

## FIRST PUBLIC REPORT TEMPLATE

**Controlling Corporation**

Australia and New Zealand Banking Group Limited

**Period to which this report relates**

**Start** 1st July 2007

**End** 30<sup>th</sup> June 2008

### Part 1 - Summary of assessments conducted thus far

**Table 1.1 - Description of the way in which the corporation has carried out its assessments and over what period was each assessment taken. A statement saying that the intent and key requirements of the Energy Efficiency Opportunities legislation have been met must be made.**

ANZ has commenced the Energy Efficiency Opportunities assessment process.

The scope of our assessment covers all of ANZ's commercial and critical sites and a representative sample of 36 retail branches. This approach will ensure ANZ meets the intent and the key requirements of the Energy Efficiency Opportunities legislation.

Three assessments have been completed to date, including one branch in Melbourne CBD and two commercial sites across Melbourne. An additional six assessments are underway. These nine assessments represent 38% of ANZ's annual energy consumption.

ANZ has 827 branches in its retail portfolio and the 36 representative sample sites cover a broad range of geographies and branch sizes. While each branch has a relatively low total energy usage we are working to identify energy saving opportunities that can be replicated across all branches. A branch metering program will be rolled out over the next year to install smart meters that allow for real-time data feeds into our facilities management processes and demonstrate ANZ's commitment to achieving energy efficiency.

In late 2009, ANZ will be relocating the majority of its Melbourne based staff into the new 833 Collins Street building. As a result, the number of commercial sites in the Property portfolio will reduce.

<b>Table 1.2 - Group member/business unit/key activity/site that have been assessed</b>	<b>Energy use per annum in the year the assessment is completed (GJ)</b>
<b>Commercial (01/07/2007 to 30/06/2008)</b>	106,869
<b>Critical Sites (01/07/2007 to 30/06/2008)</b>	124,358
<b>Retail Sites (01/07/2007 to 30/06/2008)</b>	224
<b>Total</b>	231,452
<b>Total as a percentage of total energy use of the group covered by this report</b>	38%

The table covers the energy consumption of the nine sites where the assessments have commenced and the single branch that has been assessed.

## Part 2 - Outcomes of and business response to opportunities that have been identified and evaluated for each group member, business unit, key activity or site assessed

Group member/business unit/key activity/site >0.5 PJ name: Australia and New Zealand Banking Group Ltd – All Australian sites

Table 1.3 Status of Opportunities		Number of Opportunities	Estimated energy savings per annum by payback period (GJ)			Total estimated energy savings per annum (GJ)	*Accuracy range (%)
			0 – < 2 years	2 – ≤ 4 years	>4 years		
Outcomes of assessment	Identified (accuracy ≤ ±30%)	2	0	183		183	
	Identified (accuracy > ±30%)	18	2683	540	1088	4311	
	**Total Identified	20	2683	723	1088	4494	
***Business Response	Under Investigation	11	341	183	1082	1606	
	To be Implemented						
	Implementation Commenced	1		540		540	
	Implemented	8	2342		6	2348	
	Not to be Implemented						

The table has been populated with the results of the three assessments that have been completed. Other opportunities have been identified at the additional seven sites where the assessments have commenced but these have not been included.

