. E.g almost 80% of Queensland has been drought-declared. These events	Other: Reduction/disruption in production capacity and volatile cash flow generation	1 to 3 years	Indirect (Client)	Likely	Medium	Clients impacted by climatic events could experience a fall in revenue. This could impact on financial arrangements with ANZ and therefore negatively affect ANZ's profitability. ANZ's total exposure to Agriculture, Forestry, Fishery and Mining customers AUD$48,990m at Sep-2013. ANZ's foregone revenue, which includes the cost of providing financial assistance to customers in hardship, was at least AUD50m. In addition, ANZ donated AUD0.9m in response to natural disasters.	Processes in place to manage these risks include our credit risk assessment process which is underpinned by our sensitive sector policies, client screening & other due diligence processes. This application identifies customers and transactions at risk and facilitates active management of the customer's business and potential escalation as required. All clients of our Institutional Business are screened for social and environmental risks at the beginning of the relationship and	Various on-going costs 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.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	can impact on our customers' ability to service debt and recover from an adverse event.							thereafter as part of each annual review. This process enables staff to evaluate the physical impacts of climate change on clients, particularly those in high risk sectors so we can better understand the indirect risks to our business through loss of profitability and interruption to their businesses. ANZ has a dedicated customer hardship team and offers immediate assistance to our customers who face a severe climatic event. ANZ has dedicated Relationship Managers who work with our customers to plan ahead for difficult	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								times. In our agricultural business this includes encouraging customers to utilise Farm Management Deposits (FMDs), a risk management tool to help farmers deal with irregular income which often results from natural disasters, climate and market changes. Our Business Writing Strategy is also revised annually which includes an assessment of regulatory risks, climatic risks and price/commodity risks.	

CC5.1c

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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
Reputation	ANZ is aware of the potential risks climate change poses to our reputation as a responsible bank. Banks continue to come under 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	Reduced demand for goods/services	1 to 3 years	Direct	Virtually certain	Low	Failure to apply appropriate standards to our decisions & respond effectively to stakeholder concerns about ANZ's involvement in particular transactions (e.g. financing coal based projects) can result in public criticism, activism against the bank leading to damage to our brand & reputation. Damage to our reputation will result in significant decreased brand value. ANZ is the 5th most valuable brand in Australia & the most valuable Australian Bank with brand value of AUD$5.5bn as at June 2013.	ANZ is currently undertaking the following activities to manage this risk: • We have publicly committed to increase the proportion of lower-carbon (gas and renewables) power generation lending in our Project Finance book by 15-20% by 2020, • ANZ's Reputation Risk Committee (RRC) functions at Group-wide and regional levels within the organisation and covers wide ranging reputational issues, including those relating to climate change. - Our risk governance framework supports staff to identify issues that could potentially impact ANZ's reputation,	Various on-going costs 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 GHG emissions and achieving carbon neutrality.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
	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 by NGOs about our support of some clients operating in countries with developing legal and governance frameworks and whether appropriate environmental standards are being applied to							e.g. lending to a new client associated with a significant environmental issue. In some cases, where clients are unable to manage issues to our expectations, we bring existing relationships to a close or elect to not finance a prospective client or project. • We responsibly manage our carbon footprint and operate under our commitment to responsible business practices in every region we operate. In 2013 ANZ maintained its commitment to achieve carbon neutrality across our global operations. • We collaborate with NGOs and other organisations to	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
	their activities.							increase our capacity to make balanced, evidence-based decisions, thereby protecting our brand. Our partnership with WWF Australia assists 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.	

CC5.1d

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

CC5.1e

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

CC5.1f

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

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any climate change opportunities 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

CC6.1a

Please describe your opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
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. We have become active within the NZ ETS (e.g. through the provision of trading services to clients). We also actively provide advice to clients in Australia to assist them in meeting future obligations under the CPM (e.g. facilitate pricing and hedging of permits) and help them identify energy	Increased demand for existing products/services	1 to 3 years	Direct	Very likely	High	The introduction of carbon pricing schemes in New Zealand & Australia has created a number of revenue opportunities for ANZ, particularly in relation to demand for ANZ services relating to energy efficiency opportunity identification and carbon trading support. In Australia, more than 350 companies are liable under the carbon pricing scheme, many are our customers concentrated in our International and	To optimise the opportunities presented to ANZ as a result of carbon pricing, we undertake 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. We have developed one of Asia-Pacific's leading carbon trading services desks with trading volumes of ~$470M	Various ongoing costs 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 and FTE allocation.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	efficiency opportunities. We have provided economic analysis of 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.						Institutional business (operating income of $AU6,564M in FY13, 35% of total operating income).	certificates in 2013. ANZ'S Energy and Carbon Trading desk assists our clients to meet their liabilities by procuring various credits on their behalf (e.g. New Zealand Units, Australian Carbon Credit Units (ACCUs), Certified Emission Reduction (CER) Units & Renewable Energy Certificates (RECs)). This capability has been extended to include Victorian Energy Efficiency Certificates and New South Wales Energy Saving Certificates. Trading volumes	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								(tonnes) for ANZ. ANZ is working with clients to reduce energy consumption across their businesses by financing more energy efficient plants, 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 offer end-to-end advice and assistance around the implementation of energy efficient technologies, including advisory services in	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								relation to potential technology improvements and finance and investment services to facilitate the implementation of those measures.	
Emission reporting obligations	Emissions reporting obligations are an additional effort however it helps corporates to better understand their energy consumption and savings opportunities. Our obligation to report under the NGER and EEO Acts in Australia has led to significant improvements in our energy and greenhouse gas data	Other: Emissions/cost reduction	Up to 1 year	Direct	Virtually certain	Low	ANZ is directly required to comply with the NGER and EEO Acts. Failure to comply can result in fines of up to $340,000 plus daily penalties. In 2013 ANZ realised more than $0.7M in energy savings across the Commercial building portfolio and $300,000 in energy savings across the retail branch network. Furthermore,	The NGER Act compliance has driven us to improve oversight and management of our GHG emissions profile across our entire operations. Our on-line database 'Enablon' provides baseline information on travel and energy use across ANZ's 33 countries. ANZ's global GHG emissions received	Various on-going costs are associated with these actions, the majority of which are covered within our existing resource base (FTE). Independent verification of our reported environmental performance is included within our annual reporting costs (~$150,000). Licensing fee

