Commonwealth Bank of Australia - Climate Change 2021

C0. Introduction

C0.1

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

Commencing operations in 1912, the Commonwealth Bank Group (the Group) is Australia's leading provider of integrated financial services including retail banking, business banking, institutional banking, funds management, superannuation, general insurance, investment and share broking products and services. During financial year 2020 (FY20) the Group had operations across 11 countries, with more than 48,000 employees globally who serve 17 million customers.

Structure:

In FY20, the Commonwealth Bank Group had six business areas, Retail Banking Services; Business and Private Banking; Institutional Banking and Markets; ASB New Zealand; Wealth Management and International Financial Services. As at 30 June 2020, all Wealth Management businesses were classified as a discontinued operation, including Colonial First State (CFS). On 13 May 2020, CBA announced that it entered into an agreement to sell a 55% interest in CFS. Our brands include some of the best-known names in financial services in Australia and New Zealand: Commonwealth Bank, CommSec, ASB, and Bankwest.

Purpose:

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

Environmental and Social Framework:

Through our Environmental and Social (E&S) Framework, released in August 2019, we aim to deliver balanced and sustainable outcomes across our key stakeholder groups: our customers, our community, our people and our shareholders. Guided by the Group's purpose we actively consider the environmental, social and economic impacts and influences of our activities and look for ways to make a positive contribution beyond our core business. We believe that conducting our business in a responsible way and making meaningful contributions to the communities in which we operate is critical to delivering balanced and sustainable stakeholder outcomes. The E&S Framework is designed to allow for scalability while remaining focused on impact.

The Group E&S Framework outlines our commitments across five areas of focus: climate change; human rights; biodiversity; agriculture, forestry and fisheries; and defence. The areas of focus will evolve over time to reflect the changing environmental and social context, community expectations and to account for new regulatory settings.

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

We are committed to playing our part in limiting climate change in line with the goals of the Paris Agreement and supporting the responsible global transition to net zero emissions by 2050. We are actively contributing to meeting these commitments through our business practices in the following ways.

1. Our operations: Continuously reducing our own Australia-based emissions by investing in smart technologies and practices, such as sourcing renewable electricity in line with our RE100 commitments; and offsetting unavoidable emissions to be carbon neutral; increasing on-site renewable energy (solar PV) generation capacity; and transitioning to hybrid and battery powered business-related motor vehicles.

2. Supporting our customers to transition to a net zero emissions economy and seek balanced risk/reward opportunities to invest in their mitigation and adaptation innovation, tracked through our Low Carbon target.

3. Ensuring our business lending policies support the responsible transition to a net zero emissions economy by 2050, by continuing to reduce our exposures to thermal coal mining and coal fired power generation, with the view to exiting the sector by 2030, subject to Australia having a secure energy platform. We are also targeting an average emissions intensity decrease of our business lending portfolio, as is consistent with our commitment to a net zero emissions economy by 2050.

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

Responses provided in the 2021 CDP response are consistent with the information disclosed in our Annual Report, or other publicly available documents (such as the E&S Framework) and cover the period July 1st 2019 to June 30th 2020. Where activities have occurred outside this timeframe, the time period is included as a part of the response to the relevant question.

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	July 1 2019	June 30 2020	No	<Not Applicable>

C0.3

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

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

C0.4

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

AUD

C0.5

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

Operational control

C-FS0.7

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

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

C1. Governance

C1.1

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

Yes

C1.1a

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

Position of individual(s)	Please explain
Board Chair	The CBA Board oversees the management of climate related risks and opportunities as outlined in the Board Charter. The Chair is an independent Non Executive Director appointed by the Board. The Chair's principal responsibilities are to lead the Board and oversee the processes for the Board's performance of its role in accordance with this Charter. Specifically, the Board's responsibility for climate related issues includes: • Sets, approves and oversees the Group's approach to managing risk, including the management of strategic and emerging material risks. In December 2019, we updated our Group Risk Appetite Statement to provide greater clarity on non-financial risk indicators and capture the importance of environmental and social risks, including climate change, as a driver of franchise value. • Considers the social, ethical and environmental impact of the Group's activities, and approves, with input from management, the strategic, business and financial plans to be implemented by management. In FY20, the Board priorities included ongoing consideration to the Bank's Sustainability commitments. • Approves the FY20 climate-related disclosures (TCFD) in the 2020 Annual Report.
Please select	

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our bank lending activities Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to our insurance underwriting activities Climate-related risks and opportunities to our other products and services we provide to our clients The impact of our own operations on the climate The impact of our bank lending activities on the climate The impact of our investing activities on the climate	The CBA Board Charter outlines the role, responsibilities and composition of the Board of the Commonwealth Bank of Australia (CBA or Bank) and the manner in which it discharges its responsibilities for CBA and its subsidiaries. The Board oversees adherence to the Group's Environmental and Social (E&S) Policy, and monitors progress towards targets, including those outlined for climate change, as disclosed annually through the Annual Report. The E&S Policy, endorsed by the Board, outlines accountabilities for environmental and social considerations in our business processes and decision making. The Board is informed about climate-related issues risks and opportunities quarterly (FY21), or as necessary, by the Government, Industry and Sustainability team who provides strategic advice to the Group on E&S issues, oversees E&S governance and facilitates E&S reporting internally and externally. Further, the Board considers climate-related issues when reviewing strategy and risk management policies, as well as when setting the Group's performance objectives.

C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our investing activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Other C-Suite Officer, please specify (Group Executive, Marketing and Corporate Affairs)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly
Sustainability committee	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Quarterly

C1.2a

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

Environmental and social risk, including climate change, is a strategic risk managed under the Group's Risk Management Framework and has the potential to impact the achievement of our purpose (to improve the financial wellbeing of our customers and communities) and strategy.

The Executive Leadership Team (ELT), under the leadership of the CEO, is our highest level of management representing the top of the organisation and all business units. The ELT is responsible for climate-related matters, including:

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

· Oversight of progress, performance and reporting

· Leading external engagement and advocacy

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

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

The Group E&S Framework released in August 2019 outlines the governance and oversight in place to support embedding environmental and social considerations into our business processes and decision-making. The internal E&S Policy sets out accountabilities, including for Group Executives with line 1 accountability for ensuring business unit and support unit procedures are in place to comply with this policy.

In November 2020, an ELT level committee was established. The ELT E&S Committee is chaired by the Group Chief Executive Officer (CEO) and meets monthly. It directs and oversees the Group's implementation of the E&S strategy, governance, priorities for implementation and disclosures. It is the approval body and point of escalation for decisions relating to the climate work program underway across the Group.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Over the past two years to 30 June 2020, the renewed Executive team has been charged with delivering a significant cultural and business transformation. CBA has made considerable progress to enhance its risk maturity, with leadership demonstrating a very positive values-led tone from the top. This is contributing to stronger business resilience (p. 79 of the 2020 Annual Report). Our senior leaders are also expected to develop and lead a culture of genuine risk ownership, consistent with the Group Risk Appetite Statement. We have incorporated risk considerations into our remuneration framework and assessment, which has delivered substantial improvements to both accountability and risk management maturity within the Bank. Unsatisfactory risk management outcomes and behaviours have negative remuneration consequences .

C1.3a

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

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Corporate executive team	Monetary reward	Behavior change related indicator	The Executive Leadership Team (ELT) is responsible for directing the development and implementation of ESG policies, including climate, and oversight of progress, performance and reporting on climate. Our senior leaders are also expected to develop and lead a culture of genuine risk ownership, consistent with the Group Risk Appetite Statement. We have incorporated risk considerations into our remuneration framework and assessment, which has delivered substantial improvements to both accountability and risk management maturity within the Bank. Unsatisfactory risk management outcomes and behaviours have negative remuneration consequences. Trust and reputation is a performance measure in Group Executive's long-term variable remuneration. In December 2019, we updated our Group Risk Appetite Statement to provide greater clarity on non-financial risk indicators and capture the importance of environmental and social risks (including climate risk as a driver of franchise value.
Environment/Sustainability manager	Monetary reward	Other (please specify) (KPIs linked to the Risk Management Framework, and the commitments within Environmental and Social Policy and Framework)	In the context of the Risk Management Framework, staff in client facing functions consider climate change risks and opportunities as outlined in the publicly available Environmental and Social (E&S) Framework: • By applying the ESG Risk Assessment tool to business lending, • Developing innovative climate-related products to help customers with mitigation and adaptation. • Targeting an average emissions intensity decrease of our business lending portfolio, as is consistent with our commitment to a net zero emissions economy by 2050. Activities for 2019-20 include assessing the emissions arising from our business lending across Commonwealth Bank, ASB and Bankwest, developing low-carbon and green bond products, and supporting the funding of renewables.
Facilities manager	Monetary reward	Emissions reduction target	Across the Group, environmental/sustainability managers as well as operational employees in Facilities Management are expected to meet tailored environmental objectives including such as meeting delivering against emissions reduction and/or energy reduction targets. These targets have been set as part of the Group's Property Sustainability Strategy, endorsed by the Executive Leadership Team. This strategy sets out emissions reduction targets for the Group.are outlined in the E&S Framework. We track the overall performance of our Scope 1 and 2 emissions reduction target of 2.0 tCO2-e/FTE by 2020 in our Annual Report. In FY20 we exceed this target by achieving 1.9 tCO2-e/FTE (see page 45 of the FY20 Annual Report, TCFD chapter).

C-FS1.4

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

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as the default investment option for all plans offered	The Commonwealth Bank Group Super (fund) is one of Australia's largest corporate funds; with over 72,500 members who are exclusively current and former employees (and spouses) of the Group. The fund trustee believes that climate change presents both risks and opportunities for the fund, and plays an important role in our investment decision-making. The fund continues to develop its framework and approach to climate change; considering how to improve resilience of fund assets, monitor and mitigate climate related risks and invest in opportunities that make a positive impact in this area. The trustee aims to report against the recommendations of the TCFD framework, outlining the ways in which they monitor, assess and manage investment related climate risks. https://www.oursuperfund.com.au/investments/managing-our-investments/esg-ethical-issues.html

C2. Risks and opportunities

C2.1

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

Yes

C2.1a

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

	From (years)	To (years)	Comment
Short-term	0	3	In the context of climate change risk and other strategic risks, short-term is defined as 0-3 years, medium term as 3-5 years and long-term as 5+ years. In August 2019, we released the Environmental and Social (E&S) Framework, which outlines the minimum requirements we expect of our business, customers and suppliers. Our E&S Framework outlines our commitment to addressing climate change as one of five focus areas. There are a range of actions we are taking in the short term. For example, as a result of the scenario analysis undertaken in FY18 and FY19, we identified a number of strategic responses to be addressed in the short-term that are reported against in the Annual Report climate-related financial disclosure, in line with the TCFD recommendations.
Medium-term	3	5	CBA considers climate risks and opportunities in the medium term consistent with the Group's 5 year strategy. Financial plans, a component of our business plans, align with the medium-term view of 3-5 years. Climate change risk appetite indicators focused on the medium term will be developed as data becomes available. The E&S Framework includes commitments related to addressing climate change with a medium-term view include a number of targets to be achieved by 2025.
Long-term	5	35	To better understand potential climate change impacts, risks and opportunities and to ensure resilience of the Bank's strategy in the long term, we are taking a phased approach to scenario analysis. We prioritise analysis of areas that are material to the Bank and to our customers. In 2018 we undertook Transition risk scenario analysis for our business lending portfolio and Australian equity portfolios; and Physical risks to our home lending and insurance portfolios. In 2019, we undertook Physical risk scenario analysis for the grains, livestock and dairy sectors within our Australian Agribusiness portfolio. These consider climate risk and opportunities through to 2050 or 2060 and are available on p.52 of our FY18 Annual Report, and p.58-60 of our FY19 Annual Report.

