Module: Introduction

Page: Introduction

0.1

Introduction

Please give a general description and introduction to your organization

Australia and New Zealand Banking Group Limited (“ANZ”) is a major international banking and financial services group that is among the top 50 banks (by assets) in the world. ANZ is also one of the five largest and most successful listed companies in Australia and the number one bank in New Zealand. We are committed to building lasting partnerships with our customers, shareholders and communities across the 32 markets where we operate. We provide a full range of banking and financial products and services to approximately 8 million retail, Institutional and Corporate customers and employ over 48,000 people worldwide. Our approach to business includes a carefully considered approach to climate change. We recognise that as a financial institution we have a responsibility to reduce the direct impacts of our operations by reducing our organisational carbon footprint. Equally, we have a responsibility to influence reductions in the indirect impacts that occur as a consequence of our activities as lenders as well as through our procurement activity. This strategic approach is strengthened through: 1. Executive commitment from the CEO that is supported by Management Board level and Business unit line management responsibility for the development and delivery of programs that meet the needs of our customers and assist them to transition to a lower carbon economy in an informed way. 2. Governance and Management Frameworks (including an Environmental Management System) that support the allocation of budgets and resources where most needed to achieve the aspirational outcomes of annual targets/KPIs related to reducing our direct and indirect impacts. 3. Products and Services that assist our customers to achieve their business or personal objectives and transition in a thoughtful, informed and strategic way to a lower carbon economy. 4. Committed and informed employees: recognising that the achievement of KPIs on a day-to-day basis rests on all of our employees clearly understanding how they are contributing to the management of our direct and indirect impacts on the climate.

0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been

offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Thu 01 Oct 2009 - Thu 30 Sep 2010

0.3

Country list configuration

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

Select country
Australia
New Zealand
India
Rest of world

0.4

Currency selection

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

AUD ($)

0.5

Please select if you wish to complete a shorter information request

0.6

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

Module: Management [Investor]

Page: 1. Governance

1.1

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

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

1.1a

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

The Corporate Responsibility Committee (CRC) is a strategic leadership body that works with the Management Board to oversee and advise on ANZ's corporate responsibility (CR) strategy and priorities, and plays an important role in engaging in discussion / debate and providing strategic leadership on current and emerging trends on climate change issues.

1.2

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

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Chief Executive Officer (CEO)	Monetary reward	ANZ uses a Balanced Scorecard to measure performance in relation to determining Short Term Incentive (also known as Bonus) payments. In 2010 there were 5 categories (finance, customer, people, process/risk & strategic goals) which contained around 20 metrics including performance on climate change risks and opportunities. In 2010 this included direct impacts (e.g. our performance in meeting emission reduction targets) and indirect impacts (e.g. the implementation of consistent social and environmental assessment processes and guidance for the evaluation and credit approval processes in our Institutional business). We also had a publicly stated commitment to 'implement products and services to assist clients and customers with the transition towards a lower carbon economy'.
Executive officer	Monetary reward	As above
Chief Operating Officer (COO)	Monetary reward	As above
Energy managers	Monetary reward	As above
Environment/sustainability managers	Monetary reward	As above
Facility managers	Monetary reward	As above
Process operation managers	Monetary reward	As above
Risk managers	Monetary reward	As above
Business unit managers	Monetary reward	As above
All employees	Monetary reward	As above
All employees	Other non-	ANZ occasionally holds competitions, open to all staff, that have non-monetary rewards for participation and

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
	monetary reward	success. Examples include competitions asking for suggestions on how to improve our environmental performance or for examples of initiatives that support our footprint reduction activities.

Page: 2. Strategy

2.1

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

Integrated into multi-disciplinary company wide risk management processes

2.1a

Please provide further details (see guidance)

ANZ's risk management framework provides a uniform structure for the identification and management of risks (including climate change related risks) from the Board to business unit level. ANZ's Board has ultimate responsibility for risk and crisis management and four Board level committees support this. For example the Risk Committee has responsibility for business, market, credit, equity and other investment, financial, operational, liquidity and reputational risk management. Climate change is a contributing factor to each of these risk areas. The Audit Committee reviews financial and environmental reporting principles and policies, controls and procedures and the effectiveness of ANZ's internal control and risk management framework. The Board Committees are supported by the Chief Risk Officer and formal Management Committees, which are responsible for coordination of each of the areas of risk management including; the Credit & Market Risk Committee (CMRC), Operational Risk Executive Committee (OREC) (which oversees our departmental/site specific Business Continuity Plan (BCP)), Group Asset & Liability Committee (GALCO), Corporate Responsibility Committee (CRC) and Reputation Risk Committee (RRC). The bi-monthly CRC oversees and advises on ANZ's corporate responsibility (CR) strategy and priorities, monitors current and emerging CR and climate change risks and opportunities and reports to Management Board on response strategies. As an example our Energy Sector Policy (which addresses our relationships with energy intensive clients) was recently considered twice by Management Board during the policy review process. The CRC plays an important role in engaging in discussion and debate and in providing strategic leadership on current and emerging trends on climate change issues. Chaired by the CEO membership and comprising Management Board members with accountability for key aspects of ANZ's CR activities (Group Managing Directors from Operations, Institutional, Strategy, Mergers and Acquisitions, Marketing and Innovation) with other senior executives representing functions and geographies. Over 2010 the CRC formally reviewed and advised on a number of climate change related initiatives and issues including ANZ's carbon neutral commitment. All business units are responsible for understanding best practice approaches to the management of issues arising from climate change, as well as monitoring new trends that may impact either the operation of the company/business unit or on the sustainability of its customers. The CRC monitors the strategies being developed and deployed by ANZ business units to address perceived climate change risks and opportunities. Regular updates are provided to ANZ Board and Management Board. ANZ's monthly Reputational Risk Committee (RRC) is chaired by the Chief Risk Officer and runs in parallel with the CRC. The RRC is responsible for: understanding and assessing the impacts of current and emerging environmental, social, business and regulatory risks and exposures (including those related to climate change) on ANZ's reputation, and approving appropriate strategies to manage and mitigate; overseeing New Product Committees to ensure that reputation risk issues are considered appropriately; and, Mandating the development and implementation of appropriate policies and guidelines across ANZ for managing reputation risks. Responsibility for managing reputation risk is further embedded at the highest levels of the bank, with a proportion of our senior executives remuneration ‘at risk’ and dependent on effective management of economic, social and environmental risk issues. Regular updates are also provided to ANZ Board and Management Board. For more immediate risks (including those that relate to climate change), ANZ has an Early Alert Review Committee (EARC). This Committee utilises independent research and analysis to provide timely advice on key sectors and controversial issues (including those related to climate change) related to our business or clients. Our Sustainable Development team monitor this information and brief relevant client relationship managers on issues. When serious issues emerge they are reviewed in detail to establish their substance and where appropriate, referred to the EARC. Depending on the nature of risk, the EARC may request that the business seek a formal response to the issue or allegation from existing or potential customers. This response is reviewed by EARC and a recommendation made to consider the issue further with the client, monitor the issue closely or escalate the issue for consideration by one of our regional or divisional RRCs. These formal governance structures are supported by an independent risk management function which oversees activities such as risk measurement, reporting and portfolio management. The risk function provides Management Board with a monthly report describing the external environment, emerging threats and opportunities and status updates on current issues. In addition our Internal Audit function has responsibility for evaluating and advising on how to improve the effectiveness of ANZ’s operations, including our risk management processes around environmental reporting. Internal Audit reports to the Board’s Risk Committee each quarter and our Chief Risk Officer attends the Audit Committee twice a year to report on the effectiveness of the risk management framework and any material issues. ANZ also works in partnership with external stakeholders to better understand the nature of climate change risk. These cross-sector partnerships allow ANZ to harness a source of market intelligence and to consider and develop practical business solutions to a very complex issue. Over 2010 examples of partnerships include the World Bank, where we are bringing cleaner, cheaper and more sustainable sources of energy to communities most exposed to the direct impacts of climate change and World Wildlife Fund - Australia where we building our capacity for rigorous decision-making based on environmental standards in our Institutional business. Our criteria for determining materiality and priorities for climate change risk management are driven by the needs of our stakeholders. Our website (www.anz.com/stakeholder) outlines ANZ’s stakeholder engagement principles. An example of one of these principles in action over 2010 is the on-going consultation with Non-Government Organisations, community-based groups, individuals, and other civil society stakeholders to better understand their concerns or issues related to climate change. What we learn from our stakeholders assists us to minimise reputational risk, identify opportunities for new products and services, and better understand the issues that matter to our communities. The CRC and RRC provide regular reports describing the external environment, emerging climate change threats and opportunities, and status updates on current issues to the Management Board, ANZ Board, and CEO. Results are also reported to stakeholders through our CR reporting – which focuses on material impacts, issues and risks across our business – this occurs monthly through our ebulletin (which is sent to 4,700 external stakeholders) as well as our interim and end-of-year CR reporting (which has been integrated into our financial reporting).