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	management that we have now rolled out across our global operations. This improved oversight has allowed ANZ to set targets relating to the identification and implementation of cost-effective avenues to reduce energy use and carbon emissions, which has resulted in significant savings in 2013.						annual savings of approximately $300,000 have been achieved across the vehicle fleet due to implementation of a more sustainable and efficient fleet policy.	independent 'reasonable' assurance in 2013. This improved oversight has allowed ANZ to set targets relating to the identification and implementation of cost-effective avenues to reduce carbon emissions. ANZ also uses the EEO framework as an energy management tool to support a business case that enables ANZ to implement opportunities on an on-going basis. The EEO process has provided us with impetus, and a structured platform for identification,	for our reporting tool Enablon costs about AUD80,000 per year.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								prioritisation and implementation of energy saving opportunities in Australia. We have made operational cost savings from improving our energy efficiency in terms of both our FTE and m2 intensity. In Australia, ANZ's Facility Management and Energy and Sustainability partners (JLL), now have an on-line system, ESP to track energy saving opportunities on a monthly basis.	

CC6.1b

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate opportunities	Climate impacts, such as increasing temperatures, rising sea levels, changing weather patterns, and more frequent or intense droughts, floods, and storms, can pose challenges for company facilities, supply chains, employees, current and potential customers, and the communities on which companies depend. We have the opportunity to provide specialised services by working with collaboratively with our clients to manage and reduce the risks that extreme weather events	New products/business services	Up to 1 year	Direct	More likely than not	Low	The opportunity to develop innovative products and services has increased revenue. - We have partnered with the World Bank to help bring cleaner, cheaper & more sustainable sources of energy to Pacific Island countries exposed to the direct impacts of climate change through administering World Bank funding ($5m). - We funded an AUD 26.5 million Environmental Upgrade Agreement which will save around 190,000 tonnes of CO2 over a 25 year period.	To optimise the opportunities presented to ANZ as a result of the physical impacts of climate change, we undertake 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	Various on-going costs are associated with management of these opportunities, particularly in relation to the resources required to develop and market new products.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.							hedging instruments. ANZ's Your Say online customer panel involves customers in product and service cocreation and quality improvements.	
Other physical climate opportunities	Climate impacts may increase the frequency and severity of natural disasters. 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	Up to 1 year	Indirect (Client)	More likely than not	Low	As well as the humanitarian impact, natural disasters (related to climate change) can have significant financial costs for affected regions and communities. In addition to providing support and assistance through ANZ's range of financial tools designed for disaster recovery, this has also provided an	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. Additionally Group Corporate Affairs administers the Disaster Relief and Recovery	This year brought an increase in the number of natural disasters that affected the many communities where we operate. In addition to our direct assistance to employees, loan repayment suspensions for customers and other foregone revenue, we contributed $0.9 million to supporting the communities

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							opportunity for ANZ to donate time and resources to the recovery effort. In 2013, we donated 0.9m in response to natural disasters. This is 6% of our total community contributions.	Policy in response to natural disasters in areas in which we operate. The policy outlines the levels of response required by ANZ depending on the severity of the situation – this could range from financial relief for impacted customers as well as donations to a reputation disaster recovery fund. An example 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 is during the Tasmanian bushfires in Jan 2013. Around 3,000 properties	impacted by natural disasters in 2013. Additionally, ANZ's foregone revenue, which includes the cost of providing financial assistance to customers in hardship, was at least AUD50million.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								were without power and 25,000 people had to be evacuated. ANZ donated $100,000 to the Australian Red Cross Tasmanian Bushfire Appeal to support relief efforts. We also implemented an assistance package for our Australian customers which included suspended loan, temporary adjustments to lending limits, the waiving of fees associated with replacement of damaged business EFTPOS/credit card terminals and early access to term deposits without incurring fees. We also provided support to communities in need,	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								including staff volunteering in the many areas where significant clean-up and repair efforts were needed.	

CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behaviour	Climate change is likely to lead to an increase in renewable energy deals. In Australia, the majority of our projects financed in 'new power' this year were in the renewables sector. There is an opportunity for ANZ to	New products/business services	Up to 1 year	Direct	Virtually certain	Medium	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, which also links to our	Our Carbon & Renewables Working Group co-ordinates & executes Institutional client initiatives relating to carbon and renewables. One of the objectives of the Working Group is to create and capture environmental opportunities (e.g. emissions and offset hedging, carbon financing). ANZ also has a Global Product	Various ongoing costs have been associated with these actions, particularly in relation to the resources required to develop and market new products.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.						reputation. For example, we funded $26.5 million for the Environmental Upgrade Agreement (EUA) in Sydney's Central Park. The funds were provided for construction of a low carbon tri-generation plant. This technology is expected to save around 190,000 tonnes of CO2 over a 25 year period.	Management Policy which governs how new products are developed, released and managed across our business units. For example, ANZ offers sustainable investment products through its wealth division, OnePath. Products such as the "One Path Sustainable Investments – Australian Shares" allow customers to choose products that are screened to promote positive environmental activities and outcomes.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	ANZ believes that effective engagement with suppliers on environmental sustainability and low carbon opportunities will be valued by customers and suppliers and lead to increased brand value and revenue generation. We are committed to managing the indirect impacts of our supply chain consisting of more than 15,000 suppliers, including 5,000 in Asia. ANZ considers that leadership in our supply chain procurement and a commitment to reducing our	Increased demand for existing products/services	1 to 3 years	Indirect (Supply chain)	Likely	Unknown	Our environmental sustainability strategy drives cost reductions, captures revenue opportunities and enhances ANZ's reputation. ANZ is the 5th most valuable brand in Australia and the most valuable Australian Bank with a brand value of AUD $5.5billion (June 13).	Our approach to managing climate-related impacts throughout our supply chain is focused on mitigating the risk of poor environmental/climate performance and partnering with suppliers to share knowledge and best practice on effective climate management. This is managed through our supplier governance framework. The 'framework' requires suppliers to comply with ANZ's Supplier Code of Practice (SCOP). The Code requires suppliers to a) have an Environmental Management System; b) embed environmental management principles within business operations/processes; and c) continuously seek ways to maximise the efficient use of environmental	Various costs relating to the management and monitoring of our supply chain emissions are associated with management of this opportunity, largely captured within existing FTE. In addition, independent verification of our environmental claims including sustainable supply chain is included within our annual reporting costs (approximately $150,000).