C2.1b

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

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

- Strategic risks / strategic impact is assessed based on the following considerations:

i) disruptive forces, notably from a macroeconomic, regulatory and competitive perspective,

ii) ability to effectively execute on our strategic objectives, and

iii) delivery of balanced outcomes for our stakeholders.

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

- Institutional Bank loans, as well as large loans in other business units are evaluated through our ESG Risk Assessment Tool.

C2.2

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

Value chain stage(s) covered
Direct operations
Upstream
Downstream

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

Frequency of assessment
Annually

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

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

Value chain stage(s) covered
Downstream

Risk management process
A specific climate-related risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Long-term

Description of process
Climate-related scenario analysis on specific portfolios For short, medium and long-term risks and opportunities, scenario analysis have been undertaken over the last 3 years to consider the strategic and tactical portfolio-level actions for the Bank to address. The scenario analysis undertaken includes: • The transition impacts to our business lending portfolio and Australian equity portfolios • Physical impacts to our home lending, insurance and agribusiness portfolios. The timeframe for analysis is to 2050 for transition risk, and to 2060 for physical risk. This is to account for the longer-term timeframe in which physical impacts occur. As a Group, we are using the findings of our analysis to inform the future management of our lending portfolios, including building better tools to manage and monitor our risks. For example, as a result of our agribusiness analysis in FY19 on the livestock, grains and dairy sectors, we will focus on supporting our customers operating in those areas of Australia that, according to our modelling, will be significantly impacted by climate change. We are also engaging and upskilling our agribusiness teams through training, policies and toolkits, so that they are able to incorporate considerations of climate resilience and adaptation into conversations with our farming customers. We provide updates on the progress against the actions we identified through our scenario analysis each year in the Annual Report.

Value chain stage(s) covered
Downstream

Risk management process
A specific climate-related risk management process

Frequency of assessment
More than once a year

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

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

Value chain stage(s) covered
Downstream

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

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term

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

Value chain stage(s) covered
Direct operations

Risk management process
A specific climate-related risk management process

Frequency of assessment
More than once a year

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

Description of process
We continuously reduce our own Australia-based emissions by investing in smart technologies and practices that support energy efficiency. Please see below for individual case studies: – leasing all new main commercial office spaces, and designing and building all new retail branches with a minimum 5 star Green Star ratings; – maintaining operational performance of all main commercial spaces to a minimum of 4.5 stars as predefined by NABERS Tenancy Energy and NABERS Indoor Environmental Quality; and – transitioning to hybrid and battery powered business-related motor vehicles. Consistent with this commitment to continually reduce the environmental impact of our operations, we aim to reduce our emissions by investing in smart technologies and practices. Key milestones achieved in FY20 include: - Reaching our target to source 100% of our electricity needs from renewable sources for Australian operations, consistent with our 2030 RE100 commitment. - Increasing our onsite renewable energy generation capacity using solar photovoltaic (PV) panels to 1,510kW at 80 sites across the country, exceeding our 2020 target of 1,250kW. - Our New Zealand operations (ASB) have achieved Toitu carbonzero certification from Toitu Envirocare. The certification validates ASB as a carbon neutral organisation for its 2019 operational emissions. We continue to track the overall performance of our Scope 1 and 2 emissions reduction target and have committed to set an emissions reduction target aligned to science for our Scope 1 and 2, as well as a Scope 3 emissions reduction target (upstream).

Value chain stage(s) covered
Upstream

Risk management process
A specific climate-related risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term

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

C2.2a

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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The Group complies with environmental legislation relevant in all areas in which we operate. We are subject to the Federal Government's National Greenhouse and Energy Reporting (NGER) scheme. The scheme makes it mandatory for controlling entities to report annually on greenhouse gas emissions, energy production and energy consumption, if they exceed certain threshold levels. Our NGER submission is independently audited and submitted before the deadline to ensure that the Group meets the NGER requirements. We do not believe that we are subject to any other significant environment reporting regulations under the law of the Commonwealth or of a State or Territory of Australia. Our environmental policies are updated to manage risks appropriately. Policy and regulation risks were considered through historical scenario analysis.
Emerging regulation	Relevant, sometimes included	We monitor emerging regulation and take it into account as necessary. Emerging regulation changes are considered within the context of strategic risk, the risk of material stakeholder value destruction or less than planned value creation. This risk is addressed within the Group's Risk Management Strategy (RMS) and managed by the Executive Leadership Team. For example, in April 2021 the Australian Prudential Regulation Authority (APRA) released the draft Prudential Practice Guide CPG 229 Climate Change Financial Risks (CPG 229) for consultation, providing guidance to banks, insurers and superannuation trustees on managing the financial risks of climate change.
Technology	Relevant, always included	The Group is aware of the market shift towards lower emissions technologies such as renewable energy projects. The Group recognises new innovative technology may disrupt business as usual for organisations dependent on fossil fuels. As a financial institution, we have been supporting the shift in the Australian economy towards low carbon energy alternatives, with a movement in our lending to the energy value chain from coal to renewables. Technological risks and opportunities were assessed as part of our scenario analysis, for example: 1) disruptive technological risks in the transition scenarios for our business lending portfolio and 2) adaptation opportunities in the physical scenarios for our agribusiness portfolios (e.g. rotational grazing using virtual fencing technology).
Legal	Relevant, always included	The Group complies with environmental legislation relevant in all areas in which we operate. Compliance risks exist in the event the Group fails to comply with its obligations. Legal risks are included in the Group's Compliance Risk Management Framework which sets out standards with respect to the understanding of obligations, establishing policies and procedures, managing non-compliance, monitoring and reporting. Further, legal risks were assessed through historical scenario analysis.
Market	Relevant, always included	The Group recognises that market rates and prices may change due to climate-related risks and that this may have an adverse effect on the profitability and/or net worth of the Group. Commodity prices, such as for fossil fuel goods, may vary as a result of change in consumer demand and technology. In response, CBA continues to focus on achieving our Low carbon project funding target of $15 billion by 2025. As at 30 June 2020 we had committed exposures of $5.4 billion to low carbon projects, including $4.2 billion in renewable energy exposure (Page 37 of 2020 Annual Report). Business disruption and property damage due to physical climate impacts could affect the value of property as well as the ability of customers to repay their loans. Market risks are assessed through scenario analysis and the Group Market Risk Policy. Upstream climate-related risks identified include goods and services utilised by Group operations not supporting a low carbon economy. This may put security of supply of goods (or utilities) at risk or may increase supply costs. Upstream risks were assessed through historical scenario analysis.
Reputation	Relevant, always included	Reputational risk arises from negative perceptions towards CBA, held by customers, counterparties, shareholders, investors, debt holders, market analysts, regulators and other relevant stakeholders of the Group. There is a potential reputational risk associated with stakeholders' perception of how the Group is responding to climate change. Reputational risk is addressed within the Group's Risk Management Strategy (RMS) and managed by the Executive Leadership Team. To enhance the visibility of CBA's engagement in sustainability and climate change related matters, the Group has included climate-related disclosures in its Annual Report. Since 2015, we have reported the assessed emissions of our business lending portfolio. In addition, we report clearly and openly on how we manage climate-related risks, and track our performance over time, keeping our stakeholders informed by providing regular and transparent disclosures in line with the Taskforce on Climate-related Financial Disclosures; and providing relevant information to leading indices and initiatives.
Acute physical	Relevant, always included	Acute physical risks, such as increased severity of extreme weather events, have been identified by the Group as a climate-related risk which carries operational risks such as disruption in business activities, security of supply for goods and services used by the Group as well as damages in occupied real estate. Acute physical risks also affect the value of investments as well as our lending portfolio customers' ability to repay their loans on property, businesses and projects. This risk is assessed through scenario analysis. For example, in our FY18 climate scenario analysis we tested the impacts of perils such as inundations, inland or riverine flooding, wind/cyclones and bushfires on our home lending and building insurance portfolios. Downstream acute physical risks We have developed an ESG Risk Assessment Tool for all institutional bank loans, as well as large loans in other business units. This ESG risk assessment helps the Group cover downstream risks. Our employees have been trained in ESG fundamentals and how to apply the ESG Risk Assessment Tool and Equator Principles for relevant staff. This training supports our employees to understand clients' plans for transition and resilience to physical climate risks.
Chronic physical	Relevant, always included	Chronic physical risks, such as changes in temperature extremes, have been identified by the Group as a climate-related risk and assessed through scenario analysis, with the potential to impact our downstream value chain. To understand the potential credit implications of the physical impact of climate change, we analysed the annual average loss in our home lending portfolio associated with incremental changes in climate, such as increasing temperatures and sea level rise. Our modelling completed in FY18 shows that coastal inundation losses could increase by 71% by 2060. In FY19 we undertook a forward-looking assessment of climate-related factors that could impact the grains, livestock and dairy sectors which represent approximately 65% of our Australian agribusiness portfolio across Commonwealth Bank and Bankwest. We worked with climate consultancy Energetics to simulate agricultural productivity against a range of potential climate conditions up to 2060, using models derived from peer reviewed scientific literature and industry research. Impacts were assessed on both a 'do nothing' and 'adapt' basis to understand the extent to which the impacts of climate change could be mitigated. The analysis also incorporated economical viability, recognising that adaptation requires both investment and a willingness to change established practice.