## Details of at least three significant opportunities found through EEO assessments

<b>Table 1.4</b>
<b>Opportunity 1 – Capital Expenditure</b>
<p>Data Centre - Computer Hall is currently being refurbished with additional cooling by installing 6 new Stulz CyberAir 2 indoor data chillers that use free cooling when outdoor air conditions are suitable.</p> <p>It is predicted that there will be a yearly saving of 25,000 kWh for each unit when compared to the cooling provided by traditional DX units of the same capacity. This saving is based on the manufacturers analysis and taking into account specific climate variations.</p>
<b>Opportunity 2 Operational Expenditure</b>
<p>The branch audit highlighted issues with supplementary air conditioning which is dedicated to the service of the branch. Commonly, these are controlled with older style time clocks which are set to run from 08:30 to 17:00Hrs Monday to Friday. These controls have the following issues:</p> <ul style="list-style-type: none"> <li>• Public holidays are not identified and as such the air conditioning may run on these days when the branch is not open</li> <li>• In states where there is a summer / winter time change it is possible that the time clocks are either not reset twice per year to consider this or the operating times are extended by an hour annually to take into consideration the summer / winter hours thereby extending operation by one hour per day year round</li> </ul> <p>If this issue could be corrected in the branches surveyed, the air conditioning operation could be cut by a minimum of 260 hours / year.</p> <p>Given the fluctuating load, both heating and cooling, a saving of at least 3kWh / day an annual energy saving of 780 kWh would be achieved (2.8 GJ/annum). This opportunity can be further explored for all existing branches which would significantly increase the potential savings. All new branches are fitted with updated time clocks.</p>
<b>Opportunity 3 Educational</b>
<p>The audit process has highlighted the need for further education of staff at our large commercial offices. In the audit of our 24-hour operations site there were established a number of instances where all PCs remained on even when not in use.</p> <p>The extent of this opportunity cannot yet be quantified. A staff engagement campaign has commenced during Q3 of 2008. This project includes the formation of a sustainability committee consisting of representatives for the resident business units, tenant services officers from ANZ property, property management and facilities management. The audit review has conservatively estimated that there could be a potential for savings of another 10,000kWh/annum at this site. (36 GJ/annum)</p> <p>The success of this engagement will be monitored over the coming 24 months using the new building sub metering system to monitor electrical sub-mains feeding "tenant" general light and power circuits.</p>

## Part 3 - Voluntary Contextual Information

The purpose of this section is to provide a comprehensive overview of the approach to Energy Management at ANZ.

### Leadership

Energy management is an integral part of the ANZ approach to Corporate Responsibility. ANZ has developed an energy-saving strategy which is focused on:

- Auditing energy use in our major commercial buildings to identify areas of high energy use and opportunities for energy saving. For example in our data centres, which account for around 20% of ANZ's total energy use.
- Introducing energy-saving technology to current systems including LCD computer screens for staff, automatic turn-off function for branch computers after hours and replacement of 'screensavers' with an energy efficient 'sleep mode' for 30,000 computers.
- Ensuring environmental sustainability is a core consideration of all new ANZ properties and part of refurbishments of existing buildings.

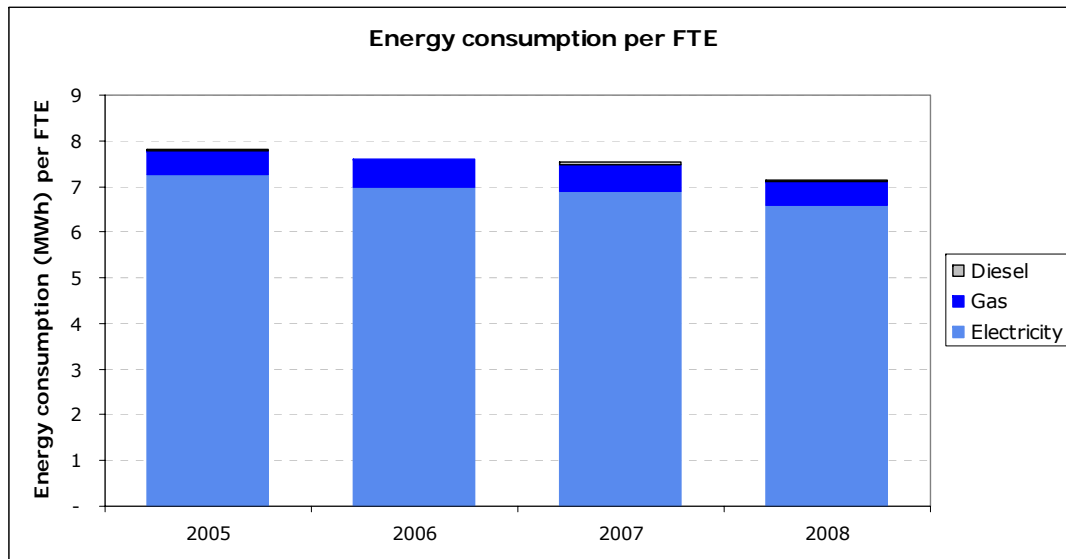
In an attempt to improve energy performance ANZ has engaged a dedicated team from JLL to manage the program of sustainability improvements as an integrated work stream. This is in addition to the capital and operational work stream managed through the ANZ property asset management team together with JLL commercial and facilities managers. Current sustainability initiatives become business as usual in the next financial year