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	indirect emissions through our supply chain presents an opportunity to enhance our brand and reputation. We believe that clients who value commitment to environmental sustainability will respond positively to our leadership in this area.							resources to reduce GHG emissions. ANZ monitors and assesses suppliers' compliance with the SCOP. Non-compliant suppliers are subject to remediation through ANZ's Operational Contract Management framework. In addition, ANZ partners with supplies to achieve shared objectives on environment/climate which is facilitated through regular meetings and facilitated workshops as well as formal supply agreements with our Air Travel, Accommodation, Paper, Print and Fleet category providers to ensure the accuracy and completeness of information supplied for greenhouse gas accounting purposes. Governance over sustainable supply chain is provided, at the most senior level,	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								by regular updates to the Corporate Sustainability & Diversity Committee (chaired by the CEO).	
Reputation	Effective management of climate change impacts is both a key part of our license to operate as well as an opportunity to enhance our reputation with customers, and employees. We believe that this will lead to increased brand value and revenue generation. ANZ is committed to effectively managing the direct environmental impacts arising from our operations. We believe that clients who value	Increased demand for existing products/services	1 to 3 years	Direct	Likely	Low	Our environmental sustainability strategy drives cost reductions, captures revenue opportunities and enhances ANZ's reputation. ANZ is the 5th most valuable brand in Australia and the most valuable Australian Bank with a brand value of AUD $5.5billion (June 13).	Our environmental sustainability strategy contains a commitment to deliver best practice in environmental footprint monitoring, compliance, reporting and decision making. This is managed through our Environmental Sustainability team through an Environmental Management Framework of objectives, targets, management actions and a monitoring system. We have continued the roll out of our online environmental reporting system throughout 2013 to cover all 33 markets in which ANZ operates. This is supported by ANZ's stated position to	ANZ spent $712,000 purchasing certifed carbon offsets in FY2013. Our online environmental monitoring system costs about $80,000 in annual licensing fees. More than $1M was spent on environmental management costs (including staff, consultants, energy efficiency initiatives). In addition, independent verification of our environmental claims

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	commitment to environmental sustainability will respond positively to our leadership in this area. Furthermore, we are committed to carbon neutrality – offsetting our entire Global Scope 1, 2 & 3 emissions through certified carbon offsets. We believe our reputation will be improved with customers and employees by taking financial accountability for offsetting our carbon footprint.							maintain carbon neutrality across our global operations. ANZ's Carbon Neutral certification under the Australian Government's National Carbon Offset Standard continues to be maintained following independent certification. Progress against public environmental sustainability targets are reported to the Corporate Sustainability & Diversity Committee (chaired by the CEO) who also endorse the annual carbon offset purchase.	including sustainable supply chain is included within our annual reporting costs (approximately $150,000).

CC6.1d

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

CC6.1e

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

CC6.1f

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

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

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)
Fri 01 Oct 2010 - Fri 30 Sep 2011	15645	208270

CC7.2

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
Defra Voluntary Reporting Guidelines
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
New Zealand - Guidance for Voluntary, Corporate Greenhouse Gas Reporting
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Other

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

1) New Zealand Ministry of Business Innovation and Employment – Quarterly electricity and liquid fuel emissions data tables (The source of Scope 2 Emission factors for ANZ's New Zealand-based operations);
2) International Energy Agency – CO2 Emissions from Fuel Combustion – 2012 Edition (The source of Scope 2 Emission Factors for 29 out of ANZ's 33 operating

countries)
3) US eGRID2012. Version 1.0. (The source of the Scope 2 Emission Factor for ANZ’s New York-based office)

CC7.3

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

Gas	Reference
CO_2	IPCC Second Assessment Report (SAR - 100 year)
CH_4	IPCC Second Assessment Report (SAR - 100 year)
N_2O	IPCC Second Assessment Report (SAR - 100 year)
HFCs	IPCC Second Assessment Report (SAR - 100 year)
PFCs	IPCC Second Assessment Report (SAR - 100 year)
SF_6	IPCC Second Assessment Report (SAR - 100 year)

CC7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference

Further Information

Attachments

https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC7.EmissionsMethodology/Worksheet for question 7.4.xlsx

Page: CC8. Emissions Data - (1 Jul 2012 - 30 Jun 2013)

CC8.1

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

Operational control

CC8.2

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

16037

CC8.3

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

204108

CC8.4

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

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Leakage of hydrofluorocarbon refrigerants (Scope 1)	Emissions are not relevant	No emissions from this source	Data on refrigerant re-charging or the capacity of commercial chiller units is not centrally collated to allow an estimation of emissions from this source. This source of emissions is expected to represent <1% of ANZ's global Scope 1 and 2 emissions.

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions 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 2%	Assumptions	The largest source of uncertainty for ANZ's	More than 2%	Data Gaps	ANZ operates in 33 markets globally and

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
but less than or equal to 5%	Metering/ Measurement Constraints	Scope 1 emissions is associated with a contractor-operated bus fleet used in Bangalore, India for employee commuting and ANZ's use of rental vehicles. Fuel usage in these vehicles is estimated. In the case of rental vehicles used in Australia and New Zealand, fuel use quantities are estimated by multiplying the known number of kilometres driven by the assumed fuel economy of the vehicle driven. For the bus-fleet that is operated in Bangalore India for employee commuting, the number of kilometres driven is based on contracted daily amounts for each bus which is then multiplied by an assumed fuel economy factor to estimate the total volume of diesel oil used.	but less than or equal to 5%	Assumptions Extrapolation	occupies a significant property portfolio comprised of branches, commercial facilities and data centres. We also operate several thousand Automatic Teller Machines (ATMs) not connected to an ANZ branch that consume electricity and which are typically not metered in isolation from the premises that they are situated. While ANZ makes every attempt to gather electricity usage data for every single property and asset coming under our operational control, gaps in this data require us to make extrapolations or other assumptions to maximise the completeness and accuracy of our electricity use data and associated Scope 2 assertions. In recent years, ANZ has significantly improved its systems and processes for capturing electricity usage data from our major markets which has lessened the uncertainty around our reported Scope 2 emissions. Other sources of uncertainty in our Scope 2 emissions sources are associated with the accuracy of emissions factors. ANZ chooses emissions factors that are specific to the locale, region, state or country in which our premises are located and which are as close as possible to the actual reporting year.