C-FS2.2b

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

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	Climate-related risks and opportunities are monitored for the business lending portfolio at least once a year, in two ways: • The Energy Value Chain – monitoring and reporting on how the energy value chain exposures of the business lending portfolio is transitioning away from coal and toward renewables. • Assessed Financed emissions – monitoring and reporting the emissions intensity of the business lending book, targeting an average emissions intensity decrease as is consistent with our commitment to a net zero emissions economy by 2050. Further, we have taken a phased approach to scenario analysis, prioritising analysis to areas that are material to the Bank and to our customers. So far this has included an assessment of the climate related risks and opportunities through physical risk analysis conducted on our home loan portfolio and building insurance policies; transition risk analysis conducted on the business lending portfolio in FY18 and physical risk analysis on the grains, livestock and dairy sectors of the Australian agribusiness portfolio in FY19.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Colonial First State (CFS) – a wholly owned subsidiary of CBA (entered agreement to sell 55% interest on the 13th of May 2020) - assesses climate-related risk and opportunities across its portfolio, in line with its Responsible Investment Policy. Assessments are conducted on the equity allocations of the Colonial First State Investments Limited (CFSIL) Assets under Management (AuM), which is approximately 60% of the total AUM, utilising MSCI ESG data and methodologies. This includes regular assessments of the inherent risk both historically carbon emissions footprint (tCO2e/$100,000) and weighted average carbon intensity (tCO2e/USD$M sales) and forward looking metrics (low carbon transition and emissions management scores) and report this through to the Board Investment Committee regularly. This analysis is performed at two levels: at multisector portfolio level and individual sector portfolio level.
Insurance underwriting (Insurance company)	Yes	Commonwealth Insurance Limited (CIL) - a wholly owned subsidiary of CBA – sets out its risk management principles within its Risk Appetite Statement (RAS). These include seeking to avoid concentrations of high risk exposures. In the context of ongoing climate change, CIL has limited appetite for concentration risk arising from natural perils. To manage this, CIL monitors risk indicators including concentration, growth and exposure for flood, bushfire and cyclone risk. These indicators are captured both at a portfolio and localised level.
Other products and services, please specify	Not applicable	

C-FS2.2c

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

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Majority of the portfolio	Qualitative and quantitative	Business Lending portfolio We have taken a phased approach to scenario analysis, prioritising analysis to areas that are material to the Bank and to our customers. So far this has included an assessment of the climate related risks and opportunities through Transition risk analysis conducted on the business lending portfolio in FY18 and physical risk analysis on the grains, livestock and dairy sectors of the Australian agribusiness portfolio in FY19. We regularly monitor the climate risks and opportunities across the whole business lending portfolio level in two ways; • The Energy Value Chain – to monitor and report how the energy value chain exposures of the business lending portfolio is transitioning away from coal and toward renewables. • Assessed Financed emissions – to monitor and report the emissions intensity of the business lending book. , targeting an average emissions intensity decrease as is consistent with our commitment to a net zero emissions economy by 2050. This is reported in the Climate disclosures chapter of the annual report (see FY19 Annual Report page 62-63). Retail Lending Portfolio In FY18 we undertook physical risk scenario analysis of our retail lending portfolio. The analysis modelled the expected impacts on damage and loss to properties at an aggregate level due to perils over time for our home loan portfolio, and exposure concentrations. (See FY18 Annual Report page 51-54.)
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Majority of the portfolio	Quantitative	Colonial First State (CFS), a wholly owned subsidiary of CBA (entered into an agreement to sell a 55% interest in CFS on 13 May 2020), conducts analysis of climate-related risks across the equity allocation of Assets under Management representing approximately 60% in FY20 using MSCI data and methodologies. Historically, the focus of this analysis has been on calculating the carbon emissions and emissions intensity of this portfolio in line with the recommendations of the TCFD. In 2019 we also started assessing Colonial First State Investments Limited (CFSIL) portfolios for carbon-related assets (looking at the weight invested in the most carbon-intensive sectors) and reporting forward looking metrics such as low carbon transition scores (as defined by an external ESG service provider). CFSIL's investments are managed by external investment managers, and CFSIL assesses the inherent climate-related risk and opportunities within the aggregate portfolio of each manager at the selection and appointment stage, and on an ongoing basis. In FY21 the Responsible Investment team conducted climate scenario analysis of sector portfolios. It completed a review of the equity only portfolios for both transitional and physical risk.
Insurance underwriting (Insurance company)	All of the portfolio	Qualitative and quantitative	Commonwealth Insurance Limited (CIL), a subsidiary of CBA, monitors risk indicators including concentration, growth and exposure for flood, bushfire and cyclone risk. These indicators are captured both at a portfolio and localised level. In addition, physical risk scenario analysis was conducted in FY18 on the potential impacts on insurance claims and affordability of insurance for the building insurance policies of our General Insurance portfolio. More information is available on pages 51-54 of the 2018 Annual Report.
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

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

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	All of the portfolio	Our Environmental and Social Framework includes consideration of water scarcity risks. These risks are included in the ESG Risk Assessment process. In addition, climate-related scenario analysis is performed on priority portfolios, including the risks of exposure to flooding, storms, drought and sea-level rise. So far this has included physical risk analysis across the home lending portfolios in FY18 and the grains, livestock and dairy sectors of the Australian Agribusiness portfolio in FY19.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	<Not Applicable>	In August 2019, the CBA group released the Environmental and Social Framework, which outlines the minimum requirements expected of the business, customers and suppliers and includes, amongst other items, the standards applied to considering biodiversity impacts, including water scarcity. CFS does not currently conduct water-related risk and opportunity analysis within its portfolios.
Insurance underwriting (Insurance company)	Yes	All of the portfolio	In August 2019, we released the Environmental and Social Framework which outlines the minimum requirements we expect of our business, customers and suppliers and includes, amongst other items, the standards we apply considering biodiversity impacts, including water scarcity. Commonwealth Insurance Limited (CIL), a wholly owned subsidiary of the Group, regularly monitors risk indicators including concentration, growth and exposure for flood and cyclone risk. These indicators are captured both at a portfolio and localised level. In addition, climate-related scenario analysis was performed on the building policies within the General Insurance portfolio in 2018, including the risks of exposure to flooding, wind/cyclone, bushfire, soil contraction and sea-level rise.
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2e

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

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	No, we don't assess this	<Not Applicable>	Our Environmental and Social Framework includes considerations for forests-related risks. These risks are considered in the ESG Risk Assessment process.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	<Not Applicable>	In August 2019, the CBA group released the Environmental and Social Framework, which outlines the minimum requirements expected of the business, customers and suppliers and includes, amongst other items, the standards applied to the agriculture, forestry and fisheries sectors. CFS does not currently conduct risk and opportunity analysis within its portfolios for these factors.
Insurance underwriting (Insurance company)	No, we don't assess this	<Not Applicable>	In August 2019, we released the Environmental and Social Framework which outlines the minimum requirements we expect of our business, customers and suppliers and includes, amongst other items, the standards we apply to the agriculture, forestry and fisheries sectors.
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2f

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

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	The ESG Risk Assessment Tool is a part of the business lending decision process. The Tool includes assessment of climate risk, as well as other social and governance risks. As part of this process, we may request climate-related information from our clients.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	During the manager selection process for equities currently, the Responsible Investment team conducts portfolio level carbon emissions analysis of the shortlisted managers for new recommendations. This includes Carbon Emissions, Average Weighted Carbon Intensity and Low Carbon Transition scores (both point in time and through time). CFSIL also periodically conducts a Manager Research Survey. As part of this survey we ask for a breakdown of the climate risk understanding, assessment and implementation conducted by all Investment managers. In March 2020, all CFSIL fund managers (77) were surveyed and the results were compiled in July 2020. In terms of climate change action, we found that 96% of managers consider climate change a financial risk, 53% were measuring portfolio carbon footprint and approximately 38% were conducting some form of scenario analysis. Since July 2020, the Responsible Investment team have conducted some 60 manager meetings to further assess the ESG integration at a manager and portfolio level, these meetings have had an agenda item to review the climate risk / opportunity integration. Through these meetings we have identified the varying levels of integration or appetite to tackle climate change. However, these discussions have been powerful in terms of helping determine our course of action in working to establish a climate action plan for CFS – currently in progress.
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	In response to the climate scenario analysis undertaken in FY18, the following strategic responses were identified: • Consider business and customer implications and emerging insurance product needs • Explore approaches to risk mitigation Consider customer awareness and engagement options
Other products and services, please specify	Not applicable	

C2.3

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

Yes

C2.3a

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

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
Policy and legal risk

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

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

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

Potential financial impact figure (currency)
1000000

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

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

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

Cost of response to risk
200000

Description of response and explanation of cost calculation
• Identification of climate risks and opportunities through scenario analysis • Incorporation of climate into risk management, strategy and governance processes Case Study: In 2017, a resolution was requisitioned by members to amend the Company's Constitution by inserting at the end of clause 12 'Powers and Duties of Directors' the following subclause 12.4: "In the exercise of their powers and duties pursuant to clause 12.1(a) the Directors shall ensure the business of the company is managed in a manner consistent with the objective of holding global warming to below two degrees Celsius above preindustrial levels." Note: This resolution was proposed by a group of shareholders holding approximately 0.0077% of the Company's shares on issue. As Item 5 is a special resolution, it [would] only be passed if at least 75% of the votes cast on the Item are in favour of the resolution. See https://www.commbank.com.au/content/dam/commbank/about-us/shareholders/pdfs/2017-asx/2017-notice-of-meeting.pdf The resolution didn't receive the votes required to pass. Since 2018 we have been disclosing our progress, performance and plans in line with the recommendations of the Task Force on Climate- related Financial Disclosures (TCFD), underpinned by our scenario analysis. The first three phases of our approach to climate change focused on establishing the governance and deep analysis required to better understand climate risks and opportunities. In the current fourth phase, we are focused on incorporating climate considerations into our strategy across all business units and enhancing our approach to risk management. We have a comprehensive set of policy frameworks that govern our approach to climate risk management. The Risk Management Strategy documents the Group's key risk management practices across all major risk classes. In August 2019, we released the Environmental and Social (E&S) Framework, which outlines the minimum requirements we expect of our business, customers and suppliers. Our E&S Framework outlines our commitment to limiting climate change in line with the goals of the Paris Agreement and supporting the responsible global transition to net zero emissions by 2050. We estimate the cost to manage this risk as the cost of the central team overseeing climate change risk. This estimate does not include the distributed effort across the different business and support units to monitor and manage this risk on a transaction and portfolio basis.

Comment

Identifier
Risk 2

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

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

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

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

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

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-low

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

Potential financial impact figure (currency)
1414000000

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

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

Explanation of financial impact figure
This is our total committed exposure (TCE) to coal mining and generation in FY20 Energy Value Chain. TCE is the balance outstanding and undrawn components of committed facility limits. It is calculated before collateralisation and excludes gross settlement exposures on derivatives. The exposure to coal mining and generation is: $0.35b in thermal coal, $0.16b in diversified, $0.9b in coal terminals, $0.004b in coal generation (see 2020 Annual Report p.43)

Cost of response to risk
500000

Description of response and explanation of cost calculation
Case Study: Our 2018 business lending portfolio scenario analysis considered transition risks and opportunities across all sectors of the economy. The results of the scenario analysis have been used to inform our strategic responses and portfolio-level decisions. Our strategic response to the 2018 business lending transition risk scenario analysis included: - update our ESG risk assessment tool, - explore and develop low carbon products and services, - client engagement and capacity building. In 2019 we updated our E&S Framework commitments relating business lending, which have been incorporated into our ESG Risk Assessment Tool. We continue to provide guidance to our bankers on executing the business lending commitments in the E&S Policy, and report progress on our ESG training in the Annual Report. The FY20 ESG training provided bankers with prompts to understand clients' plans for climate transition. We monitor the low carbon funding we provide through our products and services through our Low Carbon Funding Target of $15bn by 2025. In FY20 our lending exposure to low carbon projects grew to $5.4 billion against a target of $15bn by 2025, reflecting our expertise in this market. We estimate the cost to manage this risk as the cost of the central team overseeing climate change risk. This estimate does not include the distributed effort across the different business and support units to monitor and manage this risk on a transaction and portfolio basis.