As part of this program ANZ has installed sub-meters at all of its high usage commercial sites, critical sites and representative retail sites to identify specific performance improvement opportunities and to enable the audit process for EEO to occur in a smooth and transparent way.

Monthly reporting occurs from each of the major sites and performance improvement opportunities are discussed with the local facilities manager and then progressed through the ANZ property management to receive a decision. Implementation is via the capital works or operating expenses budgets. Initiatives not able to be actioned in the current financial year will be proposed for budget approval in the next financial year.

### Overall Performance

ANZ has developed performance targets in respect of reducing electricity per Full Time Equivalent (FTE) and can demonstrate performance improvements over the past four years as below.



The bar chart shows an 8.7% reduction per FTE for energy since 2005 and enabled ANZ to meet its two year targets for electricity reduction in the period 2005-2007 and is on track to meet the target for the period ending September 2009.

### **People**

ANZ has developed design standards (incorporating sustainability) for all new buildings and fit outs covering both retail and commercial properties.

The ANZ property team work closely with the JLL sustainability specialist team to provide technical support to site level personnel to assist in the modelling of energy consumption and the identification and assessment of opportunities at all sites.

The ANZ Commercial Assets managers are responsible for implementation of all capital expenditure projects associated with individual assets

**Information, data and analysis**

ANZ has an accommodation plan which assesses each site (both retail and commercial) with respect to its long term viability at its current location. This approach ensures that ANZ is able to maximise the opportunities available as part of energy performance management.

In Melbourne, ANZ's largest base, there will be considerable change in the commercial portfolio at the end of 2009. This is due to the commissioning of ANZ's new site at 833 Collins Street, a building with a 6 Star Green Star – Office Design Certified Rating. Our approach to the EEO assessments is to focus on properties that will remain through to the end of the first EEO period and will provide the maximum opportunity to implement changes.

ANZ has been developing capability for Energy and Greenhouse Reporting. ANZ has helped to develop a web based, real-time system for its sub-metered sites. It has also developed a management reporting system that provides Business Unit and Building data including associated greenhouse gas emissions.

**Opportunity Identification and Evaluation**

ANZ in partnership with JLL have been identifying potential savings initiatives for a number of years. The JLL sustainability team were specifically employed to provide expertise in an attempt to reduce the ANZ energy footprint.

ANZ manages the development of capital and operational expenditure within the property portfolio in three different ways.

- Capital Works Expenditure program including key projects such as 833 Collins Street, our new commercial corporate centre
- Capital Expenditure program for individual buildings including sustainability initiatives
- Operational Expenditure for ongoing maintenance to existing infrastructure

**Decision Making**

ANZ's Corporate Responsibility Council (CRC), chaired by the Chief Financial Officer is the governing body that provides approval for ANZ's environmental strategy and associated funding.

On an annual basis, funding for energy efficiency initiatives across ANZ's operations is submitted to the CRC for approval.

## Communicating outcomes

### External

ANZ.com is the channel for external communication of ANZ's performance in energy management. Historic data information is available from 2005 and ANZ has set public targets in respect of Environmental footprint reduction.

### Internal

ANZ's Environmental Sustainability team measure ANZ's performance against footprint reduction targets and reports to the Corporate Responsibility Council on quarterly basis. Detailed building performance is monitored on a monthly basis through ANZ's property management group, data centre managers and facilities management company JLL.

## Part 4 - Declaration

<p>The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the <i>Energy Efficiency Opportunities Act 2006</i> and <i>Energy Efficiency Opportunities Regulations 2006</i>.</p>	<p>Mike Smith</p> <hr/> <p>16/12/2008</p> <p>Chief Executive</p>
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