CC8.6

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

Third party verification or assurance complete

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC8.6a/ANZ Global GHGI Audit Opinion_20004108.pdf	Page 1, 'Our Conclusions', 'a) Annual Global GHG Emissions (Scope 1 and 2) - Reasonable Assurance'; Page 2, 'KPMG's responsibilities'	ISAE3000	100
Reasonable assurance	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC8.6a/ANZ Global GHGI Audit Opinion_20004108.pdf	Page 1, 'Our Conclusions', 'a) Annual Global GHG Emissions (Scope 1 and 2) - Reasonable Assurance'; Page 2, 'KPMG's responsibilities'	ISAE 3410	

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

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

Third party verification or assurance complete

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 2 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC8.7a/ANZ Global GHGI Audit Opinion_20004108.pdf	Page 1, 'Our Conclusions', 'a) Annual Global GHG Emissions (Scope 1 and 2) - Reasonable Assurance'; Page 2, 'KPMG's responsibilities'	ISAE3000	100
Reasonable assurance	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC8.7a/ANZ Global GHGI Audit Opinion_20004108.pdf	Page 1, 'Our Conclusions', 'a) Annual Global GHG Emissions (Scope 1 and 2) - Reasonable Assurance'; Page 2, 'KPMG's responsibilities'	ISAE 3410	100

CC8.8

Please identify if any data points other than emissions figures have been verified as part of the third party verification work undertaken

Additional data points verified	Comment
Year on year change in emissions (Scope 1 and 2)	ANZ's auditors KPMG have undertaken a limited level of assurance over ANZ's entire 2013 Corporate Sustainability Report. Contained within this report are 5 years of emissions figures for our global operations (Scope 1 and Scope 2, p65) that provides transparency over year on year changes in emissions.
Progress against emission reduction target	ANZ's auditors KPMG have undertaken a limited level of assurance over ANZ's entire 2013 Corporate Sustainability Report. Contained within this report are details of ANZ's progress in meeting absolute GHG reduction targets established for its Australian and New Zealand operations, New Zealand vehicle emissions and global air travel (p60).
Other: Carbon Neutral Operations	KPMG have also verified that ANZ has purchased the requisite number of credible carbon offsets to neutralize the emissions arising from our global operations in the period October 1 2012 – June 30 2013. We have also been officially certified under the Australian Government's National Carbon Offset Scheme as 'carbon neutral' with assurance provided by KPMG.

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

Yes

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

34.0

Further Information

Ethanol-blended fuel is purchased for use in ANZ's 'tool-of-trade' vehicles. This fuel contains up to 10% ethanol by volume with the remaining amount comprised of gasoline. The amount stated above is the expected carbon dioxide emissions that have resulted from the combustion of the ethanol component of the blended fuel.

Page: CC9. Scope 1 Emissions Breakdown - (1 Jul 2012 - 30 Jun 2013)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Australia	7998
New Zealand	5043
India	2081
Cambodia	312
China	35
Germany	13
Hong Kong	32
Malaysia	10
Papua New Guinea	381
Philippines	19
Singapore	23
Taiwan	48
Thailand	21
Vietnam	20

CC9.2

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

By GHG type
By activity
By legal structure

CC9.2a

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

Business division	Scope 1 emissions (metric tonnes CO2e)

CC9.2b

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

CC9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	15805
CH4	31
N2O	201
HFCs	0
PFCs	0
SF6	0

CC9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)
Tool-of-trade vehicles	10050
Employee Commuting Buses	1998
Rental Cars	249
Stationary Energy - Diesel	355
Stationary Energy - Natural Gas	3247
Onsite Wastewater Treatment Plant	138

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)

Legal structure	Scope 1 emissions (metric tonnes CO2e)
Parent company and subsidiaries under financial control including leased assets treated as assets of the consolidated group for financial accounting purposes, Part 1	0
Joint ventures, Part 1	0
Associates, Part 2	0
Emissions from operationally controlled and/or other entities/activities/facilities, Part 2	16037

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jul 2012 - 30 Jun 2013)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for CC8.3 (MWh)
Australia	155208	147890	171
New Zealand	6912	47254	0
American Samoa	161	543	0
Cambodia	2193	2707	0
China	2200	2808	0

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for CC8.3 (MWh)
Cook Islands	50	169	0
Fiji	1077	3643	0
Germany	29	62	0
Guam	133	448	0
Hong Kong	2199	2958	0
India	13495	14793	0
Indonesia	5696	7834	0
Japan	240	577	0
Kiribati	76	256	0
South Korea	185	349	0
Laos, People s Democratic Republic of	188	635	0
Malaysia	8	13	0
Myanmar	7	31	0
Papua New Guinea	862	2916	0
Philippines	1231	2574	0
Samoa	172	582	0
Singapore	5385	10930	0
Solomon Islands	147	496	0
Taiwan	4207	6681	0
Thailand	9	18	0
Timor Leste	60	204	0
Tonga	77	261	0
United Arab Emirates	23	37	0
United Kingdom	570	1260	0
United States of America	204	736	0
Vanuatu	169	572	0
Vietnam	936	2298	0

CC10.2

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

By legal structure

CC10.2a

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

Business division	Scope 2 emissions (metric tonnes CO2e)

CC10.2b

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

Facility	Scope 2 emissions (metric tonnes CO2e)

CC10.2c

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

Activity	Scope 2 emissions (metric tonnes CO2e)

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)
Parent company and subsidiaries under financial control including leased assets treated as assets of the consolidated group for financial accounting purposes, Part 1	0
Joint ventures, Part 1	0
Associates, Part 2	0
Emissions from operationally controlled and/or other entities/activities/facilities, Part 2	204108

Further Information

Scope 2 Emissions arising from ANZ's operations in New Caledonia are reported under Vanuatu.