Comment

Identifier
Risk 3

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

Risk type & Primary climate-related risk driver

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

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

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

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

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

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

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
54300000

Potential financial impact figure – maximum (currency)
5430000000

Explanation of financial impact figure
The financial implication of increased severity of extreme weather events relates to loan serviceability (credit risk) when businesses and communities are impacted by weather related natural disasters. We have estimated the part of our current portfolio which may be high risk, where this is located and how it could change over time. We have considered high risk to be properties where the increase in insurance costs from 2018 because of climate change have the potential to create financial strain for customers and their property values. High risk properties make up only 0.01% of our portfolio (by outstanding balance) in 2020 and could rise to be around 1% in 2060 if there are no changes in the way we lend in these areas. FY20 value of our outstanding home lending portfolio was $542,880 million (see page 139 of FY20 Annual Report). The 0.01%-1% estimate represents our current and potential future exposure to high risk properties $54.3m-$5.43b.

Cost of response to risk
500000

Description of response and explanation of cost calculation
Our approach to identifying and managing the physical climate-related risks to our retail and business lending includes scenario analysis which will then inform our strategic management response. We will continue to develop our understanding of physical climate change and the locations and types of properties most affected by climate risk. Based on these learnings, we will build our capability to effectively respond, develop and implement business rules (such as maximum loan to valuation ratios or loan conditions) to protect both our customers and the Bank. We estimate the cost to manage this risk as the cost of the central team overseeing climate change risk. This estimate does not include the distributed effort across the different business and support units to monitor and manage this risk on a transaction and portfolio basis. The extreme weather events including drought, floods and bushfires throughout FY20 tested the resilience of the communities impacted. The Bank's Emergency Assistance package provided immediate support to our customers. We also supported recovery efforts for communities. See pages 32-33 of the FY20 Annual Report for more information.

Comment

C2.4

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

C2.4a

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

Identifier
Opp1

Where in the value chain does the opportunity occur?
Upstream

Opportunity type
Energy source

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

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
The Group committed to sourcing renewable energy for 100% of our Australian power needs by 2030 in line with our RE100 commitments to source 100% of electricity from renewables and achieved this goal in 2020, 10 years ahead of the target. In addition, we have installed solar panels at 80 sites Australia-wide as at 30 June 2020.

Time horizon
Long-term

Likelihood
Virtually certain

Magnitude of impact
Low

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

Potential financial impact figure (currency)
120000

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

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

Explanation of financial impact figure
Annual savings from solar PV across 80 sites. Cost savings based on actual utility invoices and current electricity contracts.

Cost to realize opportunity
540000

Strategy to realize opportunity and explanation of cost calculation
Seeking and implementing initiatives to improve the energy performance and support transition to renewables in our own operations, led by Group Property. Costs to realize this opportunity have been calculated on the basis of total project cost for solar PV installation in FY20 We have commenced sourcing renewable energy through a renewable PPA which was negotiated during FY18, providing 65% of Australian electricity as at 1 January 2020 and 100% of Australian electricity at 30 June 2020. Case Study: The Group committed to sourcing renewable energy for 100% of Australian power needs by 2030. Throughout 2020 the Group increased our onsite renewable energy generation capacity using solar photovoltaic (PV) panels to 1,510kW at 80 sites across the country, exceeding our 2020 target of 1,250kW.

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

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

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

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

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

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

Potential financial impact figure (currency)
15000000000

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

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

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

Cost to realize opportunity
400000

Strategy to realize opportunity and explanation of cost calculation
To support the transition to a net zero emissions economy, in 2017 we set a Low Carbon Target to make $15 billion of funding available to Low Carbon Projects by 2025. Eligible projects include renewable energy, 6-star rated commercial green buildings, energy efficiency and low carbon transport. The cost estimate allows for additional personnel costs required through the data capture and assurance process in tracking this target, along with the external assurance process.

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

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

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

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

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

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

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

Potential financial impact figure (currency)
475000000

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

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

Explanation of financial impact figure
In July 2019, we provided $150 million of debt funding to Queensland Airports Limited (QAL) for the Gold Coast Airport redevelopment, with $75 million provided in the form of a sustainability linked loan. A second $400 million three-year bilateral sustainability linked loan with Wesfarmers in March 2020 (see https://www.commbank.com.au/articles/business/wesfarmers-utilises-sustainability-linked-loan.html)

Cost to realize opportunity
400000

Strategy to realize opportunity and explanation of cost calculation
Sustainability linked loans tie a borrower’s cost of funding to their ESG performance. The intent is to connect capital to with borrowers’ commitment to making a positive impact that will strengthen ties with stakeholders and the broader community. The cost calculation is based on an estimate of 2 full-time equivalent staff focussed on these particular sustainability linked loans.

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

Identifier
Opp4

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

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

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

Company-specific description
In August 2019 we ran a new reward scheme for our retail customers with an installed and certified solar PV system of five kilowatts (kW) or greater, known as the Green Mortgage initiative as a pilot.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

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

Potential financial impact figure (currency)
2351000

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

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

Explanation of financial impact figure
During the pilot period, over 4,703 customers took up the $500 cash-back offer.

Cost to realize opportunity
2000000

Strategy to realize opportunity and explanation of cost calculation
The cost estimate is based on over 4,703 customers taking up the $500 cash back offer. Case study: To help home loan customers benefit from more affordable and sustainable energy, the Retail Banking Services division ran a six week pilot commencing in August 2019 offering $500 cash-back to customers with an installed and certified solar PV system of five kilowatts (kW) or greater, resulting in 4,703 customer participating in the pilot. The initiative prompted 16% of participating customers to install new solar panels.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Yes, in the next two years	No, we do not intend to include it as a scheduled AGM resolution item	In 2017, a resolution was requisitioned by members to amend the Company's Constitution by inserting at the end of clause 12 'Powers and Duties of Directors' the following subclause 12.4: "In the exercise of their powers and duties pursuant to clause 12.1(a) the Directors shall ensure the business of the company is managed in a manner consistent with the objective of holding global warming to below two degrees Celsius above preindustrial levels." Note: This resolution was proposed by a group of shareholders holding approximately 0.0077% of the Company's shares on issue. As Item 5 is a special resolution, it [would] only be passed if at least 75% of the votes cast on the Item are in favour of the resolution. See https://www.commbank.com.au/content/dam/commbank/about-us/shareholders/pdfs/2017-asx/2017-notice-of-meeting.pdf There was no resolution raised at the most recent AGM, held in a virtual format for the first time on Tuesday, 13 October 2020, where the Chairman responded to questions relating to CBA's approach to climate change.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?
Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
DDPP RCP 4.5 RCP 8.5 Other, please specify (IEA 2DS, IEA 4DS)	We have undertaken a phased approach to climate scenario analysis at a portfolio level. A detailed description of inputs, assumptions, methodologies, outputs, implications and next steps are outlined on p.50-56 of our FY18 Annual Report (AR), on p.58-60 of our FY19 AR. In FY18, three climate scenarios were modelled, two aligned to a two-degree ambition and one a three-degree ambition. All scenarios included the use of the Deep Decarbonisation Pathways Project as the reference scenario for our transition analysis. For our physical risk analysis, we used the RCP4.5 and RCP 8.5 reference scenarios. In addition, the Global Coordination scenario used IEA 2DS as a reference scenario and the Policy Inertia scenario used IEA 4DS. Out of model adjustments relate to carbon price; international energy demand; domestic energy use; carbon offset market activity; materials efficiency; and new business models. The timeframe for analysis is to 2050 for transition risk, and to 2060 for physical risk, to account for the longer-term timeframe in which physical impacts occur. Transition risks analysis of our business lending portfolio shows that a significant majority (97%) of our business lending portfolio sits within sectors that continue to grow under all scenarios. There is a small portion of our portfolio – less than 2% - which sits in sectors that contract under all scenarios. And the remainder of our portfolio (1%) sits across sectors which grow under one or two scenarios and decline under other scenarios. We have incorporated the transition risk analysis results into our client-level due diligence process, with an initial focus on carbon-intensive sectors. We incorporate relevant questions into the process to allow us to understand their exposure and strategy to respond to climate risk. This helps us to determine our clients' resilience and inform our lending decisions. Two sectors which contract under all scenarios, and identified as climate-sensitive, are coal-powered electricity and coal mining. In August 2019 we released our Environmental and Social Framework, including a commitment to continue to reduce our exposures to thermal coal mining and coal fired power generation, with the view to exiting the sector by 2030, subject to Australia having a secure energy platform. Physical risk analysis undertaken in FY18 on our home-lending and insurance portfolios modelled the expected impacts on property damage and loss over time and the expected insurance premium cost impacts over time. The impact of climate change for five perils were considered: coastal inundation, soil contraction, inland flooding, wind (cyclone) and bushfire. Using the estimated annual average losses to customers from physical risks and the percentage of the portfolio considered high risk due to the expected insurance premium rise. An example of a strategic responses taken is the continuing focus on supporting sector-wide initiatives that enhance climate resilience and reduce disaster risk, including through our membership of the Climate Change Action Committee within the Insurance Council of Australia. In FY19 we also performed an assessment of climate-related factors that could impact the grains, livestock and dairy sectors, representing approximately 65% of our Australian agribusiness portfolio. This assessment identified the productivity impacts due to climate change and the effects on the credit quality for the sectors of the portfolio analysed. The assessment also identified potential adaptive measures that can successfully mitigate these impacts. Our response has included mapping locations of agricultural loan exposures and securities across Australia to productivity data for the sectors analysed to manage and monitor our risks. We have also engaged with Industry to share insights from the assessment and trained our bankers and risk teams.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	In August 2019 we released our E&S Framework, replacing our previous ESG Lending Commitments, Climate Policy Position Statement, and Environment Policy. The public E&S Framework supports our internal E&S Policy. It outlines the minimum requirements we expect of our business, customers and suppliers and includes the standards we apply to the fossil fuel-related sector. For example, we are committed to our customers, to transition to a net zero emissions economy and seek opportunities to invest in mitigation and adaptation, by making $15 billion of funding available to Low Carbon Projects by 2025. Our CFS business integrates ESG risks and opportunities into the investment process; governed by a Responsible Investing Framework and in a manner consistent with delivering long-term investment outcomes for customers and clients. Some segments of our portfolios will be increasingly impacted by climate change e.g. properties/assets in high risk areas for climate impacts; carbon intensive sectors such as coal; opportunities around sustainable finance e.g. low carbon transport, renewable energy, green buildings. Further, certain investment strategies are more impacted than others depending on asset class and underlying portfolio holdings/asset types. This is measured by carbon footprinting, transition risk and physical scenario analysis. To help our customers benefit from more affordable and sustainable energy, we ran a pilot offering $500 cash-back ro our retail customers with an installed and certified solar PV system of five kilowatts (kW) or greater. During the six-week offer period, 4,703 customers took up the offer. The initiative prompted 16% of participating customers to install new solar panels.
Supply chain and/or value chain	Yes	The Group measures its environmental footprint and we are committed to complying with, or exceeding, the requirements of environmental legislation relevant in all areas in which we operate. • We continue to embed the management of E&S risks and opportunities within our supply chain, within the activities of our procurement staff and buyers. • We continue to identify E&S risks within our supply chain through spend categories assessments. We assess for the presence of E&S risk, likelihood of occurrence and presence of mitigations and controls. Further, we expect that suppliers to the Group will: ● Meet all relevant local and national environmental protection laws, regulations and standards as well as strive to comply with international environmental protection standards ● Actively manage the environmental impact of their operations, and take responsibility for minimising the negative impact of their product and services throughout their lifecycle ● Establish environmental targets and report regularly in the public domain on progress towards these ● Have an Environmental Management System (EMS) aligned to ISO 14001, or plan, to identify and manage environmental risks (such as energy usage, water usage, waste and emissions) ● Have suitable sustainable certification related to the primary materials in their product (e.g. sustainable forestry certification for paper products) ● Have reporting capability on energy consumption and greenhouse gas emissions
Investment in R&D	Yes	The Group continuously scans and identifies gaps in the market for low-carbon products and investment opportunities. Aware of the opportunity for business development, the Group has developed and offers low-carbon ethical superannuation funds, and green bond investment fund. Specifically, customer testing identified gaps in the superannuation product investment menus and retail distribution team product strategy which has been filled by identifying an institutional green bond investment manager, whom we have developed a distribution partnership with.
Operations	Yes	Our Environmental and Social Framework includes the following commitments relating to the strategy to managing climate related risks and opportunities for our operations: • Continuously reducing our own Australia-based emissions by investing in smart technologies and practices, for example, by: • Sourcing renewable electricity for 100% of our Australian power needs by 2030 in line with our RE100 commitments; • offsetting unavoidable emissions to be carbon neutral using the NCOS and equivalent system; increasing on-site renewable energy (solar PV) generation capacity to 2MW by 2025; • leasing all new main commercial office spaces, and designing and building all new retail branches with a minimum 5 star Green Star ratings; • maintaining operational performance of all main commercial spaces to a minimum of 4.5 stars as predefined by NABERS Tenancy Energy and NABERS Indoor Environmental Quality; and • transitioning to hybrid and battery powered business-related motor vehicles.• Reporting regularly on key metrics in order to measure our progress and hold ourselves accountable to our stakeholders with regard to climate risks and opportunities; including within our FY20 Annual Report, available here: https://www.commbank.com.au/about-us/investors.html