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes (see guidance)

i. ii. ANZ's Corporate Responsibility (CR) framework was launched in late 2009 in order to better support and strengthen ANZ's business strategy, brand and values and to ensure that ANZ focuses its commitment on the most appropriate CR objectives. Climate change is one of the key considerations within this framework. Our CR Framework guides and underpins our commitment to responsible growth. Over 2010 we made good progress on the climate change related targets we have set (e.g. carbon neutral commitment), as well as new initiatives and training programs to support responsible lending (e.g. in light of climate change risks impacting our clients) and building partnerships to support financial capability in our communities. The particular aspects of climate change that have impacted ANZ's strategy relate to areas such as the introduction of legislation and regulations (e.g. emissions trading and compulsory emissions reporting) and the associated transition to a lower carbon economy, as well as the direct physical impacts to our staff, clients and customers as a result of extreme weather conditions. Key examples of how climate change influences our strategy include: • We have a responsibility to support clients committed in managing their environmental impacts responsibly and planning for the future, especially in regards to a carbon constrained world. As a result, ANZ has updated its risk management procedures to factor carbon pricing into lending decisions e.g. climate change related regulatory risks are included as part of our credit assessment processes, including specific sensitive sector policies which are applied to our business activities in the water, forestry, energy, and mining and minerals sectors. This is supported by client screening and other due diligence processes. • In early 2011 we began reviewing our sensitive sector policies to ensure they remain consistent with our values, our CR framework, meet industry standards and incorporate feedback from external stakeholders. Climate change is a cross-cutting issue for many of these policies and will be explicitly incorporated into our review. A revised Energy policy has recently been approved by Management Board after consultation with our customers, environmental NGOs, industry, and sector experts. It includes a stated commitment to increase our gas and renewables portfolio (as a proportion of our total energy portfolio) by 15-20% by 2020. • Our objective to embed a culture of responsible lending across our Institutional business, where economic, social and environmental (including climate change) risks and opportunities are understood and balanced in all our actions and decisions. One method that we have adopted to ensure that the culture of responsible lending in embedded is through our partnership with WWF-Australia which has an on-going educational component, assisting to build awareness of relevant social and environmental issues and provides client transactional support. • We're continuing to build our considerable expertise in renewable and lower carbon energy projects, ensuring we are equipped to support a growth industry as well as existing high-emitting energy clients who, in the medium to long-term, will seek to diversify into a wider range of energy sources. We financed the first project financed wind farm in Australia in 2003 and since then we've supported renewable energy projects generating approximately 3,700 Megawatts globally. • We are committed to reducing our direct impacts – i.e. energy consumption and carbon footprints. We have had public targets and reporting since 2006. Our significant investment in infrastructure – namely the ANZ Centre in Melbourne and our new data centre in New Zealand, are leadership examples of our commitment to the mitigation of our direct climate change risks. iii. In the reporting period ANZ's short term strategy was focussed on delivering on our commitment to achieve carbon neutrality across our global operations. The Australian Carbon Trust (now Low Carbon Australia) certified ANZ's Australian operations as carbon neutral using the National Carbon Offset Standard (NCOS) developed by the Department of Climate Change and Energy Efficiency. We have also offset our carbon emissions from our operations outside of Australia using the NCOS framework and have obtained independent assurance of this. Other examples of the influence of climate change on our short term strategy include: • Given our significant growth across the region we have employed a number of strategic initiatives to understand and reduce our reliance on air travel. We have commissioned independent research to understand the drivers for travel and have deployed 45 Telepresence units across our network in addition to video-conferencing facilities; and, • Our Business Continuity Plans (BCP) have been updated to better equip the organisation to respond to natural disasters. iv. ANZ's CR framework was updated to support and strengthen the organisation's business strategy, brand and values and to ensure that going forward, ANZ focuses its commitment on the most appropriate priorities, including those related to climate change. Furthermore, we're continuing to build our expertise in relation to renewable energy and energy-efficient projects, ensuring we are equipped to support a growth industry as well as existing high-emitting energy clients who, in the medium to long-term, will be seeking to diversify into a wider range of energy sources. v. ANZ's CR framework was developed in accordance with the thoughts and expectations of key stakeholder groups across our region, including employees, customers, clients, NGOs and governments. This ensures that ANZ's positioning and public commitments/targets align with the core values of its stakeholders, creating competitive advantage. In addition, ANZ's public commitment to carbon neutrality, achieved in 2010, demonstrates to its stakeholders its broad sustainability commitment, consequently enhancing brand and reputation. vi. Some examples of substantial business decisions made during the last year that have been influenced by climate change are: • Implementing the organisation's CR framework to support and strengthen ANZ's business strategy, brand and values and to ensure that going forward, ANZ focuses its commitment on the most appropriate priority areas, particularly in relation to climate change risks and opportunities (e.g. to embed responsible lending practices across the organisation, building proportion of renewable energy, etc); • Achieving carbon neutrality in 2010 across global operations, demonstrating our commitment to mitigating the risks associated with climate change; • Updating Business Continuity Plans to better equip the organisation to respond to natural disasters; • Releasing a

Disaster Relief and Recovery Policy that guides our response to natural disasters; and, • Working with our print and accommodation supplier categories standardise carbon counting in order to include carbon intensity as a key criteria in supplier selection.

2.2b

Please explain why not

2.3

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

Yes

2.3a

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

ANZ engages with a number of stakeholders to encourage action on mitigation and adaptation to climate change. Engagement on this issue, as with all issues material to the bank follows a structured, comprehensive process as highlighted by the following examples: • ANZ engages directly with Government across the region on the issue of climate change through traditional channels of engagement. We have had recent discussions with both major parties in Australia and Treasury on issues related to climate change. We also provide submissions to Government on key pieces of legislation. • ANZ supports Governments with their efforts to mitigate and adapt to the impacts of climate change. As part of a NZ Government initiative, EnergyWise, we have partnered with energy companies in New Zealand to help bring affordable energy efficiency measures (products/technologies) to households. A similar government scheme in Australia (Green Loans) operated partially over the 2010 financial year until being withdrawn by the Government. Across Australia we have partnered with business to provide access to incentives – typically Government rebates and interest free periods – that allow customers to upgrade/install energy saving devices in their homes. • ANZ engages with Government through industry associations such as the Australian Bankers Association (ABA) in Australia. With our support and guidance the ABA has been active in policy input (through submissions, consultation and research) and guidance (through the publication of pro-active position papers on key structural changes, issues or risks to the sector and economy). • ANZ engages on climate change issues and opportunities through its partnerships and memberships. For example, ANZ has partnered with the World Bank to encourage the use of renewable energy in the Pacific. This partnership aims to bring cleaner, cheaper and more sustainable sources of energy to communities most exposed to the direct impacts of climate change. This is delivered through close collaboration with the governments of Fiji, Papua New Guinea, Solomon Islands, Republic of Marshall Islands and Vanuatu. ANZ will administer $5.2 million of funding over the next five years to help approved local financial institutions provide affordable loans to individuals and small businesses in Pacific Island communities for the purchase of renewable energy such as solar energy, hydro energy and bio-fuels such as coconut oils. ANZ will also participate in the program as a lender. The program aims to redress the limited access to electricity in Pacific island countries, one of the key barriers to economic growth in the region, and to reduce the region's current reliance on high cost diesel as a source of energy. We are also a member of the UNEP FI Climate Adaptation Working Group. • ANZ works with clients and retail customers that will be impacted by a price of carbon , helping them to understand the risks as well as providing finance for measures to increase the energy efficiency of assets, reduce greenhouse gas emissions or pursue alternative energy opportunities including renewable energy projects. We are well placed to assist them managing their obligations under an emissions trading scheme in Australia and have recently become active in the New Zealand scheme. Through these varied engagements, ANZ works actively with stakeholders to encourage mitigation and adaptation, particularly through financing energy efficient technologies, as well as alternative and renewable energy sources. In addition ANZ Economics is a centre of expertise for research on climate change risks and opportunities. It has distributed regular updates to staff/clients on the progress and economic implications of emissions trading (e.g. updates on implementation of the New Zealand Emissions Trading Scheme and sectoral impact) as well as integrated analysis of the impact of climate change issues (e.g. impact of disasters, such as the recent flooding in Australia, on the broader economy and society).

Page: 3. Targets and Initiatives

3.1

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

Absolute and intensity targets

3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
1-01	Scope 1+2+3	78%	6%	2009	206557	2011	This is a target for ANZ's Australian operations.
1-02	Scope 1+2+3	9%	2%	2009	24098	2011	This is a target for ANZ's New Zealand operations.

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
1-03	Scope 1+2+3	78%	6%	metric tonnes CO2e per FTE employee	2009	10.18	2011	relates to ANZ's Australian operations

3.1c

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

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comments
1-01	Decrease	6%	Decrease	6%	This relates to ANZ's Australian operations.
1-02	Decrease	2%	Decrease	2%	This relates to ANZ's New Zealand operations.