Page: CC11. Energy

CC11.1

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

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

CC11.2

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

Energy type	MWh
Fuel	69381
Electricity	262535
Heat	0
Steam	0
Cooling	0

CC11.3

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

Fuels	MWh
Biogasoline	148
Town gas or city gas	14918
Motor gasoline	36839
Diesel/Gas oil	17476

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
Non-grid connected low carbon electricity generation owned by company, no instruments created	171	Incorporates the generation of electricity from photovoltaic solar cells located on two of ANZ's buildings in Australia, including its Head Office Building in Melbourne. All electricity generated is used within the same facility.

Further Information

Page: CC12. Emissions Performance

CC12.1

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

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	2.0	Decrease	In 2013, reductions in absolute emissions (Scope 1 and 2 combined) have been brought about by a range of different activities. We continue to improve the energy efficiency of our existing commercial and branch assets and consolidating our building portfolio in response to changing business needs. ANZ is also implementing a policy of improving the efficiency of our vehicle fleet in Australia and New Zealand by preferencing 4-cylinder vehicles over 6 cylinder vehicles. The combined net savings of these emissions reduction activities is estimated at ~4,330 tonnes CO2-e which equates to a 2% reduction on the previous year's emissions total.

Reason	Emissions value (percentage)	Direction of change	Comment
Divestment	0	No change	ANZ did not undertake any divestment activities in the reporting period
Acquisitions	0	No change	ANZ did not undertake any acquisition activities in the reporting period
Mergers	0	No change	ANZ did not undertake any mergers in the reporting period
Change in output	2.8	Increase	Continued expansion of our data centres in Australia, New Zealand and Singapore to accommodate rapid uptake in online platforms and services by our customers and to facilitate upgrades to ANZ's technology systems and centralisation of processing led to a 14% increase in Scope 2 emissions compared to the previous year.
Change in methodology	1.6	Decrease	ANZ operates in 33 countries globally and there are accordingly large variations in the emissions intensity of the electricity grids from which we source electricity. There can also be annual fluctuations in the emissions factors for electricity grids that reflect changes in the mix of fuels used to generate electricity in the countries/states in which ANZ operates from year to year. While ANZ's purchase of electricity increased by 1.6% from the previous year, our overall Scope 2 emissions decreased by 0.7%. The impact of these reduced Scope 2 emissions factors helped to reduce our combined Scope 1 and 2 emissions by 1.6% from the previous year.
Change in boundary	0.1	Increase	ANZ opened up a representative office in Yangon, Myanmar during the reporting period however this only added <0.1% to the previous year's Scope 1 and Scope 2 emissions total.
Change in physical operating conditions	0	No change	There were no changes in ANZ's physical operating conditions that resulted in a variation to our emissions in the reporting period.
Unidentified	0	No change	There were no unidentifed reasons that contributed to the 0.8% decrease in ANZ's emissions from the previous year.
Other	0	No change	There were no other reasons that contributed to the 0.8% decrease in ANZ's emissions from the previous year.

CC12.2

Please describe your gross global 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
11.93	metric tonnes CO2e	unit total revenue	4.7	Decrease	Global Scope 1 and 2 emissions decreased by 0.8% from the previous year as a result of various voluntary emission reduction activities. The most significant saving in emissions was brought about by the implementation of programs aimed at improving the energy efficiency of our existing commercial and branch assets and consolidating our building portfolio in response to changing business needs. ANZ is also implementing a policy of improving the efficiency of our vehicle fleet by preferencing 4-cylinder vehicles over 6 cylinder vehicles which achieved further savings in Scope 1 emissions in both Australia and New Zealand. Meanwhile ANZ's Operating Income increased by 4.1%. These two factors have combined to achieve a 4.7% reduction in the metric of CO2 emissions per $million operating income.

CC12.3

Please describe your gross global 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
4.60	metric tonnes CO2e	FTE employee	0.1	Increase	A 0.9% decrease in global FTE numbers from the previous year was largely matched by a 0.8% decrease in ANZ's global Scope 1 and 2 emissions. The largest source of ANZ's .growth in emissions is due to growth in data centre electricity usage to meet rapidly growing demand for electronic banking and financial services. This is a structural shift being experienced across the global banking industry. However, given that this is largely a customer (rather than FTE) driven phenomenon, the stabilisation of this indicator from

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
					the previous year shows the effectiveness of ANZ's Emission Reduction Activities that have been implemented across our global property portfolio. These reductions have helped to largely offset the increase in emissions from the operation of ANZ's data centres.

CC12.4

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
0.663	metric tonnes CO2e	megawatt hour (MWh)	1.4	Decrease	A 2.2% reduction in the carbon intensity of our electricity use is the primary reason for the declining overall carbon intensity of our energy consumption. The continued operation of a gas-fired trigeneration plant at our global head office in Melbourne has also played an important emission-reducing role. This plant has reduced our reliance on carbon-intensive electricity sourced from the grid which is generated mostly from the burning of coal. Overall, global Scope 1 and 2 emissions decreased by 0.8% from the previous year as a result of various voluntary emission reduction activities.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.1a

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

CC13.1b

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

CC13.2

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

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

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 cancelled	Purpose, e.g. compliance
Credit Purchase	Wind	Heilongjiang Bianfushan Wind Power Project	VCS (Voluntary Carbon Standard)	293000	0	Yes	Voluntary Offsetting
Credit Purchase	Energy efficiency: households	01 million Compact Fluorescent Lamps (evn -2010) in Vietnam	VCS (Voluntary Carbon Standard)	27018	0	Yes	Voluntary Offsetting

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, calculated	6160	ANZ calculates the upstream emissions associated with the production and transportation of paper that is used for office-based purposes and in customer communications. Emissions from this source are estimated by multiplying the tonnage of paper by	92.00%	Paper-based emissions are a material source of emissions for ANZ to track given that paper-based materials have traditionally been the most common medium by which we communicate with customers. ANZ is actively working to reduce our reliance on paper-based communication with