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Provisions or general reserves	Provisions Climate risk is a risk for the Group. The impacts of climate change have the potential the affect our customers' ability to service and repay their loans, and the value of collateral the Group holds to secure loans. These impacts include long-term changes in climatic conditions, extreme weather events, and the action taken by governments, regulators or society more generally to transition to a low carbon economy. During the year ended 30 June 2020, the Group recognised provisions for impairment of $90million reflecting the impact of extreme weather events on the credit quality of the Group's loan portfolio.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy Risk policy	Majority of the portfolio	Climate related issues are integrated within • The Overall Risk Framework (Risk Appetite Statement and Risk Management Strategy / Approach). This includes recognising Environmental & Social Risk in the Group's Risk taxonomy under strategic risk in the latest review of the Group Risk Management Approach approved by the Board in 2020. • Group Environmental & Social Framework Business Lending commitments
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Sustainable/Responsible Investment Policy	All of the portfolio	Climate related issues are integrated within the Overall Risk Framework (Risk Appetite Statement and Risk Management Strategy / Approach). This includes recognising Environmental & Social Risk in the Group's Risk taxonomy under strategic risk in the latest review of the Group Risk Management Approach approved by the Board in 2020. The purpose of the Responsible Investment Policy (RI Policy) is to guide the Registrable Superannuation Entity Trustee (RSE Trustee) and Responsible Entity (RE) on Colonial First State's (CFS's) approach to Environment, Social and Governance (ESG) risks and opportunities and its stewardship activities. The Policy reflects the requirements of Financial Services Council (FSC), Australian Securities and Investments Commission (ASIC) and Australian Prudential Regulation Authority (APRA). The Responsible Investment Policy: - Defines environmental, social, governance, climate risks and ethical issues; - Highlights beliefs and principles to which CFSIL manages these risks in both capacities (RSE and RE); - Outlines CFSIL's approach to implementing these principles in managing these risks; - Stewardship activities including proxy voting, engagement and exclusions.
Insurance underwriting (Insurance company)	Risk policy Other, please specify (Commonwealth Insurance Limited Pricing Policy)	All of the portfolio	Climate related issues are integrated within the Overall Risk Framework (Risk Appetite Statement and Risk Management Strategy / Approach). This includes recognising Environmental & Social Risk in the Group's Risk taxonomy under strategic risk in the latest review of the Group Risk Management Approach approved by the Board in 2020. In Insurance, climate risk is built into product pricing.
Other products and services, please specify	Please select	Please select	

C-FS3.6b

(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

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

C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Yes, for some assets managed externally

C-FS3.7a

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

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

C4. Targets and performance

C4.1

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

Both absolute and intensity targets

C4.1a

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

Target reference number
Abs 1

Year target was set
2016

Target coverage
Country/region

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

Base year
2009

Covered emissions in base year (metric tons CO2e)
10931

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

Target year
2020

Targeted reduction from base year (%)
52.7

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

Covered emissions in reporting year (metric tons CO2e)
7623

% of target achieved [auto-calculated]
57.4242049967738

Target status in reporting year
Underway

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

Target ambition
Well-below 2°C aligned

Please explain (including target coverage)
CBA Scope 1 2020 target. This target relates to the Australian operations of CBA. The ‘covered emissions in base year as % of total base year emissions’ figure is calculated over the total base year emissions for Australian operation. During FY20, our Scope 1 emissions increased by 11.5% mainly due to more demand for road travel in lieu of flights - Covid-19 related.

Target reference number
Abs 2

Year target was set
2016

Target coverage
Country/region

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

Base year
2009

Covered emissions in base year (metric tons CO2e)
139303

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

Target year
2020

Targeted reduction from base year (%)
57.4

Covered emissions in target year (metric tons CO2e) [auto-calculated]
59343.078

Covered emissions in reporting year (metric tons CO2e)
57231

% of target achieved [auto-calculated]
102.641420785778

Target status in reporting year
Achieved

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

Target ambition
Other, please specify (Other – derived using historical trends and year-on-year reductions)

Please explain (including target coverage)
This target relates to the Australian operations of CBA. The 'covered emissions in base year as % of total base year emissions' figure is calculated over the total base year emissions for Australian operations. During FY20, we reduced our Scope 2 emissions by 5.7% and exceed our 2020 target.

Target reference number
Abs 3

Year target was set
2016

Target coverage
Country/region

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

Base year
2009

Covered emissions in base year (metric tons CO2e)
2126

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

Target year
2020

Targeted reduction from base year (%)
70.9

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

Covered emissions in reporting year (metric tons CO2e)
683

% of target achieved [auto-calculated]
95.7319346607984

Target status in reporting year
Underway

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

Target ambition
Other, please specify (Other – derived using historical trends and year-on-year reductions)

Please explain (including target coverage)
Bankwest Scope 1 2020 target. This target relates to the Australian operations of Bankwest. The 'covered emissions in base year as % of total base year emissions' figure is calculated over the total base year emissions for Australian operations. During FY20, our Scope 1 emissions increased by 2.6% mainly due to more demand for road

travel in lieu of flights - Covid-19 related.

Target reference number
Abs 4

Year target was set
2016

Target coverage
Country/region

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

Base year
2009

Covered emissions in base year (metric tons CO2e)
24586

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

Target year
2020

Targeted reduction from base year (%)
60

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

Covered emissions in reporting year (metric tons CO2e)
4812

% of target achieved [auto-calculated]
134.046476314434

Target status in reporting year
Achieved

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

Target ambition
Other, please specify (Other – derived using historical trends and year-on-year reductions)

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

Target reference number
Abs 5

Year target was set
2019

Target coverage
Country/region

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

Base year
2019

Covered emissions in base year (metric tons CO2e)
4493

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

Target year
2030

Targeted reduction from base year (%)
46.2

Covered emissions in target year (metric tons CO2e) [auto-calculated]
2417.234

Covered emissions in reporting year (metric tons CO2e)
4493

% of target achieved [auto-calculated]
0

Target status in reporting year
New

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

Target ambition
1.5°C aligned

Please explain (including target coverage)
This target relates to the New Zealand operations of ASB. The 'covered emissions in base year as % of total base year emissions' figure is calculated over the total base year emissions for the ASB. As a part of ASB's signatory to the Climate Leader's Coalition, the bank committed to set a science-based target. This replaces ASB's previous commitment. The baseline is 2019 calendar year.

C4.1b

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

Target reference number
Int 1

Year target was set
2016

Target coverage
Country/region

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

Intensity metric
Metric tons CO2e per unit FTE employee

Base year
2015

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

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

Target year
2020

Targeted reduction from base year (%)
34.4

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

% change anticipated in absolute Scope 1+2 emissions
35.2

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO2e per unit of activity)
1.95

% of target achieved [auto-calculated]
104.841784216546

Target status in reporting year
Achieved

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

Target ambition
Other, please specify (Derived using historical trends and year-on-year reductions)

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

C4.2

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

C4.2a

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

Target reference number
Low 1

Year target was set
2016

Target coverage
Country/region

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Production

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

Metric (target numerator if reporting an intensity target)
kWh

Target denominator (intensity targets only)
<Not Applicable>

Base year
2015

Figure or percentage in base year
0

Target year
2020

Figure or percentage in target year
1250

Figure or percentage in reporting year
1510

% of target achieved [auto-calculated]
120.8

Target status in reporting year
Achieved

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

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

Please explain (including target coverage)
Renewable energy – solar PV installation CBA Group initiated onsite solar PV rollout in 2015. During FY20, installation was completed at 14 retail branches across the CBA and Bankwest portfolio, bringing total installed capacity across 80 sites to 1,510 kW. This exceeds the original 2020 target of 1,250 kW.

Target reference number
Low 2

Year target was set
2016

Target coverage
Country/region

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Production

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

Metric (target numerator if reporting an intensity target)
MWh

Target denominator (intensity targets only)
<Not Applicable>

Base year
2015

Figure or percentage in base year
0

Target year
2020

Figure or percentage in target year
1500

Figure or percentage in reporting year
1696

% of target achieved [auto-calculated]
113.066666666667

Target status in reporting year
Achieved

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

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

Please explain (including target coverage)
Renewable energy production CBA Group initiated onsite solar PV rollout in 2015. Onsite renewable energy production is increasing year on year as more systems are installed and commissioned. FY20 production increased to 1696 MWh compared to 1127 MWh for FY19.