3.1d

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

ID	% complete (time)	% complete (emissions)	Comment
1-01	75%	0%	ANZ is not likely to meet target as emissions are likely to be higher than the baseline due to increase in air travel and increase in emissions from data centres. This is linked to significant business growth since the target was set.
1-02	75%	100%	The New Zealand target is likely to be met due to improved performance particularly in road travel and the reduction in emission factor for electricity sourced from the grid.

3.1e

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

3.2

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

Yes

3.2a

Please provide details (see guidance)

ANZ has a variety of initiatives, products and services that support our customers and third parties to avoid GHG emissions, as outlined below. Project Finance: Our Project Finance team finances a number of renewable energy projects in Australia and offshore. Current renewable financing is approximately 3700 Megawatts, representing approximately 30% of our Project Finance energy portfolio. The finance provided by ANZ for these renewable energy projects results in direct GHG emissions reductions for the user of such technology. The total amount of emissions which are avoided over time is dependent on client-specific circumstances and factors. Renewable energy projects include: • Waste gas projects, e.g. power generation plants utilising waste emissions (coal-bed methane and landfill gas) that would otherwise be vented and emitted untreated to air; • Wind farms, e.g. various wind energy projects, including the Challicum Hills project in central Victoria; • Geothermal energy, e.g. two major geothermal power projects in New Zealand; •Hydro power, including the construction of hydroelectric plants in Laos; and • Biomass energy, e.g. a portfolio of biomass projects in the UK. Online Statements: ANZ is rolling out Online Statements to eligible ANZ internet banking customers. Online Statements are a PDF version of an account statement which can be accessed within ANZ's internet banking facilities. Customers that register for Online Statements elect to no longer receive paper statements. By forgoing the use of paper bank statements, ANZ customers are reducing emissions, e.g. embodied emissions within paper, as well as those associated with paper wastage and shipping and handling. As at September 2010 through this initiative we have avoided 224 tonnes of carbon emissions and delivered approximately 6.9 million e-statements. Energy Efficient Loans: ANZ offered household customers loans for investments in solar, water saving and energy-efficient products, with the aim of assisting customers with the upfront cost that can sometimes deter people from improving the energy efficiency of their home. This incentivised investment has a direct impact on GHG emissions reductions with the total amount of emissions which are avoided over time dependent on client-specific circumstances and factors, including the type of unit purchased. The Australian scheme, Green Loans, was discontinued by the Federal Government in December 2010. The New Zealand scheme, EnergyWise, where we have partnered with four energy service companies is on-going. In addition ANZ has formed a number of alliances and partnerships with organisations to offer a financial incentive to customers purchasing solar hot water systems and when installing energy (solar) & water efficient systems. We are exploring new product options to assist the transition towards a lower carbon economy.

3.3

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

Yes

3.3a

Please provide details in the table below

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Energy efficiency: building fabric	6 Star Green Star building, ANZ Centre, Melbourne: ANZ has been awarded a ‘6 Star Green Star – Office Design v2 Certified Rating’. The Green Building Council of Australia award officially recognises ANZ’s new global headquarters as a world leader in environmentally sustainable design.		35000000	
Energy efficiency: building fabric	5 Star Green Star building, Sydney: In Sydney, we are moving from our existing premises in Martin Place to a new CBD office building which has been awarded a ‘5 Star Green Star’ Design rating from the Green Building Council of Australia. Green Mark Platinum, Singapore: In Singapore, our new office building, which we are due to move into later this year, will be the first office building to achieve Singapore’s highest environmental rating – ‘Green Mark Platinum’.			
Energy efficiency: building fabric	Refurbishment: As part of our rolling refurbishment program for our Australian branch network, we are integrating a range of environmental initiatives including more efficient lighting and controls, improved environmental performance appliances, hot water timers, increased remote metering and where needed, additional insulation. A number of these initiatives are outlined below.			
Behavioral change	“Travel Lite”, Australia and New Zealand: As our business has grown across Asia Pacific, we have also witnessed an increase in air travel, leading us to engage researchers at the Centre for Design at RMIT University to help us better understand and introduce change to travel needs and behaviours. We are also reducing the need for air travel via videoconferencing and telepresence facilities.			
Energy efficiency: building services	ANZ Centre, Under floor air conditioning: Energy efficient air conditioning maximises the use of fresh air and reduces the use of energy consumption. ANZ Centre is still undergoing full commissioning of its sustainability features. We will be able to report in future.			
Energy efficiency:	Thermal metering: Upgrade to the building control management system and the thermal			

Activity type	Description of activity	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
building services	metering at our 55 Collins Street offices in Melbourne, which will align the building with the requirements of the National Built Environment Rating System (NABERS) Energy rating for office premises.			
Energy efficiency: building services	Smart meters: Installation of 'smart' meters in 90% of our office buildings over the past 2-3 years has improved the measurement and management of our gas, electricity and water consumption and helps us more accurately identify opportunities for resource efficiency measures, especially in older buildings.			
Energy efficiency: building services	Lighting: Improved lighting controls at all major commercial sites. Air conditioning: Adjustment of thermostat settings at major data centres to encourage more efficient air conditioning. Computers: Automated powering down of PCs in branches and major corporate offices Computers: Removal of screensavers from over 30,000 computers and replacing them with an energy efficiency setting.			
Energy efficiency: building services	Energy Efficiency Operational Expenditure	72110		
Energy efficiency: building services	Queensland Energy Efficiency Pilot A comprehensive energy efficiency retrofit pilot involving significant capital expenditure commenced at ten sites. This retrofit includes: lighting upgrades, installation of movement sensors, timers to control hot water systems. The air conditioning has also been connected to the security system. Based on the performance of the first six months of the trial, the annual savings are forecast to be a 14% reduction in total electricity usage.	49612	230000	>3 years
Transportation: fleet	Increase in fuel efficiency of the vehicle fleet Four cylinder vehicles now represent 42% of our fleet, compared to 22% in 2008. ANZ has been able to save 1,372 tonnes of carbon dioxide through this initiative. This equates to a 51% reduction in CO_2 per kilometre travelled.			
Other	Decommissioning of redundant hardware as part of move of server equipment from commercial buildings to data centre – energy savings identified as an associated benefit of project.	158400		
Low carbon energy installation	Solar panels on roof of ANZ Centre & Data Centre: Approximately 1,000 sqm of solar cells have been installed on ANZ Centre's roof to supply renewable energy.	18489		
Low carbon energy installation	ANZ Centre, tri-generation: ANZ centre contains on-site tri-Generation, which provides electricity, cooling and heating to the building, using natural gas as the source. ANZ Centre is still undergoing full commissioning of its sustainability features. We will be able to report in future.			
Energy efficiency: processes	New Zealand Data Centre Development: The cooling system used for the computer hardware utilises the outside temperature, resulting in lower power usage and energy costs (cooling represents a significant operating cost to data centres). Actual power savings measured in February 10 showed a 30- 35% savings from free cooling.	11738		

3.3b

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

Method	Comment
Compliance with regulatory requirements/standards	While ANZ in Australia is obligated to report under the National Greenhouse and Energy Reporting (NGER) and Energy Efficiency Opportunities (EEO) Acts, we consider this an opportunity to report transparently to stakeholders. Under the EEO Act, ANZ is categorised as a 'high energy user' and as such, has a mandatory obligation to identify energy efficiency opportunities and report to the Federal Government on progress with implementation of these opportunities. ANZ has submitted a five year energy efficiency assessment plan and reports annually to the Government and the public until the end of the five year reporting cycle. We continue to benefit from the long term financial savings through more efficient use of energy and the implementation of innovative technologies in our operations. In 2010 ANZ's Australian operations were certified carbon neutral under the National Carbon Offset Standard (NCOS). The standard it provides guidance on what is a genuine voluntary offset and sets minimum requirements for calculating, auditing and offsetting the carbon footprint of an organisation or product to achieve 'carbon neutrality'.
Dedicated budget for energy efficiency	ANZ has an annual budget for specific energy efficiency initiatives in addition to any savings that might be achieved through maintenance and project activity as part of existing operational and capital expenditure processes.
Dedicated budget for other emission reduction activities	ANZ has a dedicated budget for the purchase of offsets to achieve carbon neutrality.
Employee engagement	Programs of employee engagement were undertaken in relation to achieving ANZ's carbon neutral commitment (and associated initiatives in relation to energy efficiency). We have also engaged researchers at the Centre for Design at RMIT University to help us better understand and introduce change to travel needs and behaviours of employees. Interviews have been held with a cross section of employees about their travel habits.
Financial optimization calculations	We have assessed our existing emission intensive Project Finance customers in Australia for the impact of a potential price on carbon and are managing re-financing risk for these clients by working with them to look at energy efficiency opportunities which will not only reduce their current operating costs but also reduce their future liabilities for a potential price on carbon. A Carbon Working Group monitors the entire Project Finance portfolio, and manages risk exposure on a geographical and sector level.
Internal price of carbon	ANZ has a Supply Chain Governance Framework in place with which to monitor any future price on carbon. The framework ensures ANZ includes social and environmental criteria in its procurement specifications and encourages suppliers to manage their own social and environmental risks.
Internal incentives/recognition programs,	Responsibility for managing climate change risk is embedded at the highest levels of the bank, with a proportion of our most senior executives' remuneration 'at risk' and dependent on effective management of economic, social and environmental risk issues.
Partnering with governments on technology development	ANZ is currently in partnership with the World Bank to encourage the use of renewable energy in the Pacific. This partnership aims to bring cleaner, cheaper and more sustainable sources of energy to communities most exposed to the direct impacts of climate change. This is delivered through close collaboration with the governments of Fiji, Papua New Guinea, Solomon Islands, Republic of Marshall Islands and Vanuatu. ANZ will administer $5.2 million of funding over the next five years to help approved local financial institutions provide affordable loans to individuals and small businesses in Pacific Island communities

Method	Comment
	for the purchase of renewable energy such as solar energy, hydro energy and bio-fuels such as coconut oils. ANZ will also participate in the program as a lender. The program aims to redress the limited access to electricity in Pacific island countries, one of the key barriers to economic growth in the region, and to reduce the region's current reliance on high cost diesel as a source of energy.