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			emission factors that reflect the 'cradle-to-gate' emissions associated with the production and transport of one tonne of paper. The choice of emission factor is dependent on whether the fibre used to produce the paper is sourced from virgin or post-consumer recycled material and whether the paper is produced in Australia or imported. These emission factors have been derived from research commissioned by EPA Victoria, a state-based agency in Australia. ANZ also purchases 'carbon neutral' paper for some of its office paper needs in Australia and New Zealand. This paper that is certified under the Australian Government's National Carbon Offset Scheme is counted as having zero emissions. Office paper usage by ANZ's APE&A operations are estimated by extrapolating average staff paper use in ANZ's Australian, New Zealand and Bangalore (India) operations.		customers by providing them with the option to shift to digital channels. We have also been active in shifting several of our key commercial locations to managed print solutions that has helped to deliver large reductions in office paper use/emissions. In the last year ANZ has reduced emissions from paper use by 384 tonnes CO2e.
Capital goods	Relevant, not yet calculated				ANZ recognizes that the embedded emissions in capital goods used by the organization in providing banking and financial services to its customers are likely to make a material contribution to the organisations' Scope 3 emissions. However with over 1,200 points of representation across 33 countries technical and cost constraints are likely to present a continuing barrier to a thorough analysis of emissions from this source. Notwithstanding, ANZ does incorporate sustainability criteria in the competitive tender processes for capital goods such as computers, office furniture and office fittings and gives active consideration to these criteria when selecting winning tenders for the

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
					provision of these goods.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	37462	ANZ calculates the following upstream fuel and energy related emissions for inclusion in its global Scope 3 inventory: 1) Extraction, production and transportation of liquid and gaseous fuels consumed by ANZ; 2) Extraction, production and transportation of fuels consumed in the generation of electricity used by ANZ; and 3) Generation of electricity that is lost in transmission and distribution. Emissions from these sources are estimated based on multiplying fuel and electricity consumption figures by emissions factors that are relevant for geographical areas in which ANZ operates. For Australia, these factors are sourced from the Australian National Greenhouse Accounts (NGA) Factors that are updated annually. For New Zealand the factors are sourced from the Guidance for Voluntary Corporate Greenhouse Gas Reporting (2011) produced by the NZ Ministry for the Environment. For regions outside of Australia and NZ, ANZ has relied on data contained in the UK Government conversion factors for Company Reporting produced by DEFRA/DECC and the IEA CO2 Emissions from Fuel Combustion publication.	98.00%	When Scope 3 emissions from fuel and energy related activities are added to those covered in Scope 1 and Scope 2, they represent over 78% of ANZ's total global carbon emissions. It is for this reason why reducing our consumption of fuels and electricity is the main focus of our emissions reduction activities.
Upstream transportation and distribution	Not relevant, explanation provided				As a provider of banking and financial services, ANZ is not a significant purchaser or producer of physical products that require transportation and distribution. For those physical products that ANZ does purchase eg paper, these are accounted for under the Scope 3 category 'Purchased products and services'.
Waste generated	Relevant,	2189	ANZ undertakes bi-annual audits of its general	0.00%	ANZ has not attempted to calculate emissions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
in operations	calculated		waste stream that is destined for landfill. These audits are undertaken for a period of 2 weeks each at key commercial facilities in Australia and New Zealand. The results of these waste audits are used to estimate daily waste generation per staff member which is then extrapolated across ANZ's global workforce to arrive at an estimated annual figure for the tonnage of waste landfilled. Annual figures are then multiplied by emissions factors outlined in the Australian NGA Factors document for our Australian premises and the NZ Guidance for Voluntary, Corporate Greenhose Gas Reporting (2011) for New Zealand premises.		associated with recycling or waste water treatment as it is non-material (<1% of emissions) and not relevent given ANZ's operations do not involve any processes that involve generation of industrial or commercial wastewater. Nitrous oxide emissions arising from the on-site treatment of 'blackwater' at ANZ's Head office building in Melbourne are accounted for under Scope 1 emissions.
Business travel	Relevant, calculated	56930	This incorporates emissions from the following sources: 1) Air travel in commercial and privately chartered aircraft; 2) Hotel accommodation; 3) Business Travel in private vehicles; and 4) Taxi Travel. Air travel distances between the flight origin and destination are multiplied by an uplift factor of 1.09 to account for additional flying due to non-direct routes, delays and circling. Emissions factors are then applied differentiated by the class of travel and distance flown (domestic, short haul and long haul) (Source UK DEFRA/DECC). Hotel emissions are calculated by multiplying the number of room nights by emissions factors covering the proportional Scope 1 and Scope 2 emissions of the hotel and average occupancy rates. Emission factors that are relevant for the region/state/ nation that the hotel is situated are used to calculate hotel electricity related emissions. Emissions from private vehicle business-related travel are	93.00%	ANZ does not currently incorporate emissions that are associated with business travel on public transport (eg buses, trams & trains) into its global GHG inventory. It is expected to make a small contribution to the business travel emissions of ANZ.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
			estimated based on reimbursement claims submitted by staff. Assumptions on the type of car driven by staff are then used to calculate the emissions. Taxi emissions are estimated based on assumptions on the average amount of kilometers travelled per $AUD of expenditure and then multiplying the total kilometers travelled by an emissions factor appropriate for a typical taxi vehicle. In NZ, taxi related emissions are calculated based on standard factors from the NZ Guidance for Voluntary, Corporate Greenhouse Gas Reporting (2011). Hotel and air travel emissions from staff located in the Pacific are calculated by extrapolating the per person emissions from ANZ's Asian-based business.		
Employee commuting	Relevant, not yet calculated				ANZ recognizes that the commuting emissions attributable to almost 48,000 staff worldwide is likely to represent a material source of Scope 3 emissions, however technical constrains currently prevent us from accurately estimating such emissions. Notwithstanding this, ANZ is focused on ensuring that its employees have the ability to choose less carbon-intensive modes of transport for their commute into work. Key commercial office locations (which is where the majority of ANZ's employees work) are carefully chosen to be in close proximity to public transport including trains, trams, buses and cycleways. ANZ's Head Office Building in Melbourne also provides 560 bicycle racks, change-rooms, showering facilities and lockers to support staff cycling. The number of car parking spaces allocated to the ANZ tenancy is also 94 per cent lower than the maximum