Target reference number
Low 3

Year target was set
2019

Target coverage
Country/region

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Consumption

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

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
0

Target year
2030

Figure or percentage in target year
100

Figure or percentage in reporting year
100

% of target achieved [auto-calculated]
100

Target status in reporting year
Achieved

Is this target part of an emissions target?

Is this target part of an overarching initiative?
RE100

Please explain (including target coverage)
Sourcing renewable energy In FY19 we signed up, as the first Australian corporate, to RE100. This commits us to source 100% of our electricity consumption from renewable sources by 2030. As of June 2019, we were sourcing 65% of our national consumption from renewable energy. From 1 January 2020, we were sourcing 100% of our national consumption from renewable electricity in Australia.

C4.3

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

Yes

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	75	1500
To be implemented*	72	346
Implementation commenced*	25	500
Implemented*	504	9074
Not to be implemented	20	400

C4.3b

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

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Office Consolidation)

Estimated annual CO2e savings (metric tonnes CO2e)

112

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

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

0

Payback period

No payback

Estimated lifetime of the initiative

Please select

Comment

Reduction in natural gas consumption due to commercial office consolidation.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

232

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

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

65767

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

625322

Payback period

4-10 years

Estimated lifetime of the initiative

21-30 years

Comment

Solar PV installation at 14 sites for on-site renewable energy generation

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Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
142.6

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
47827

Investment required (unit currency – as specified in C0.4)
1689186

Payback period
>25 years

Estimated lifetime of the initiative
6-10 years

Comment
LED lighting upgrade across 50 retail sites.

Initiative category & Initiative type

Other, please specify	Other, please specify (Energy Efficiency - HVAC upgrades)

Estimated annual CO2e savings (metric tonnes CO2e)
5

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
2049

Investment required (unit currency – as specified in C0.4)
543035

Payback period
11-15 years

Estimated lifetime of the initiative
6-10 years

Comment
HVAC upgrades across 17 retail sites.

Initiative category & Initiative type

Other, please specify	Other, please specify (Energy efficiency in building - UPS Upgrades)

Estimated annual CO2e savings (metric tonnes CO2e)
270

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
46207

Investment required (unit currency – as specified in C0.4)
518100

Payback period
11-15 years

Estimated lifetime of the initiative
6-10 years

Comment
Computer Room AC Upgrade at Bankwest Place and UPS upgrades

Initiative category & Initiative type

Other, please specify	Other, please specify (Divesments)

Estimated annual CO2e savings (metric tonnes CO2e)
3714

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

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

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

Payback period
No payback

Estimated lifetime of the initiative
Please select

Comment
Property optimisation strategy

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Office consolidation)

Estimated annual CO2e savings (metric tonnes CO2e)
3253

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

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

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

Payback period
No payback

Estimated lifetime of the initiative
11-15 years

Comment
Office consolidation across commercial portfolio.

Initiative category & Initiative type

Other, please specify	Other, please specify (Covid 19 and WFH)

Estimated annual CO2e savings (metric tonnes CO2e)
1088

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

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

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

Payback period
No payback

Estimated lifetime of the initiative
Please select

Comment
Covid-19 and Working from home impact on business operations.

Initiative category & Initiative type

Transportation	Other, please specify (Reduction in fleet services/usage)

Estimated annual CO2e savings (metric tonnes CO2e)
243

Scope(s)

Scope 1

Voluntary/Mandatory
Voluntary

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

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

Payback period
No payback

Estimated lifetime of the initiative
6-10 years

Comment
Reduction in fleet services/usage

C4.3c

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

Method	Comment
Compliance with regulatory requirements/standards	A dedicated budget is allocated for managing and reporting in line with the regulatory requirement in relation to National Greenhouse and Energy Reporting (NGERs).
Dedicated budget for energy efficiency	A dedicated budget is specifically set aside to achieve the Group's carbon reduction target established in July 2015. This target was set as part of the Property Sustainability Strategy and is aimed at Group Property reaching a carbon intensity of 2 tCO2-e / FTE by 2020 for the Group's domestic property portfolios. Emissions reductions for this reporting period included identifying and evaluating several potential reduction activities. As an example, during the FY20 reporting period initiatives included: 1. Energy efficiency projects in commercial and retail portfolios, including but not limited to, lighting upgrades, HVAC replacements, HVAC controls and security and lighting interfaces, 2. The Relocation of employees from inefficient buildings to energy efficient properties, and 3. Installation of solar panels on retail branches. New emission intensity targets will continue to drive investment in emissions reduction activities.
Dedicated budget for low-carbon product R&D	A dedicated budget is allocated to each property team annually for 'innovation, test and learn', including exploration of power purchase agreements.
Employee engagement	Group wide communications is issued to all employees for: - Property Sustainability Strategy - Emissions reduction target and progress - Major milestones - Renewable energy and power purchase agreement World Environment Day, National Recycling Week, Earth Hour and day light savings, etc.
Other (Engagement with building services maintenance contractors)	Sustainability forums are held with relevant building services maintenance contractors and client relationship managers to discuss Property Sustainability Strategy, projects and progress. Property data and insights are shared as required.

C4.5

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

C4.5a

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

Level of aggregation
Product

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

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

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

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

% of total portfolio value

Asset classes/ product types

Bank lending	Commercial Loans

Comment
Our progress as at 30 June 2020 shows our exposure to low carbon projects is $5.37 billion.

Level of aggregation
Product

Description of product/Group of products
In 2019, ASB developed and launched two new Positive Impact Funds (one available through the ASB KiwiSaver Scheme and one through ASB Investment Funds). The fund is comprised of income assets (around 40%) and growth assets (around 60%), with a preference for investments that generate a positive and measurable social and/or environmental impact, alongside a financial return. The growth asset portion of the fund is currently around 48% lower in carbon intensity compared to the wider market. This percentage is relative to the MSCI World Index (as of 31 December 2020).

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

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

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

% of total portfolio value
0.43

Asset classes/ product types

Investing	Listed Equity

Comment
This is an ASB-specific product – the NZ subsidiary of CBA. These products provide customers with an option to invest in line with their values on environmental and social issues. As the funds grow ASB plans to refine the exclusion criteria, and to explore further ways to support companies that are making a positive environmental and social impact, in New Zealand and globally. The % of total portfolio value reported is as at May 2021.

C5. Emissions methodology

C5.1

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

Scope 1

Base year start
July 1 2008

Base year end
June 30 2009

Base year emissions (metric tons CO2e)
13057

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

Scope 2 (location-based)

Base year start
July 1 2008

Base year end
June 30 2009

Base year emissions (metric tons CO2e)
163889

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

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Australia - National Greenhouse and Energy Reporting Act
Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
New Zealand - Guidance for Voluntary, Corporate Greenhouse Gas Reporting
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Toitū carbonzero programme

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
10840

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
As at 30 June 2020, our total Scope 1 Greenhouse Gas Emissions was 10,840 tonnes. It comprises the sum of: • Scope 1 Greenhouse Gas Emissions (Australia): Scope 1 Greenhouse Gas Emissions (Australia) relate to the consumption of natural gas and stationary fuel used in retail, commercial and data centre properties under our operational control as defined under National Greenhouse and Energy Reporting (NGER). It also includes the business use of our tool-of-trade vehicle fleet. Source of emissions factors: National Greenhouse Accounts (NGA) Factors (2018). • Scope 1 Greenhouse Gas Emissions (New Zealand): Scope 1 Greenhouse Gas Emissions (New Zealand) relate to the consumption of natural gas and stationary fuel used in commercial properties. It also includes the business use of our tool-of-trade vehicle fleet. Source of emissions factors - Measuring Emissions: A Guide for Organisations (2019). • Scope 1 Greenhouse Gas Emissions (Other): Scope 1 Greenhouse Gas Emissions (Other overseas) is an estimate of multiplying the Scope 1 Emissions per FTE as at 30 June 2020 in Australia by the number of FTEs of all the Group’s other overseas offices.

C6.2

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

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

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

Comment

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

C6.3

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

Reporting year

Scope 2, location-based

103528

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

As at 30 June 2020, our total Scope 2 Greenhouse Gas Emissions was 103,528 tonnes. It comprises the sum of: • Scope 2 Greenhouse Gas Emissions (Australia): Scope 2 Greenhouse Gas Emissions (Australia) relate to the electricity used by ATMs, retail, commercial, residential and data centre properties under our operational control as defined under NGER. FY20 data now includes data centres considered under operational control. Source of emissions factors: NGA Factors (2018). • Scope 2 Greenhouse Gas Emissions (New Zealand): Scope 2 Greenhouse Gas Emissions (New Zealand) relate to the electricity use by ATMs and retail and commercial properties. Source of emissions factors - Measuring Emissions: A Guide for Organisations (2019).; and • Scope 2 Greenhouse Gas Emissions (Other): Scope 2 Greenhouse Gas Emissions (Other overseas) is an estimate of multiplying the Scope 2 Emissions per FTE as at 30 June 2020 in Australia by the number of FTEs of all the Group's other overseas offices

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

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

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1679

Emissions calculation methodology

This includes: >Scope 3 Office Paper Greenhouse Gas Emissions (Australia operations): emissions generated from our office paper used in our commercial operations and retail branches under our operational control in Australia. (Australia operations) Source of emissions factors: DEFRA (2017). Scope 3 Stationary Greenhouse. >Scope 3 Data Centres Greenhouse Gas Emissions (Australia operations) relate to the electricity and diesel consumption in our Australian data centres not under our operational control as defined under NGER. In FY20, CBA assumed operational control of two data centres. Emissions from these locations have been reclassified from Scope 3 to Scope 1 or 2 emissions depending on source. Source of emissions factors: NGA (2018). Calculation: Purchased electricity from data centres (1,475 tCO2-e) + Office Paper use (204 tCO2-e) = 1,679 tCO2-e (See page 49 from 2020 AR)

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

92

Please explain

Global Scope 3 emissions reported in FY20 are 47,151 tCO2-e, with Australian operations contributing 43,341 tCO2-e representing 92% of total.

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

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

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

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

Evaluation status
Relevant, calculated

Metric tonnes CO2e
10744

Emissions calculation methodology
This includes: • Scope 3 Purchased Electricity Greenhouse Gas Emissions (Australia operations): indirect emissions associated with the electricity used by ATMs, retail, commercial and residential properties under our operational (Australia operations) control in Australia. Source of emissions factors: NGA (2018). • Scope 3 Stationary Greenhouse Gas Emissions (Australia): indirect emissions associated with diesel and Gas Emissions (Australia natural gas used in retail, commercial and data centre properties in Australia under our operational control as operations) defined under NGER. Source of emissions factors: NGA (2018). Calculation: Scope 3 Natural Gas and diesel stationary (202 tCO2-e) + Transmission and distribution losses (10,572 tCO2-e) = 10,744 tCO2-e (See page 49 from FY20 Annual Report) Global Scope 3 emissions reported in FY20 are 47,151 tCO2-e, with Australian operations contributing 43,341 tCO2-e representing 92% of total.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
92

Please explain
Global Scope 3 emissions reported in FY20 are 47,151 tCO2-e, with Australian operations contributing 43,341 representing 92% of total.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

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

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

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2238

Emissions calculation methodology
This includes: Scope 3 Waste to Landfill Greenhouse Gas Emissions (Australia operations): emissions generated from our waste to landfill from our commercial properties and retail under our operational control in Australia. Source of emissions factors: NGA(2018). Calculation: 1,217 tCO2-e (Commercial) + 1,021 tCO2-e (Retail)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
92

Please explain
This includes: Scope 3 Waste to Landfill Greenhouse Gas Emissions (Australia operations): emissions generated from our waste to landfill from our commercial properties and retail under our operational control in Australia. Source of emissions factors: NGA(2018). Global Scope 3 emissions reported in FY20 are 47,151 tCO2-e, with Australian operations contributing 43,341 tCO2-e representing 92% of total

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
10581

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

Percentage of emissions calculated using data obtained from suppliers or value chain partners
92

Please explain
Global Scope 3 emissions reported in FY20 are 47,151 tCO2-e, with Australian operations contributing 43,341 tCO2-e representing 92% of total.