3.3c

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

Further Information

Page: 4. Communication

4.1

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

Publication	Page/Section Reference	Identify the attachment
In annual reports (complete)	Pg 30-36	http://media.corporate-ir.net/media_files/irol/96/96910/agm2010/2010%20Shareholder%20and%20Corporate%20Responsibility%20Review.pdf
In voluntary communications (complete)	Pg 4-10, 19-22	http://www.anz.com/resources/0/3/0316860046e23385b8ceb98e6b40af84/2011InterimReport.pdf
In voluntary communications (complete)	pg 7, 15-16	http://www.anz.com/resources/6/6/66d299004256ece7866ffed5d952e73b/Final_Interim_10.pdf
		http://www.anz.com/about-us/corporate-responsibility/ad/june-11-carbon-trading.htm

Further Information

Module: Risks and Opportunities [Investor]

Page: 5. Climate Change Risks

5.1

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

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

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
R1	Emission reporting obligations	Within Australia, ANZ currently has an obligation to report under both the National Greenhouse and Energy Reporting Act (NGER) and the Energy Efficiency Opportunities Act (EEO). Under NGER, ANZ is required to report its greenhouse gas emissions and energy consumption on an annual basis to the Department of Climate Change and Energy Efficiency (DCCEE). There are financial and criminal penalties associated with non-compliance under the NGER Act. ANZ's operations are categorised as 'high energy' user ANZ therefore has a mandatory obligation to identify energy efficiency	Other: Reputational risk as a result of non-compliance or poor performance. Financial penalties also apply for non-compliance.	Current	Direct	Exceptionally unlikely	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		opportunities and report to the Australian Federal Government on progress with implementation of these opportunities under the Act. ANZ has submitted a five year energy efficiency assessment plan and reports annually to the Government and the public until the end of the five year reporting cycle. Please see 2010 submissions in the attachments.					
R2	Other regulatory drivers	Emissions trading / Carbon price: ANZ's exposure to regulatory risk is primarily indirect, through the impact on our clients (particularly those in high carbon intensity industries like power generation, transport, mining and manufacturing). The most immediate regulatory risk to our clients is the impost of current or future caps on carbon emissions and the cost of mitigation. The commitment and/or capacity of our clients to adapt to regulatory requirements directly impacts on their profitability and reputation, and therefore their overall risk profile, particularly as mandatory carbon constraints and trading systems are introduced in more economies, such as the NZ Emissions Trading Scheme (NZ ETS), the European Emissions Trading Scheme (EU ETS) and the proposed Australian carbon price mechanism.	Other: Increases risk profile of ANZ's debt facilities (lending).	1-5 years	Indirect (Client)	Likely	Medium-high
R3	Other regulatory drivers	Emissions trading / Carbon price: A price on carbon will impact ANZ by virtue of our larger suppliers being regulated on their carbon emissions resulting in increased operational costs for ANZ. Key examples include increases to the cost of air travel and energy-intensive activities such as information technology.	Increased operational cost	1-5 years	Indirect (Supply chain)	Likely	Low
R4	General environmental regulations, including planning	In Australia organisations are exposed to the risk of regulatory intervention in relation to misleading or deceptive claims about the sustainability or environmental performance (e.g. carbon neutrality) of the organisation and/or products and services.The Australian Competition and Consumer Commission (ACCC) monitors this and has released a set of	Other: Reputational risk as a result of non-compliance. Financial penalties may also apply.	Current	Direct	Exceptionally unlikely	Low

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

5.1b

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

R1: Direct regulatory risk (National Greenhouse and Energy Reporting / Energy Efficiency Opportunities) i. There are direct financial implications for failing to comply with the NGER and EEO Acts in Australia. e.g. non-compliance with the NGER Act can incur civil penalties of $220,000, plus daily penalties of up to $11,000 and/or face criminal proceedings. The CEO may also be ordered to pay a penalty up to an equal amount of that imposed upon their company. ii. We have a management program in place, which includes: • internal monthly reporting in accordance with the NGER/EEO Acts to ensure information is on track for reporting deadlines. This ensures that any issues in collecting or calculating data are resolved on a periodic basis and reduces future workloads; • scheduled briefings to internal stakeholders to ensure adequate time for review and approval; and, • scheduled briefings/Management Board review to keep them informed of the development and implementation of any issues and new opportunities. iii. Various ongoing costs (approx $150k) have been associated with these management processes, particularly in relation to the resources required to collect, report and review relevant data, and to obtain internal / external assurance. Capital costs have also been invested in the implementation of smart meters and associated reporting technology. R2: Indirect regulatory risk as a result of emissions trading/carbon price (clients) i. The capacity of our clients to adapt to regulatory requirements directly impacts on their profitability and reputation. • Risks to the profitability of our clients have obvious financial implications for ANZ's profitability. Therefore, there is a very clear case for ANZ to assess a client's preparedness for regulatory requirements in addition to the requirements in our sensitive sector policies and our social and environmental screening. Our recently reviewed Energy Sector Policy states that "ANZ will seek to ensure that global performance benchmarks and legal/regulatory compliance standards in respect of Energy transactions are exceeded". • With uncertainty around a carbon price (in Australia) or associated subsidies that may be provided to exposed sectors, we are unable to account for the price of carbon with absolute certainty - thus we use a number of scenarios to gauge impacts. In jurisdictions where carbon has been 'priced' this is fully factored into our due diligence and assessment processes. ii. In order to manage the risks associated with the profitability/reputation of clients, ANZ has the following processes in place: We assess regulatory risks as part of our credit risk assessment process. This is underpinned by ANZ sensitive sector policies, client screening and other due diligence processes including those associated with the Equator Principles. • We provide intelligence to staff to assist them in applying our sensitive sector policies and conducting social and environmental screening. This includes information on the specific regulatory issues associated with particular industry sectors we service and the measures we would expect a client to take to effectively identify and manage the risks. • We focus on raising awareness in our Institutional business of the regulatory risks facing clients. Our partnership with WWF-Australia supports this by communicating and engaging on social, environmental and regulatory issues. The partnership also provides an additional perspective on client transactions. • To mitigate the risks associated with energy-intensive clients, we have (and continue to) assess the ability of current and future clients to manage their own risks around a carbon price. We are also managing re-financing risk for these clients by working with them to look at energy efficiency opportunities which will not only reduce their current operating costs but also reduce future carbon liabilities. A Carbon Working Group monitors the Project Finance portfolio on a geographical and sector level and internal experts monitor the risk exposure of the Project Finance loan book. iii. Various ongoing costs (which have not been quantified) have been associated with these management processes, particularly in relation to the resources required to develop the client assessment tool, review and update existing Sensitive Sector policies and provide legal services (e.g. in relation to the impact of regulation). R3: Indirect regulatory risk as a result of emissions trading / carbon price (suppliers) i. Where our suppliers are (or potentially will be) impacted by a carbon price, there will most likely be an increase in the cost of the applicable service or product, which will consequently have an impact on our operational costs. The three most likely service areas that will impact us directly are energy, air travel and information communications technology. ii. ANZ is committed to integrating ethical, environmental and social considerations into the procurement of goods and services. ANZ's Sustainable Sourcing Framework assesses business risks and the ethical, environmental and social impacts of our supply arrangements, such as a carbon price, and factors this into our sourcing decisions. Our approach is set out in our Sustainable Procurement Policy and our standards for suppliers are contained in our Supplier Sustainability Code of Practice (SCOP), supported by a tailored supply chain engagement process. Our policy contains guiding principles as to how we will do this, such as: inclusion of social and environmental requirements in procurement specifications; helping our suppliers understand their ethical, environmental and social risks; and encouraging and influencing our suppliers to improve their management of social and environmental risks (including GHG emission reductions). We apply a risk-based approach in managing supplier compliance, i.e. suppliers of products or services with high environmental or social impacts (e.g. energy intensive organisations) must fully comply and undertake a combination of self-assessment and on-site audits. iii. Various ongoing costs (not quantified) are associated with these management processes, particularly in relation to the resources required to develop, implement, review and update the policies and processes associated with the Sustainable Sourcing Framework, engage and work with relevant suppliers and obtain internal / external auditing of supplier self assessments. R4: Indirect environmental regulatory risk (ACCC) i. Non-compliance could result in financial penalties and reduced business opportunities for ANZ. ii. To ensure accurate/ robust reporting each year ANZ obtains independent assurance over its environmental footprint performance, this includes greenhouse gas emissions. ANZ's end-of-year integrated CR report is also assured by separate independent experts, who each year conduct 'deep dives' into selected data sets, including those related to environmental performance. The Australian Carbon Trust (now Low Carbon Australia) has certified ANZ's Australian operations as carbon neutral using the National Carbon Offset Standard developed by the Department of Climate Change and Energy Efficiency. iii. The costs associated with the management of this risk primarily relate to the services of external consultants engaged to provide assurance of publicly reported information.