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
					allowed under local planning standards. ANZ also actively supports flexible working arrangements for its staff that includes provisions for them to 'work from home' which further assists to reduce emissions from staff commuting.
Upstream leased assets	Relevant, calculated	6800	ANZ has estimated emissions associated with the energy use in the following leased assets in Australia that do not come under ANZ's operational control: Outsourced data centres; and Base-building energy use in key commercial buildings Electricity use from ANZ operated equipment situated in outsourced data centres was estimated by multiplying the electrical demand of the installed equipment by the number of hours that the equipment was installed during the reporting year. An uplift factor of 1.7 was applied to account for the additional cooling demand of the data centre. The usage was then multiplied by the relevant electricity emission factor based on the data centre location. Emissions arising from ANZ's base building energy use were calculated from publicly available information on GHG emissions from buildings where ANZ was a tenant for the entire or part year, multiplied by the percentage of ANZ's net lettable area.	0.00%	ANZ has calculated the base-building emissions from leased commercial assets in Australia where it is not a sole tenant. This is likely to represent the bulk of ANZ's global emissions from this source. Similar information is not currently available for base building emissions in other countries where we operate.
Downstream transportation and distribution	Not relevant, explanation provided				As a provider of banking and financial services, ANZ does not produce physical products that require downstream transportation and distribution. Hence it has been determined that this is not a relevant Scope 3 category for ANZ.
Processing of sold products	Not relevant, explanation				As a provider of banking and financial services, ANZ does not sell physical products that require

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
	provided				downstream processing. Hence it has been determined that this is not a relevant Scope 3 category for ANZ.
Use of sold products	Relevant, not yet calculated				ANZ offers both internet and mobile banking platforms to our customers. It is recognised that the provision of these platforms results in indirect consumption of energy that is associated with the electricity used to operate/recharge the devices that customers use to access these platforms.
End of life treatment of sold products	Not relevant, explanation provided				As a provider of banking and financial services, ANZ does not sell physical products that require end-of-life treatment or disposal. Hence it has been determined that this is not a relevant Scope 3 category for ANZ.
Downstream leased assets	Not relevant, explanation provided				ANZ did not lease any assets to any third party entities where the emissions from the operation of those assets were not already calculated in ANZ's Scope 1 or 2 emissions inventory. Hence it has been determined that this is not a relevant Scope 3 category for ANZ.
Franchises	Not relevant, explanation provided				ANZ does not operate any franchises in providing banking and financial services. Hence it has been determined that this is not a relevant Scope 3 category for ANZ.
Investments	Relevant, not yet calculated				While this is a relevant source of emissions for ANZ as a provider of banking and financial services, ANZ notes that further work is being undertaken by the WRI and UNEPFI to issue supplementary guidance on how emissions from investments can be calculated in a comprehensive and environmentally relevant manner. ANZ has three participants on the Technical Working Groups established by the

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
					WRI to provide advice on the development of the calculation guidelines. ANZ will continue to monitor methodology developments in this area as well as stakeholder demand for investment-related emissions reporting.
Other (upstream)	Not relevant, explanation provided				ANZ does not have any other relevant upstream emissions
Other (downstream)	Not relevant, explanation provided				ANZ does not have any other relevant downstream emissions

CC14.2

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

Third party verification or assurance complete

CC14.2a

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

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC14.2a/ANZ Global GHGI Audit Opinion_20004108.pdf	'Our Conclusions, b) Annual Global GHG Emissions (Scope 3) - Limited Assurance (Page 1); 'KPMG's Responsibilities' (Page 2)	ISAE3000	100
Limited assurance	https://www.cdp.net/sites/2014/87/1187/Investor CDP 2014/Shared Documents/Attachments/CC14.2a/ANZ Global GHGI Audit Opinion_20004108.pdf	'Our Conclusions, b) Annual Global GHG Emissions (Scope 3) - Limited Assurance (Page 1); 'KPMG's Responsibilities' (Page 2)	ISAE 3410	100

CC14.3

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

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Other: Reduced Paper Purchases	6	Decrease	The 6% reduction in emissions from this category results from absolute reductions in office and customer paper purchases and purchase of carbon neutral office paper that has been certified under the Australian Government's National Carbon Offset Standard (NCOS). Reductions in office paper consumption have occurred due to the continued roll-out of technologies that have helped reduce superfluous printing and by setting all of ANZ's printers to default 'duplex'. ANZ is also shifting more of our customer communications from paper-based communication to digital channels.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in methodology	26	Increase	While there was a 0.6% increase in global fuel and electricity purchases from the previous year the biggest source of increase was associated with changes to emission factors across ANZ's APE&A region to reflect upstream transmission and distribution losses associated with electricity use. These were sourced from the DEFRA/DECC UK Government Conversion Factors for Company Reporting document.
Waste generated in operations	Emissions reduction activities	10	Decrease	Continued improvements in the availability of office recycling systems and reductions in office printing in Australia and New Zealand have had the biggest impact in reducing the amount of waste sent to landfill during the reporting year.
Business travel	Change in methodology	26	Increase	ANZ has for the first time incorporated the upstream 'well-to-tank' emissions associated with the fuel used in planes. If these factors had been applied for the previous year, emissions from global air travel would have risen by 8%. Increased air travel also has a flow-on effect to emissions from hotel stays and taxi travel which were also up from the previous year.
Upstream leased assets	Change in boundary	25	Decrease	The 25% reduction in Scope 3 emissions from upstream leased assets is due to the following reasons: 1) Reduced leased office space due to commercial property consolidation in our Australian business operations translating into lower 'base-building' energy use; 2) Leasing office space in 'green-buildings' that have much lower base-building energy demand.; and 3) Relocating equipment from data centres operated by a third-party into ANZ operated data centres.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