Employee commuting

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

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

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

Upstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
18116

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

Percentage of emissions calculated using data obtained from suppliers or value chain partners
92

Please explain
Global Scope 3 emissions reported in FY20 are 47,151 tCO2-e, with Australian operations contributing 43,341 tCO2-e representing 92%

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

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

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

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

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

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

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

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

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

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

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

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

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

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

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

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

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

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

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

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

Please explain
CBA Group has no other relevant emissions sources

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

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

Please explain
CBA Group has no other relevant emissions sources

C6.10

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

Intensity figure
0.0000045863

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
114368

Metric denominator
unit total revenue

Metric denominator: Unit total
24937000000

Scope 2 figure used
Location-based

% change from previous year
35.63

Direction of change
Increased

Reason for change
This increase is due to change in reporting for two main data centres. These two data centres classified as “operational control” for FY20 reporting. As a result, the scope 2 emissions increased and scope 3 decreased.

Intensity figure
2.62

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
114368

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
43585

Scope 2 figure used
Location-based

% change from previous year
37.17

Direction of change
Increased

Reason for change
This increase is due to change in reporting for two main data centres. These two data centres classified as “operational control” for FY20 reporting. As a result, the scope 2 emissions increased and scope 3 decreased.

C7. Emissions breakdowns

C7.9

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

C7.9a

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

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	232	Decreased	0.3	Due to the installation of solar PV a total reduction of 232 tCO2e was achieved. Our total Scope 1 and Scope 2 emissions in the previous year was 86,381 tCO2e, therefore we achieved a reduction of 0.7%. Calculation: (-232/86,381) * 100
Other emissions reduction activities	3924	Decreased	4.5	Due to energy efficiency projects, a total of 3,924 tCO2e were reduced. Our total Scope 1 and Scope 2 emissions in the previous year was 86,381 tCO2e, therefore we achieved a reduction of 9%. Calculation: (-3,924/86,381) * 100
Divestment	3718	Decreased	4.3	The property optimisation during 2020, resulted in a reduction of 3,718 tons of CO2e. Our total Scope 1 and Scope 2 emissions in the previous year was 86,381 tCO 2e, therefore we achieved a reduction of 3.4%. Calculation: (-3,718 / 86,381) * 100
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	532	Decreased	0.6	Due to the impact of Covid -19 in fleet services, and business operations, a total of 532 tons of CO2e were reduced. Our total Scope 1 and Scope 2 emissions in the previous year was 86,381 tCO2e, therefore we achieved a reduction of 0.6%. Calculation: (-532 / 86,381) * 100
Change in methodology	1934	Increased	2.2	Historically, emissions associated with fuel used for tool of trade business vehicles in ASB were classified as scope 3. In FY20 they were reclassified as scope 1 emissions. Our total Scope 1 and Scope 2 emissions in the previous year was 86,381 tCO2e, therefore we achieved an increase of 2.2%. Calculation: (-1,934 / 86,381) * 100
Change in boundary	879	Increased	1	Base building gas data was incorrectly included in scope 1 in lieu of scope 3. Our total Scope 1 and Scope 2 emissions in the previous year was 86,381 tCO2e, therefore we achieved an increase of 1%. Calculation: (879 / 86,381) * 100
Change in physical operating conditions	33189	Increased	39.1	Data centres electricity usage has been reported as scope 2 (previously scope 3) due to change in "operational control" of two CBA Data centres. Our total Scope 1 and Scope 2 emissions in the previous year was 86,381 tCO2e, therefore we achieved an increase of 38.4%. Calculation: (33,819/ 86,381) * 100
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

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

Location-based

C8. Energy

C8.1

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

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

C8.2

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

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

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	35507.53	35507.53
Consumption of purchased or acquired electricity	<Not Applicable>	121926.21	0	121926.2
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1696.11	<Not Applicable>	1696.11
Total energy consumption	<Not Applicable>	123622.32	35507.53	159129.85

C9. Additional metrics

C9.1

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

Description
Other, please specify (Low carbon funding)

Metric value
5374

Metric numerator
AUD$ million in FY20

Metric denominator (intensity metric only)

% change from previous year
5

Direction of change
Increased

Please explain
We use a number of additional climate related metrics aimed at supporting the transition to a low carbon economy, which are disclosed within our Annual Reporting. The target we have set for 2025 is $15bn Low Carbon Funding at 30 June 2019 = $5,134 million. Increase of $240 million (5%) on last year.

Description
Other, please specify (Renewable energy lending exposure)

Metric value
4225

Metric numerator
AUD$ million

Metric denominator (intensity metric only)

% change from previous year
14

Direction of change
Increased

Please explain
We use a number of additional climate related metrics aimed at supporting the transition to a low carbon economy, which are disclosed within our Annual Reporting Renewable exposure at 30 June 2019 = $3,644 million. Increase of $581 million (14%) on last year.

Description
Other, please specify (Climate bond arrangement)

Metric value
9490

Metric numerator
AUD$ million

Metric denominator (intensity metric only)

% change from previous year
410

Direction of change
Increased

Please explain
We use a number of additional climate related metrics aimed at supporting the transition to a low carbon economy, which are disclosed within our Annual Reporting Climate Bond Arrangement at 30 June 2019 = $1,845 million. Increase of $7,645 million (%) on last year.

C10. Verification

C10.1

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

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

C10.1a

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

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
cba-2020-annual-report-print.pdf

Page/ section reference
PwC has provided limited assurance on the metrics on pages 47-52 of the FY21 Annual Report, for the year ended 30 June 2020 unless otherwise indicated. The PwC Limited Assurance Report is provided on pages 53-54 of the FY21 Annual Report

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

C10.1b

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

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
cba-2020-annual-report.pdf
cba-2020-annual-report-print.pdf

Page/ section reference
PwC has provided limited assurance on the metrics on pages 47-52 of the FY21 Annual Report, for the year ended 30 June 2020 unless otherwise indicated. The PwC Limited Assurance Report is provided on pages 53-54 of the FY21 Annual Report

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

C10.1c

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

Scope 3 category
Scope 3: Purchased goods and services

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
cba-2020-annual-report.pdf
cba-2020-annual-report-print.pdf

Page/section reference
PwC has provided limited assurance on the metrics on pages 47-52 of the FY21 Annual Report, for the year ended 30 June 2020 unless otherwise indicated. The PwC Limited Assurance Report is provided on pages 53-54 of the FY21 Annual Report

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

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

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
cba-2020-annual-report.pdf
cba-2020-annual-report-print.pdf

Page/section reference
PwC has provided limited assurance on the metrics on pages 47-52 of the FY21 Annual Report, for the year ended 30 June 2020 unless otherwise indicated. The PwC Limited Assurance Report is provided on pages 53-54 of the FY21 Annual Report

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
cba-2020-annual-report.pdf
cba-2020-annual-report-print.pdf

Page/section reference
PwC has provided limited assurance on the metrics on pages 47-52 of the FY21 Annual Report, for the year ended 30 June 2020 unless otherwise indicated. The PwC Limited Assurance Report is provided on pages 53-54 of the FY21 Annual Report

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Upstream leased assets

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
cba-2020-annual-report.pdf

cba-2020-annual-report-print.pdf

Page/section reference
PwC has provided limited assurance on the metrics on pages 47-52 of the FY21 Annual Report, for the year ended 30 June 2020 unless otherwise indicated. The PwC Limited Assurance Report is provided on pages 53-54 of the FY21 Annual Report

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

C10.2

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

C10.2a

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

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Change in Scope 1 emissions against a base year (not target related)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics reported in pages 48-49 of the 2020 Annual Report have been verified by PwC. See assurance statement on pages 53-54. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. cba-2020-annual-report-print.pdf
C5. Emissions performance	Change in Scope 2 emissions against a base year (not target related)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics reported in pages 48-49 of the 2020 Annual Report have been verified by PwC. See assurance statement on pages 53-54. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. cba-2020-annual-report-print.pdf
C5. Emissions performance	Change in Scope 3 emissions against a base year (not target related)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics reported in pages 48-49 of the 2020 Annual Report have been verified by PwC. See assurance statement on pages 53-54. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. cba-2020-annual-report-print.pdf
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics reported in pages 48-49 of the 2020 Annual Report have been verified by PwC. See assurance statement on pages 53-54. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. cba-2020-annual-report-print.pdf
C6. Emissions data	Year on year change in emissions (Scope 3)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics reported in pages 48-49 of the 2020 Annual Report have been verified by PwC. See assurance statement on pages 53-54. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. cba-2020-annual-report-print.pdf
C7. Emissions breakdown	Year on year change in emissions (Scope 1 and 2)	Australian Standard on Assurance Engagements (ASAE) 3000	All the Environmental metrics reported in pages 48-49 of the 2020 Annual Report have been verified by PwC. See assurance statement on pages 53-54. PWC provides third party assurance over the Group's global GHG emissions metrics, data and methodology. The assurance covers verification of the reduction in GHG emissions for Scopes 1, 2, and 3 directly related to the Bank's carbon emissions reduction targets. cba-2020-annual-report-print.pdf

C11. Carbon pricing

C11.2

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

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

Project type
Other, please specify (Savanna Burning Project)

Project identification
Project Description: Oriners & Sefton Savanna Burning Project (EOP100959) by Aboriginal Carbon Fund Eligible offset units type: KACCU Registry unit retired in: The Australian National Registry of Emissions Units (ANREU) Date retired: 30 September 2020 Serial number (Vintage): 3,769,852,980 – 3,769,854,317 (2017-18); 3,801,968,374 – 3,802,007,035 (2020-21) https://www.climateactive.org.au/sites/default/files/2021-03/CBA_Ongoing%20cert_Year1%20FY2019-20_PDS.pdf

Verified to which standard
Other, please specify (Australian Carbon Credit Units)

Number of credits (metric tonnes CO2e)
40000

Number of credits (metric tonnes CO2e): Risk adjusted volume
35530

Credits cancelled
No

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

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

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Stakeholder expectations
Change internal behavior
Drive energy efficiency
Supplier engagement

GHG Scope
Scope 1
Scope 2
Scope 3

Application
CBA achieved Climate Active carbon neutral certification since February 2021. Our approach has been to dramatically reduce our emissions (by 60% since 2009), as well as invest in on-site electricity generation and purchasing 100% renewable electricity before finally offsetting the remaining unavoidable emissions.