5.1c

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

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
R5	Tropical cyclones	ANZ has a large branch presence in the Pacific island communities, including Fiji, Kiribati and the Solomon Islands, and growing business in the Greater Mekong region. These communities are particularly vulnerable to the effects of climate change and over the last twelve months have experienced extreme weather events such as cyclones and typhoons, e.g. Typhoon Ketsana, Cook Islands Cyclone. We also have a branch network throughout Australia, many regions of which are also	Reduction/disruption in production capacity	Current	Direct	Likely	High

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		prone to cyclones (e.g. Cyclone Yasi), including Queensland, Northern Territory, Western Australia and Northern NSW. Our customers and clients from these regions rely on us to deliver banking services to them in times of disaster, particularly as a result of extreme weather events.					
R6	Change in precipitation extremes and droughts	ANZ has many major customers and clients within sectors which are directly and severely impacted by changes in precipitation extremes and droughts, e.g. agriculture, mining, energy, infrastructure development, urban developments, and many more. For example: • Agribusiness customers across Australia have been and are continuing to be impacted by severe drought. Some areas are now in the 9th year of drought which has had a significant impact on agricultural outputs, including a significant decrease in crop production. Consequently, the cash flow of these farmers has been impacted, which poses a credit risk to ANZ. • Conversely, the recent floods in Queensland and parts of Victoria have also had adverse impacts on our clients. The floods caused widespread damage to the agriculture and mining industries in Queensland and the effects of this are still being felt in the market through increased fruit/vegetable costs and reduced supply and increased price of coal. Mortgages, property values and the ability to service loans have also been impacted. This has affected profit in these industries which in turn poses a credit risk to ANZ.	Inability to do business	Current	Indirect (Client)	More likely than not	Medium
R7	Other physical climate drivers	We recognise that in times of extreme weather events our suppliers may also be inhibited from supplying vital goods and services to our branch networks in the Pacific and also remote and regional country centres. This could lead to an interruption of services during a time of most need in these areas. Many of these areas also experience a shortage in the supply of mains electricity as a matter of course. This is further exacerbated in times of extreme weather events. It is essential that ANZ can ensure a backup energy source to continue operations.	Inability to do business	1-5 years	Indirect (Supply chain)	About as likely as not	Low

5.1d

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

R5: Direct physical risks as a result of tropical cyclones i. The potential financial implications of the risk before taking action: The financial implications associated with cyclones and other extreme whether events primarily relate to the capital costs (not quantified) required to repair structural damage to offices and branches, as well as reduced profits as a result of an inability to do business. ii. The methods you are using to manage this risk: To reduce our direct risks associated with extreme weather events, our insurance and Business Continuity Plan (BCP) arrangements for ANZ properties provide for the particular weather events prone to the area, including flooding, storms and cyclones. For example our back-office processing hub in Fiji (which provides the back-office processing services for all ANZ operations in the Pacific region) is located at a site specifically selected for its low risk of exposure to the effects of flooding, cyclones and earthquakes, thereby strengthening the resilience of all our Pacific operations against the physical risks of climate change. Furthermore, each ANZ division and site has a BCP detailing likely risks (including extreme weather events, mitigation processes and procedures) and a Disaster Recovery Plan to ensure that business units impacted by extreme weather events are able to operate as soon as possibly after the event. iii. The costs associated with these actions: Various ongoing costs (which have not been quantified) have been associated with these management processes, particularly in relation to the resources required to research the risks specific to each region and to update and review the BCP. R6: Indirect (client) risks as a result of floods and drought i. The potential financial implications of the risk before taking action: Clients impacted by changes in precipitation extremes and droughts could potentially experience a fall in revenue and decreased profitability due to disruptions to business as usual (e.g. reductions in crop yields). This in turn could impact on any financial arrangements with ANZ and therefore on ANZ's profitability (unquantified). Furthermore, the delivery of customer assistance packages, the provision of disaster relief funding and ongoing support has a financial cost to the Bank. ii. The methods you are using to manage this risk: The processes in place to manage these risks include: • Sensitive sector policies are applied to our business activities in the water, forestry, energy, and mining and minerals sectors. • All clients of our Institutional Business are screened for social and environmental risks at the beginning of the relationship and thereafter as part of each annual review. An assessment tool aligned with our Sensitive Sector policies is provided to staff to assist them complete the screening. This process enables staff to evaluate the physical impacts of climate change on clients, particularly those in high risk sectors such as agriculture, so we can better understand the indirect risks to our business through loss of profitability and interruption to their businesses. • ANZ employees are provided with regular industry intelligence/advice and other information on environmental issues associated with specific industries, including the risks and financial implications associated with changing climates and extreme weather conditions. Examples include: a) ANZ Economics released a paper analysing the impact of major flooding in central Queensland on local industries and the recovery prospects for industry sectors. b) ANZ issues an internal "ANZ Coal Update" to inform staff about the impacts on the industry as a result of floods. This helps keep staff abreast of the immediate issues arising from the QLD floods. c) Globally ANZ Markets and Research group releases numerous publications that analyse the direct and flow-on impacts of natural disasters on the economy. In October 2009, for example, the country analysis of Taiwan specifically analysed the impacts of a recent typhoon on the economy, namely a drop in industrial production and a reduction in export performance. The flow on effects of such extreme weather conditions to country GDP are carefully monitored by ANZ. • A Disaster Relief and Recovery Policy was developed in 2010, which sets out the range of measures we can offer affected communities, including donations, financial assistance for impacted customers and/or staff, together with a decision-making process to ensure ANZ's response is fast, effective and appropriate. The policy formalises our process for developing, implementing and monitoring our response to assist customers and communities impacted by weather-related and other events that cause a serious disruption to community life. • We encourage customers and clients impacted by extreme weather events to contact ANZ to discuss the likely impact on their business and offer a range of relief packages including fee waivers, loan restructuring, additional working capital facilities and carry-on finance to meet short-term needs (and thus reduce any risk to ANZ). iii. The costs associated with these actions: Various ongoing costs (which have not been quantified) have been associated with these management processes, particularly in relation to the resources required to review and update policies, undertake relevant industry research, and develop new products and services to assist impacted clients. R7: Indirect (supplier) risks as a result of extreme weather conditions i. The potential financial implications of the risk before taking action: In the event our suppliers are impacted by extreme weather events that inhibit the supply of vital goods and services, this could lead to an interruption of ANZ's services and therefore reduced revenue and profitability (which has not been quantified). ii. The methods you are using to manage this risk: To manage this risk in relation to our supplier base, we have developed the Sustainable Sourcing Framework to assess business risks, and the ethical, environmental and social impacts of our supply arrangements, and ensure these are factored into our sourcing decisions. Our approach to sustainable sourcing is set out in our Sustainable Procurement Policy and our standards for suppliers are contained in our Supplier Sustainability Code of Practice (SCOP). This is supported by a tailored supply chain engagement process. We apply a risk-based approach in managing supplier compliance, and performance is publicly reported each year. To mitigate the risks associated with a shortage in the supply of mains electricity in times of extreme weather events, we have accelerated our investment in renewable energy in our Pacific operations, established solar-powered branches in the Cook Islands and Kiribati and five solar powered ATMs in the Solomon Islands and three in the Cook Islands. iii. The costs associated with these actions: Various ongoing costs (which have not been quantified) have been associated with these management processes, particularly in relation to the resources required to develop, implement, review and update policies and processes associated with the Sustainable Sourcing Framework, engage suppliers and obtain internal / external assurance over supplier self assessments.