SUPPLIERS
ANZ’s Responsible Sourcing Framework defines GHG and climate change critera for all purchasing and supply decisions.
ANZ uses a risk-based approach (the ANZ ‘Sustainability Risk Review’) to identify categories of supplier spend with higher GHG and climate change risk (using impact and likelihood assessments). ANZ then profiles suppliers from high risk categories annually.
ANZ uses the following methods to engage with suppliers on GHG emissions and climate change:
1. Supplier Code of Practice– We require 100% of suppliers to comply with this Code. The Code requires suppliers to a) Have an Environmental Management System b) Embed environmental management principles within business operations; and c) Continuously seek ways to maximise the efficient use of environmental resources.. Suppliers are routinely assessed for compliance with the SCOP. Non-compliant suppliers are subject to remediation through ANZ’s Operational Contract Management framework.
2. Targets- ANZ has a public target to ‘Implement a Responsible Sourcing Program with a focus on our 10 highest impact categories of sustainability risk’.
3. Supplier Engagement – Sharing our category plans with suppliers in meetings and during tendering processes enables ANZ to build shared supply objectives
4. Education – ANZ offer facilitated workshops for suppliers to learn about responsible sourcing and ANZ’s framework that includes our approach to reducing GHG emissions.
Evaluation of success (examples from 2013):
• ANZ met its Sustainable Sourcing target – ANZ profiled 2970 suppliers from our Top 10 Highest Impact categories. The process identified 41 suppliers (1.3%) of higher risk who were requested to complete Self Assessments that help suppliers develop corrective action plans.
• We worked with our Australian property management supplier to set KPIs on GHG emissions and energy. Outcomes include: a) 6% reduction in energy for commercial assets; b) 3% reduction in energy for bank branches c) increased pipeline of sustainability projects to more than 20,000 tonnes of potential GHG savings
• Selected NGO, GERES, to deliver energy efficiency audits in Cambodia, delivering reductions in emissions of over 10%
• Worked with our office print technology supplier in Australia and Singapore. We reduced the number of printers per employee, used technology to reduce superfluous printing and set all printers to default ‘duplex’. ANZ is also shifting customer communications from paper to digital channels. We have saved 6% of emissions and all paper procured through the supplier is now certified carbon neutral
PARTNERSHIPS
ANZ’s strategy for engaging with partners is based on an assessment of their alignment with ANZ’s vision and strategic objectives that incorporates our ambition of reducing energy use and GHG emissions. Key partnerships are reviewed on a regular basis to ensure ongoing alignment. Examples of partners include:
• World Wildlife Fund (WWF) – ANZ has a formal partnership with WWF with the objective of increasing the banks awareness and understanding of environmental issues that impact our clients, and the geographies we operate in. It improves the ability of ANZ to identify, understand and resolve environmental issues and make informed decisions. In 2013, 997 employees completed Environmental Risk Training through the partnership.
• BSR - NGO partner providing support for the Responsible Sourcing program. Through BSR, ANZ staff can access newsletters, reports and research on sustainability trends, and expertise and advice on issues
CUSTOMERS
ANZ engages directly with customers to reduce GHG emissions through investment in efficiency and renewables projects. We have dedicated resources that work

with clients on financing GHG reduction programs. ANZ's strategy for prioritising engagement with customers is to formally assess and define customer segments with higher environmental (and social) impacts. We have Sensitive Sector Policies that guide decision making for each of these sectors..
ANZ has also become a leader in funding renewable energy projects.
Evaluation of success (examples from 2013):
• In Australia, the majority of our projects financed in 'new power' were in the renewables sector, including five wind projects totalling 822.4MW and one solar project of 20MW.
• In NZ we executed a 17-year banking facility for the construction of a 60 MW wind farm.
• Funded Australia's largest Environmental Upgrade Agreement in Sydney's Central Park.
• Worked with our agricultural customers in Australia and NZ. ANZ commissioned research to show a link between improved farming productivity and reduced environmental impacts. In NZ, ANZ 's Environmental Loan product provides low-interest loans of up to NZ$300,000 to farmers to invest in environmental systems to improve the environmental sustainability of farms. Projects that reduce GHG emissions have been specifically identified by ANZ as suitable for funding under this loan.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
2970	21%	ANZ manages its spend against a category management framework. Using the framework and our Risk Assessment Tool, our Top 10 highest impact spend categories are; Accommodation; Events; Fleet; IT Infrastructure; IT End User Computing; Logistics; People & Professional Services; Print Services; Security Services and Travel. These categories are estimated to contain ~14,000 suppliers. These suppliers are subject to category cost and sustainability strategies. In 2013, ANZ profiled 2970 suppliers from our Top 10 Highest Impact categories. The process identified 41 suppliers of higher risk who were requested to complete Self Assessments that help suppliers develop corrective action plans.

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Identifying GHG sources to prioritize for reduction actions	ANZ measures and reports on material GHG sources in our supply chain. This assists us to identify and prioritise GHG reductions. ANZ prioritises GHG reduction initiatives by giving consideration to the size of ANZ impact, the cost of impact and the supply chain innovation opportunities. Accurate and complete supply chain reporting assists with this process. For example we have accelerated our implementation of T5 lighting into ANZ branches after analysis of supplier reporting and trials demonstrated it is possible to achieve a 2 year Return On Investment.
Managing the impact of regulation in the supply chain	ANZ measures and reports on material GHG sources in our supply chain, to ensure transparency of our impacts. This facilitates and informs good management decisions. Incorrect or missing information on emissions arising from our supply chain could have significant impacts on our brand and reputation in the financial services market. It also enhances our understanding of how we are financially impacted through the introduction of carbon pricing mechanisms with several of our direct and indirect suppliers in Australia liable entities under the Australian Clean Energy Act 2011. For the reasons outlined, ANZ has supply agreements with our Air Travel, Accommodation, Paper, Print and Fleet category providers that have embedded clauses to ensure the accuracy and completeness of information supplied for greenhouse gas accounting purposes.

CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category

Name	Job title	Corresponding job category
Gerard Brown	Group General Manager, Corporate Affairs	Public affairs manager

Further Information

CDP