5.1e

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

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
R8	Reputation	ANZ is aware of the potential risks climate change poses to our reputation as a responsible bank. In particular, 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 we do not meet or exceed the environmental standards and practices we encourage our corporate customers and suppliers to adopt. In particular, ANZ has faced criticism for our financial support of coal-fired power stations, funding of coal exporters in the region and involvement in the forestry and mining industries. We have also been questioned about our support of some clients operating in countries with developing legal and governance frameworks and whether appropriate environmental standards are being applied to their activities. We expect this scrutiny to continue into the future. In response to these risks we have developed comprehensive governance structures, policies, training and tools.	Reduced demand for goods/services	Current	Direct	Virtually certain	Low

5.1f

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

R8: Direct reputational risk associated with business activities i. the potential financial implications of the risk before taking action Failure to apply appropriate social and environmental standards to our decisions and respond effectively to stakeholders raising concerns about the bank's involvement in a particular transaction (e.g. financing coal based projects) can result in public criticism, activism against the bank and ultimately damage to our brand and reputation, consequently leading to reduced revenue and profit (which has not been quantified). ii. the methods you are using to manage this risk ANZ is currently undertaking the following activities to manage this risk: • ANZ's Reputation Risk Committee (RRC) functions at a Group-wide and regional level within the organisation and covers wide ranging reputational issues, including those relating to climate change. Representatives from the Sustainable Development team sit on the RRC and act as advisors on immediate issues related to climate change and sustainability. Furthermore, our risk governance framework supports staff to identify issues that could potentially impact ANZ's reputation, e.g. lending money to a new client associated with a significant social or environmental issue. • To demonstrate our commitment to climate change mitigation and enhance and protect our reputation, we responsibly manage our carbon footprint and operate under our commitment to responsible business practices in every region we operate. In 2010 ANZ delivered on its commitment to achieve carbon neutrality across our global operations. ANZ's claims relating to carbon neutrality are consistent with the Australian Government's NCOS, thereby providing stakeholders with certainty and confidence. • We also undertake an extensive program of stakeholder engagement to minimise risks, identify ideas for new products and services, and understand and respond to the issues that matter to our communities. We engage continuously, listen to a range of opinions, formulate responses and make specific public and auditable commitments where appropriate. We report our progress and outcomes to stakeholders on a regular basis through informal dialogue and our various corporate responsibility publications and communications tools. • In addition, we collaborate with NGOs and other organisations to increase our capacity to make balanced, evidence based decisions, thereby protecting our brand. In early 2011 we began reviewing our sensitive sector policies to ensure they remain consistent with our values, our CR framework, meet industry standards and incorporates feedback from external stakeholders. Our Energy Sector Policy has recently been approved by Management Board following consultation with our customers, environmental NGOs, industry, and sector experts. In addition, through our partnership with WWF-Australia we seek their input on general industry practices as well as specific client transactions. WWF also assist 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. iii. the costs associated with these actions Various ongoing costs (which have not been quantified) have been associated with these management processes, particularly in relation to the resources required to manage the RRC and internal emissions reporting processes, as well as capital costs associated with investing in energy efficient technology and purchasing offsets for the purposes of reducing ANZ's greenhouse gas emissions and achieving carbon neutrality.

5.1g

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

5.1h

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

5.1i

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

Further Information

Attachments

https://www.cdproject.net/Sites/2011/87/1187/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/5.ClimateChangeRisks/EEO+Public+Report+2010+Final.pdf
https://www.cdproject.net/Sites/2011/87/1187/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/5.ClimateChangeRisks/NGER Reporting see p5.pdf

Page: 6. Climate Change Opportunities

6.1

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

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

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
O1	Cap and trade schemes	Emission trading schemes and a price on carbon provides revenue opportunities for ANZ with both existing clients and in new market developments. For example, we became active within the NZ ETS in the last year (e.g. through the provision of trading services to clients). Whilst the details of a carbon price mechanism are still being discussed within Australia, there is still an opportunity to build internal capacity and knowledge in preparation for the scheme, and to work with clients to assist them in meeting future obligations and help them identify energy efficiency opportunities.	New products/business services	Current	Direct	Virtually certain	High
O2	Other regulatory drivers	The Australian Government last year increased the share of renewable energy by expanding the Mandatory Renewable Energy Target (MRET) to 45,000 MWh or 20% by 2020, more than four times the previous target. This has increased demand for Renewable Energy Certificates (RECs) and continues to encourage and support the expansion of renewable energy projects across Australia. This has created a number of opportunities for ANZ, including greater investment opportunities in renewable energy developments and an increase in demand for existing products and services (e.g. increased trading for RECs).	Increased demand for existing products/services	Current	Direct	Virtually certain	Medium-high
O3	Emission reporting obligations	While ANZ in Australia is obligated to report under the National Greenhouse and Energy Reporting and Energy Efficiency Opportunities Acts, we consider this an opportunity to enhance our reputation by reporting transparently to stakeholders. Enhancing our reputation will continue to attract customers and investors. As an organisation we also continue to benefit from the implementation of innovative energy-efficient technologies and associated long term financial savings, and the implementation of rigorous measurement and tracking systems that ultimately lead to the reporting of credible energy and greenhouse	Other: Enhanced reputation	Current	Direct	More likely than not	Low

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
		data.					

6.1b

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

O1: Direct opportunities relating to a price on carbon i. The potential financial implications of the opportunity: In New Zealand, some of ANZ's corporate clients have a liability under the NZ ETS, which has resulted in a number of new service opportunities for ANZ, particularly in relation to energy and carbon trading mechanisms. In Australia, some of our corporate clients are currently considering the implications of a cost of carbon on their business and investigating energy-efficiency opportunities. This has created a number of investment opportunities for ANZ, and has increased our capability and knowledge in the area, allowing us to expand our service offerings. Both have resulted in an increase in revenue. ii. The methods you are using to manage this opportunity: To optimise the opportunities presented to ANZ as a result of a carbon price, we are continuously undertaking market research to understand the needs of current and future clients. Through this we are expanding our knowledge and capabilities and developing new and improved services and products to meet client needs. For example: • As a result of the NZ ETS and other international carbon markets we have established the Energy and Emissions Trading desk, through which we assist our clients to meet their liabilities by procuring various credits on their behalf (e.g. NZU, CERs, RECs). Examples of our involvement to date include: 1. Trading in RECs, NSW Gas Abatement Certificates and Verified Emission Reductions under Greenhouse Friendly in Australia to assist clients manage mandated and voluntary carbon and renewable energy targets; 2. Trading in Certified Emission Reductions created from Clean Development Mechanism (CDM) projects; 3. Providing hedging of renewable energy and carbon credits output for carbon abatement projects in Australia and internationally; and, 4. Internally, ANZ business and product teams meet regularly to discuss regulatory and market developments so ANZ can best position to respond effectively to customer demand and solution requirements that are consistent with the market evolution. • ANZ is working with clients to reduce energy consumption across their businesses by financing more energy efficient plant, equipment and buildings. Our clients benefit from lower operating costs now and reduced liabilities into the future as carbon pricing is implemented. To improve our ability to assist our clients, we are now able to offer end-to-end advice and assistance around the implementation of energy efficient technologies, including advisory services in relation to potential technology improvements and finance and investment services to facilitate the implementation of those measures. iii. The costs associated with these actions: Various ongoing costs (which have not been quantified) have been associated with these actions, particularly in relation to the resources required to establish new services, including IT infrastructure, staff training, marketing of new products, etc. O2: Direct opportunities relating to MRET i. The potential financial implications of the opportunity: The government's expanding Mandatory Renewable Energy Target has encouraged greater investments into renewable energy sources. ANZ will continue to assist clients through arranging finance for these projects. Projects that may have previously been considered as having marginal returns will now fall into a more profitable category and be considered more seriously for commencement of development. ii. The methods you are using to manage this opportunity: To ensure that we maximise the opportunities presented by the expanding renewable energy sector, ANZ is undertaking the following: • We continue our support of renewable energy infrastructure through investment in the Energy Infrastructure Trust (EIT), a special-purpose trust with over $788 million in equity funds invested in energy assets. These include renewable energy assets such as steam plants, biodiesel fuel plants and wind farms. ANZ Specialist Asset Management Limited, a wholly owned subsidiary of ANZ, is the Trustee for EIT. ANZ owns 5.2% of the units in EIT. • Our project finance team finances a number of renewable energy projects in Australia and offshore (estimated at 30% of Project Finance energy portfolio). These include waste gas projects, wind farms, geothermal energy, hydro power and biomass energy. iii. The costs associated with these actions: Various ongoing costs (which have not been quantified) have been associated with these actions, particularly in relation to the resources required to establish new services, including IT infrastructure, staff training, marketing of new products, etc, as well as investment costs. O3: Direct opportunities relating to emissions reporting obligations i.

The potential financial implications of the opportunity: While ANZ is directly required to comply with the National Greenhouse and Energy Reporting (NGER) and Energy Efficiency Opportunities (EEO) Acts, we have already experienced the operational cost savings that have eventuated from improving our energy efficiency in terms of both our FTE and m2 intensity. Examples of the financial savings associated with these initiatives include: •A saving of $72,110 as a result of energy efficiency upgrades; • A saving of $18,489 as a result of the installation of solar panels on the ANZ Centre and Data Centre roofs; and • A saving of $600,000 as a result of an increase in fuel efficiency of fleet cars. While we anticipate that there will be a cost to further improve our performance in this area for capital and operational upgrades, we know that the long term, year on year savings justify that expenditure. ii. The methods you are using to manage this opportunity: We have a management program in place, which includes: • Internal monthly reporting of scope 1, 2 and 3 emissions in accordance with the NGER and EEO Acts to ensure all information is on track for 31st October reporting. Internal monthly reporting ensures that any issues in collecting or calculating data are resolved on a periodic basis and also serves to reduce the workload when annual reporting is required. • Scheduled briefings to relevant internal stakeholders to ensure adequate time for review and approval. • In addition to the monthly internal reporting described above, there are scheduled briefings and submission of board papers to the Management Board and the Board of Directors to keep them informed of the development and implementation of new opportunities. iii. The costs associated with these actions: There are both capital and operating (or routine) costs associated with our NGER and EEO programs. These include the implementation of smart meters and other energy efficiency upgrades, the annual cost of assurance over data and management costs associated with monthly internal and external reporting of data.

6.1c

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

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

6.1d

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

O4: Direct opportunities to develop new products and services i. The potential financial implications of the opportunity: The opportunity to develop innovative products and services to assist our clients to manage and reduce their climate change risks (as a result of direct weather impacts) has led to alternative revenue streams. ii. The methods you are using to manage this opportunity: To optimise the opportunities presented to ANZ as a result of the physical impacts of climate change, we are continuously undertaking market research to understand the needs of current and future clients. Through this we are expanding our knowledge and capabilities and developing new and improved services and products to meet client needs. For example, there are a range of financial tools available to our customers to assist in managing the risks posed by weather, including catastrophe bonds, insurance products and the supply of hedging instruments. iii. The costs associated with these actions: Various ongoing costs (which have not been quantified), particularly in relation to the resources required to develop and market new products. O5: Indirect opportunities to enhance reputation as a result of climate change i. The potential financial implications of the opportunity: As well as the humanitarian impact, natural disasters (caused as a result of climate change) can have huge financial costs for affected regions and communities immediately following the event, with total damage frequently running into the billions of (Australian) dollars. In addition to providing support and assistance through ANZ's range of financial tools designed for disaster recovery, this has also provided an opportunity for ANZ to donate time and resources to the recovery effort. ii. The methods you are using to manage this opportunity: To successfully manage this opportunity, ANZ's Business Continuity Team develops plans and processes for the organisation to effectively and efficiently respond to natural disasters, including scenario planning and the creation of a group crisis management team. Examples of the way in which ANZ has acted during times of need to develop and strengthen our relationships as a responsible corporate citizen with customers and communities are outlined below. • The damage caused by the Queensland floods affected over 200,000 people, many of whom were customers, staff, or other important stakeholders of ANZ. We quickly mobilised a crisis management team to address the immediate impacts of the disaster and implemented a support package which included, amongst other things, suspending loan repayments, waiving all bank fees for impacted customers, restructuring finances, providing access to dedicated call-centre staff specifically trained to help customers manage finances through a crisis, and temporary adjustments to customer lending limits. We also donated $1 million to the Queensland flood relief. • The same emergency measures from the QLD flood crisis were extended to customers impacted by Cyclone Yasi. Furthermore, many victims of the recent cyclones were clients and staff of ANZ. Those impacted were provided with clothing donated by staff and access to a phone to contact family and friends. Our New Zealand team sent a contingent of staff to provide additional resources to support the branch and local community with their recovery efforts. • In 2010 ANZ responded to 16 disasters and donated $1.2m to recovery efforts. These included the New Zealand Earthquake, the Liangping Tornado in China, the China earthquake, cyclones in Fiji and the Cook Islands, the QLD floods, Western Australia bushfires, India floods, Typhoon Ketsana in Vietnam, the Philippines, Cambodia and Laos, as well as the Indonesian earthquake iii. The costs associated with these actions: In addition to costs associated with ANZ's BCP and associated resourcing costs, over $1.2m has been donated to recovery efforts.

6.1e

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

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

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		trading, legal, finance and client diagnostics teams, help us to new product and service opportunities.					

6.1f

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

O6: Direct opportunities to develop new environmentally friendly products and services and investment opportunities i. the potential financial implications of the opportunity The opportunity to develop innovative products and services as a result of an increase in consumer demand for environmentally responsible products has increased revenue. ii. the methods you are using to manage this opportunity ANZ has recently introduced a number of new products and services in response to growing consumer demand. Some of these have included: • Green Loans, introduced to Australian households to invest in solar, water saving, and energy-efficient products as part of the Australian government scheme. The loans aimed to tackle the upfront cost that can sometimes deter people from improving the sustainability features of their home. • ANZ has formed a number of alliances and partnerships with various organisations, to offer a financial incentive to customers purchasing solar hot water systems or other energy efficient products. • ANZ recently signed a regional cooperation agreement with electronics giant Philips to provide financing for Philips Lighting's energy efficient lighting projects in Asia.

6.1g

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

6.1h

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

6.1i

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

Further Information

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

Page: 7. Emissions Methodology

7.1

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

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Wed 01 Oct 2008 - Wed 30 Sep 2009	15875	181861

7.2

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

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

7.2a

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

7.3

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

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

7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	51.2	Other: Kg CO2-e (GJ)	Australia: NGER 2008 - 2009 (October - June) NGER 2009 - 2010 (July - September)
Natural gas	0.19	Other: Kg CO2-e (kWh)	New Zealand: MFE 2009
Diesel/Gas oil	69.2	Other: Kg CO2-e (GJ)	Australia: NGER 2008 - 2009 (October - June) NGER 2009 - 2010 (July - September)
Diesel/Gas oil	2.34	kg CO2e per litre	New Zealand: MFE 2009
Motor gasoline	66.70	Other: Kg CO2-e (GJ)	Australia: NGER 2008 - 2009 (October - June) NGER 2009 - 2010 (July - September)
Motor gasoline	2.34	kg CO2e per litre	New Zealand: MFE 2009
Electricity		Other: Kg CO2-e (kWh)	Australia: NGER 2008 - 2009 (October - June) NGER 2009 - 2010 (July - September)
Electricity	0.17	Other: Kg CO2-e (kWh)	New Zealand: MFE 2009
Electricity	0.87	Other: Kg CO2-e (kWh)	India: CO2 Emissions from Fuel Combustion (2010 Edition), IEA, Paris.

Fuel/Material/Energy	Emission Factor	Unit	Reference
Other: Multiple, by Country		Other: Kg CO2-e (kWh)	Multiple, by Country: CO2 Emissions from Fuel Combustion (2010 Edition), IEA, Paris.

Further Information

Notes to table 7.4 above: * Reference section identifies which country the emissions factor and units relate to * As the table allows single numerical values we have left the 'emission factors' blank where these vary state by state or by country.

Page: 8. Emissions Data - (1 Oct 2009 - 30 Sep 2010)

8.1

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

Operational control

8.2a

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

18278

8.2b

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

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

8.2c

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

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

8.2d

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

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

8.3a

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

202299

8.3b

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

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

8.3c

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

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

8.3d

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

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

8.4

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

8.4a

Please complete the table

Reporting Entity	Source	Scope	Explain why the source is excluded

8.4

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

No

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded

8.5

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

Scope	Uncertainty Range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 5% but less than or equal to 10%	Other: Estimation	ANZ has chosen the uncertainty factor of 5%-10% based on the APEA data being a combination of actual and estimated data primarily for the emissions from company vehicles where complete data is not always available.
Scope 2	Less than or equal to 2%	Data Gaps Assumptions Extrapolation Published Emissions Factors	Some countries where ANZ operates do not publish emissions factors.

8.6

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

Verification or assurance complete

8.6a

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

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

8.6b

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

Type of verification or assurance	Relevant standard	Relevant statement attached
Reasonable assurance	ISO14064-3	Yes - for Australian and Indian operations
Limited assurance	ISO14064-3	Yes - for New Zealand and APE&A (Asia, Pacific, Europe and America) operations
Verification	Other: ISAE3000, WRI Greenhouse Gas Protocol and ISO 14064-3:2006	ANZ's global emissions inventory, procurement and cancellation of carbon credits
Reasonable assurance	Other: Australian: National Carbon Offset Standard	ANZ's Australian operations have been certified carbon neutral under the Australia Carbon Trust's Carbon Neutral Program

8.7

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

Verification or assurance complete

8.7a

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

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

8.7b

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

Type of verification or assurance	Relevant standard	Relevant statement attached
Reasonable assurance	ISO14064-3	Yes - for Australian and Indian operations

Type of verification or assurance	Relevant standard	Relevant statement attached
Limited assurance	ISO14064-3	Yes - for New Zealand and APE&A (Asia, Pacific, Europe and America) operations
Verification	Other: ISAE3000, WRI Greenhouse Gas Protocol and ISO 14064-3:2006	ANZ's global emissions inventory, procurement and cancellation of carbon credits
	Other: Australian: National Carbon Offset Standard	ANZ's Australian operations have been certified carbon neutral under the Australia Carbon Trust's Carbon Neutral Program

8.8

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

No

8.8a

Please provide the emissions in metric tonnes CO2e

Further Information

Attachments

https://www.cdproject.net/Sites/2011/87/1187/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/8.EmissionsData(1Oct2009-30Sep2010)/2010-Environment-Assurance-Carbon-Offsets.pdf
https://www.cdproject.net/Sites/2011/87/1187/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/8.EmissionsData(1Oct2009-30Sep2010)/2010-Environment-Carbon-Trust-Certificate.pdf
https://www.cdproject.net/Sites/2011/87/1187/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/8.EmissionsData(1Oct2009-30Sep2010)/2010-Environment-GHG-SGS.pdf
https://www.cdproject.net/Sites/2011/87/1187/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/8.EmissionsData(1Oct2009-30Sep2010)/2010-Environment-Assurance-APEA.pdf

Page: 9. Scope 1 Emissions Breakdown - (1 Oct 2009 - 30 Sep 2010)

9.1

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

Yes

9.1a

Please complete the table below

Country	Scope 1 metric tonnes CO2e
Australia	7664
New Zealand	5704
India	2522
Rest of world	2390

9.2

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

By GHG type

9.2a

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

Business Division	Scope 1 metric tonnes CO2e

9.2b

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

Facility	Scope 1 metric tonnes CO2e

9.2c

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

GHG type	Scope 1 metric tonnes CO2e
CO2	18215
CH4	10
N20	55

9.2d

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

Activity	Scope 1 metric tonnes CO2e

Further Information

Page: 10. Scope 2 Emissions Breakdown - (1 Oct 2009 - 30 Sep 2010)

10.1

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

Yes

10.1a

Please complete the table below

Country	Scope 2 metric tonnes CO2e
Australia	161772
New Zealand	9335
India	10857
Rest of world	20334

10.2

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

By facility

10.2a

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

Business division	Scope 2 metric tonnes CO2e

10.2b

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

Facility	Scope 2 metric tonnes CO2e
Commercial	106438
Retail	57752
Data Centres	38108

10.2c

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

Activity	Scope 2 metric tonnes CO2e

Page: 11. Emissions Scope 2 Contractual

11.1

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

Yes

11.1a

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

11.1b

Explain the basis of the alternative figure (see guidance)

11.2

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

No

11.2a

Please provide details including the number and type of certificates

Type of certificate	Number of certificates	Comments

Further Information

Page: 12. Energy

12.1

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

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

12.2

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

Energy type	MWh
Fuel	69920
Electricity	260441
Heat	
Steam	
Cooling	

12.3

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

Fuels	MWh
Natural gas	18192
Other: Diesel (Premises)	2942
Motor gasoline	48787

Further Information

Page: 13. Emissions Performance

13.1

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

Increased

13.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Acquisitions	8	Increase	ANZ acquired a number of RBS assets across six countries in Asia including Indonesia, Singapore and Taiwan.
Acquisitions	3	Increase	ANZ acquired the remaining 51% share of a joint venture with ING in Australia and New Zealand. The business has since been rebranded OnePath.

13.2

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
0.0000140568	metric tonnes CO2e	unit total revenue	3.25	Decrease	Our intensity figure has reduced 3.25% from 2009. This is because our revenue has grown quicker relative to our emissions. It is also representative of our Greenhouse Gas emission reduction efforts across our business.

13.3

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
5.02	metric tonnes CO2e	FTE Employee	10	Decrease	Reduction in GHG per FTE owing to an increase in FTE in our Asia Pacific, Europe and America (APE&A) and One Path (ex ING) business. It is also representative of our Greenhouse Gas emission reduction efforts across our business.

13.4

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

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Explanation
0.165475619	metric tonnes CO2e	square meter	22.66	Decrease	Despite an increase in total electricity consumed (approximately 21%) our occupied space has increased almost 45%.

Further Information

Page: 14. Emissions Trading

14.1

Do you participate in any emission trading schemes?

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

14.1a

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

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

14.1b

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

14.2

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

Yes

14.2a

Please complete the following table

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose e.g. compliance
Credit Purchase	Wind	Indian Wind Power	VCS	85000	85000	Yes	Voluntary Offsetting
Credit Purchase	Wind	Bogeda Chinese Wind	VCS	105000	105000	Yes	Voluntary Offsetting
Credit Purchase	Fossil fuel switch	Charcoal Replacement via Improved Cookstoves	VCS	15000	15000	Yes	Voluntary Offsetting
Credit Purchase	Methane avoidance	Cassava Wastewater Treatment	VCS	50000	50000	Yes	Voluntary Offsetting
Credit Purchase	Hydro	Mobuya Mini Hydro- Renewable Energy	VCS	5000	5000	Yes	Voluntary Offsetting
Credit Purchase	Biomass energy	Grid Power to Biomass Switch	VCS	60000	60000	Yes	Voluntary Offsetting
Credit Purchase	Wind	Shanggyi Manjing Windfarm Project	VCS	10000	1669	Yes	Voluntary Offsetting

Further Information

Page: 15. Scope 3 Emissions

15.1

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

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Business travel	45087	Air travel: ANZ uses the greenhouse gas emission factors (kg CO2-e/mile flown) available in the 'Greenhouse	

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
		Gas Conversion Factors for Company Reporting' published by the UK Department for Environment, Food and Rural Affairs and the UK Department of Environment and Climate Change (available at http://www.defra.gov.uk/environment/business/reporting/conversion-factors.htm). This includes applying a 9% uplift factor to take into account the additional distance flown between two points due to non-direct routes, delays and circling and the class of travel. ANZ, uses the distance categories as defined in the Greenhouse Gas Protocol calculation tool for transport and mobile sources (available at http://www.ghgprotocol.org/calculation-tools/all-tools) as the basis for the emission factors associated with the flight type.	
Fuel- and energy-related activities (not included in Scope 1 or 2)	23675	Transmission Losses (Actual): ANZ has calculated transmission losses for the following emissions sources: diesel, gas, electricity and vehicle use for tool of trade vehicles. This has been calculated for Australia using (NGA Factors) and New Zealand (DEFRA).	
Fuel- and energy-related activities (not included in Scope 1 or 2)	4354	Transmission Losses (estimated only): ANZ has used an extrapolation process to calculate scope 3 emissions were data is not available for a number of the local countries.	
Business travel	2645	Business Travel in Personal Vehicles: ANZ has estimated the emissions for a private car using the 'combined factor' in the "Australian Government's Green Vehicle Guide. This has been based on GHG for a Ford Falcon as the default car type.	
Business travel	1541	Taxis: ANZ has applied average Australian trip data made available (on an annual basis) by the Australian Taxi Industry Association (ATIA) and used the overall cost of taxi fares as a proxy for the distance driven and therefore the carbon impact of taxi travel (see http://www.atia.com.au/library.php?tab=1). With the majority of Australia's taxi fleet still consisting of 6-cylinder vehicles fuelled by LPG it is assumed that all taxi travel occurs in LPG powered Ford Falcons. ANZ then uses the combine factor in the "Australian Government's Green Vehicle Guide. ANZ has then extrapolated this data for all other countries based on FTE.	
Business travel	9150	Hotel Accommodation: ANZ has calculated the emissions associated with a staff member staying in a hotel using a combination of the average electricity used per room per night and the average occupancy for the hotel for the country identified, based on available government data. The local emission factor has been applied to generate the GHG. A similar approach has been applied to calculate the average gas and diesel used as well. Further information is provided on ANZ.com.	
Purchased goods and services	12574	Paper: ANZ has taken the total tonnes of paper for print and office and multiplied by the emission factor developed by RMIT as published in EPA Victoria's Greenhouse Gas Inventory Management Plan.	
Waste generated in operations	2064	ANZ estimates the total volume of waste generated in a year based on the results of the bi-annual audits at key commercial properties. ANZ has then applied the factor for commercial and industrial waste available in the NGA	

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
		factors. This data has then been applied to all other countries based on number of FTE's.	

15.2

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

Verification or assurance complete

15.2a

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

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

15.2b

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

Type of verification or assurance	Relevant standard	Relevant statement attached
Reasonable assurance	ISO14064-3	Reasonable assurance obtained for Australia and India. See attached assurance statement
Limited assurance	ISO14064-3	Limited assurance obtained for New Zealand See attached assurance statement
Limited assurance	Other: based on current best practice guidance provided in the	Limited assurance obtained for APE&A region. See attached

Type of verification or assurance	Relevant standard	Relevant statement attached
	ISAE3000, the WRI Greenhouse Gas Protocol and the ISO 14064-3:2006.	assurance statement
	Other: Australian: National Carbon Offset Standard (NCOS)	ANZ's Australian operations have been certified carbon neutral under the Australia Carbon Trust's Carbon Neutral Program.

15.3

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

Increased

15.3a

Please complete the table

Reason	Emissions value (percentage)	Direction of Change	Comment
Acquisitions	8	Increase	In 2009 ANZ completed the take-over of a portfolio of RBS Assets in Asia. This lead to an increase in air travel, well beyond that previously experienced. Mitigation steps such as increased provision of Tele Presence units, culture change programs and enhanced internal monitoring and reporting have been adopted to address this increase.

Further Information

Attachments

https://www.cdproject.net/Sites/2011/87/1187/Investor CDP 2011/Shared Documents/Attachments/InvestorCDP2011/15.Scope3Emissions/2010 Assurance - Global GHG and offsets.pdf

Module: Sign Off

Page: Sign Off

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

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