Actual price(s) used (Currency /metric ton)

Variance of price(s) used
n/a

Type of internal carbon price
Offsets

Impact & implication
Certification supports our commitment to playing our part in limiting climate change in line with the goals of the Paris Agreement and supporting the responsible global transition to net zero emissions by 2050. In FY21, we have chosen to purchase 40,000 carbon credits from the Aboriginal Carbon Foundation (AbCF) to offset our unavoidable emissions (i.e. emissions that could not be prevented through on-site power generation and sourcing 100% electricity from renewable sources through power purchase agreements). AbCF is a not-for-profit organisation that enables environmental, social and cultural wealth for Aboriginal and Torres Strait Islander peoples, through the ethical trade of Australian carbon credit units (ACCU). The Bank's partnership with AbCF will directly support the Kowanyama Carbon Project in Queensland, where the cultural practice of mosaic fire practice takes place early in the dry season – when the weather is cooler and the fuel load smaller – so that less country is burned and greenhouse gas emissions are reduced. Carbon credits agreement with Indigenous business, https://www.commbank.com.au/articles/ newsroom/2020/10/cba-closer-to-net-zero-emissions.html (Pages: 1)

C12. Engagement

C12.1

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

Yes, our suppliers

Yes, our customers

C12.1a

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

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism

Climate change is integrated into supplier evaluation processes

% of suppliers by number

0

% total procurement spend (direct and indirect)

0

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

0

Rationale for the coverage of your engagement

When responding to CBA RFP's suppliers must complete a Sustainability Questionnaire. This document requests information on monitoring carbon emissions and setting reduction targets for Scope 1, 2 and 3 emissions. Our Supplier Code of Conduct (SCOC) is included in either supplier contracts or our T&Cs, requiring all supplier's agreement. The SCOC includes expectations regarding minimising greenhouse gas emissions and negative impacts of goods and services throughout their lifecycle. As an example of this, to help offset all of our non-electricity emissions, we have purchased carbon credits from the Aboriginal Carbon Foundation (AbCF) – the only Indigenous company in Australia to provide third-party verified Indigenous carbon credits.

Impact of engagement, including measures of success

All suppliers must agree to our SCOC, assessing energy use and carbon emissions in their business, as well as the services that they provide the bank, when signing a contract with CBA. The Bank's partnership with AbCF will directly support the Kowanyama Carbon Project in Queensland, where the cultural practice of mosaic fire practice takes place early in the dry season – when the weather is cooler and the fuel load smaller, so that less country is burned and greenhouse gas emissions are reduced.

Comment

We engage our suppliers by ensuring they adhere to our Supplier Code of Conduct, which sets out our minimum standards on socially responsible and sustainable sourcing, or an equivalent standard.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

0

% total procurement spend (direct and indirect)

0

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

0

Rationale for the coverage of your engagement

As part of our annual reporting we collect climate change and carbon information from a range of suppliers across Scope 1, 2 and 3.

Impact of engagement, including measures of success

CBA continues to work on reducing its emissions and the annual reporting provides vital information to help prioritise and drive engagement with suppliers.

Comment

For further information, please refer to the 2020 Annual Report at: https://www.commbank.com.au/content/dam/commbank/about-us/shareholders/pdfs/results/fy20/cba-2020-annual-report.pdf

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Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism

Code of conduct featuring climate change KPIs

Climate change is integrated into supplier evaluation processes

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

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

Rationale for the coverage of your engagement

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

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

Comment

C12.1b

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

Type of engagement
Compliance & onboarding

Details of engagement
Climate change considerations are integrated into customer screening processes

% of customers by number
100

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

Portfolio coverage (total or outstanding)
Majority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement
ESG risk assessment process All Institutional Bank loans, as well as large loans in other business units, are evaluated through our ESG risk assessment tool. Medium or high ESG risk profiles are subject to additional due diligence and escalated depending on the level of risk. We continue to provide guidance to our bankers on executing the business lending commitments in the E&S Framework. The overall ESG risk levels are aligned with the Equator Principles' risk categories A, B and C. Additional ESG due diligence is required for transactions which have medium or high ESG risks identified in the initial assessment. This year's ESG training provides bankers with prompts to understand clients' plans for climate transition and resilience to physical climate risks. We expect our business customers and suppliers to adhere to the minimum standards outlined in our E&S Framework. We are aware that some customers and suppliers will not meet all of these expectations all of the time. This may be due to operational issues outside of their control, or due to changes we have made where they need time to implement – for example, when we require our customers and suppliers to become a member of an industry body or gain certain certifications. If this happens, we will work with our customers and suppliers to inform them about changes to our minimum standards and if necessary agree on a specific, time-bound action plan to address any issues or risks. If a customer or supplier is unable or unwilling to meet our minimum standards, we may choose to end the relationship subject to contractual obligations. We are committed to supporting our customers and suppliers in their endeavours to raise their performance in relation to environmental and social matters and associated risk management.

Impact of engagement, including measures of success
In FY20, 1,560 bankers undertook ESG training.

Type of engagement
Engagement & incentivization (changing customer behavior)

Details of engagement
Other, please specify (Offer financial incentives for customers who reduce your downstream emissions (Scope 3) and/or exposure to carbon-related assets)

% of customers by number
1

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

Portfolio coverage (total or outstanding)
Minority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement
We are developing innovative climate-related products to help customers with mitigation and adaptation. In July 2019, we provided $150 million of debt funding to Queensland Airports Limited (QAL) for the Gold Coast Airport redevelopment, with $75 million provided in the form of a sustainability linked loan. The Gold Coast Airport financing is the first in Australia to be directly linked to a reduction in carbon emissions, aligning to a widely adopted carbon emission industry framework, the Airport Carbon Accreditation Program. Another example is the $400 million three-year bilateral sustainability linked loan with Wesfarmers in March 2020. The loan is structured to incentivise better social outcomes and environmental outcomes by providing Wesfarmers a discounted interest rate for achieving ambitious carbon emissions intensity reductions targets in the chemicals business. With only 2 customers within scope of this engagement, it is less than 1% of our customers by number

Impact of engagement, including measures of success
Sustainability-linked loans tie a borrower's cost of funding to their environmental and social performance.

Type of engagement
Engagement & incentivization (changing customer behavior)

Details of engagement
Offer financial incentives for customers who reduce your downstream emissions (Scope 3) and/or exposure to carbon-related assets

% of customers by number
16

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

Portfolio coverage (total or outstanding)
Minority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement
In response to our 2018 climate scenario analysis on our home loan portfolio, we committed provided an update in the 2019 Annual Report (page 57) that we are developing a green mortgage initiative that rewards and encourages energy efficiency, by giving cashbacks to customers who use solar panels and make their homes more energy efficient. To help home loan customers benefit from more affordable and sustainable energy, we ran a pilot in FY20 offering $500 cash-back to our retail customers with an installed and certified solar PV system of 5 kilowatts (kW) or greater.

Impact of engagement, including measures of success
During the six-seek offer period, 4,703 customers took up the offer. The initiative prompted 16% of participating customers to install new solar panels.

C12.3

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

Direct engagement with policy makers

Trade associations

C12.3a

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

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

C12.3b

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

Yes

C12.3c

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

Trade association
Responsible Investment Association of Australia (RIAA)

Is your position on climate change consistent with theirs?
Consistent

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

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

Trade association
Principles for Responsible Investment (PRI)

Is your position on climate change consistent with theirs?
Consistent

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

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

Trade association
Carbon Market Institute

Is your position on climate change consistent with theirs?
Consistent

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

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

Trade association
Australian Banking Association (ABA)

Is your position on climate change consistent with theirs?
Consistent

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

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

Trade association
Business Council of Australia (BCA)

Is your position on climate change consistent with theirs?
Mixed

Please explain the trade association's position
For over a decade the BCA have supported strong action on climate change, including the following positions: • The BCA support the science of climate change. • The BCA support the Paris Agreement and transitioning to net-zero emissions by 2050. • If Australia can meet our emissions reduction targets without carryover credits then we should. • The BCA support the need for a market-based carbon price to drive the transition and incentivise investment in low and no-emissions technology. • Technology needs to drive the transition which will not only get us to a net-zero emissions future but will also create new jobs, opportunities and industries and maintain Australia's competitiveness. The BCA supported the Rudd government's Carbon Pollution Reduction Scheme (CPRS), called for an Emissions Intensity Scheme, supported a Clean Energy Target (CET) and most recently worked hard to bring industry and the community together to support the National Energy Guarantee. Today, we continue to advocate for policies that reduce Australia's carbon emissions and deliver the more carbon efficient economy Australians and our members want.
https://www.bca.com.au/energy_and_climate

How have you influenced, or are you attempting to influence their position?
CBA is one of many members from a range of sectors including manufacturing, infrastructure, information technology, mining, retail, financial services and banking, energy, professional services, transport, and telecommunications. CBA provides representation in forums facilitated by the BCA related to Australia achieving net zero emissions by 2050.

C12.3f

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

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

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

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

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

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

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

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

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

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

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

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

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

C12.4

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

Publication
Other, please specify (Annual Report)

Status
Complete

Attach the document
cba-2020-annual-report-print.pdf

Page/Section reference
Risks and Opportunities - page 37 Strategy - page 38-40 Governance - page 40 Emission figures - page 48-49 Emission targets - page 45 Other metrics - page 46-52

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
cba-2020-annual-report-print.pdf

Page/Section reference
Risks and Opportunities - page 43 Strategy - page 40-42 Governance - page 40 Emission figures - page 48-49 Emission targets - page 45 Other metrics - page 46-52

Content elements
Governance
Strategy
Risks & opportunities
Emission targets

Comment

C-FS12.5

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

	Industry collaboration	Comment
Reporting framework	Equator Principles Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Responsible Banking Other, please specify (Global Reporting Initiative Standards)	CBA became a signatory to the Equator Principles III (EPIII) in May 2014. We use the EPIII standards to assess, manage, mitigate, and monitor Environmental, Social, and Governance (ESG) risks in project-related financing and report annually on our progress. Colonial First State (CBA entered into an agreement to sell a 55% interest in Colonial First State on 13 May 2020) has become a signatory to the UN-endorsed Principles for Responsible Investment (PRI); this is just one of a number of activities associated with the implementation of Colonial First State's Responsible Investing Framework. CBA is a supporter of, and reports in line with, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since 2018. We became a signatory to UN Principles for Responsible Banking (PRB) in late 2019. Our non-financial reporting is presented in accordance with the Global Reporting Initiative Standards (Core option) which provides global standards for sustainability reporting.
Industry initiative	Principles for Responsible Investment (PRI) UNEP FI Principles for Responsible Banking Climate Bonds Initiative Partner Programme UNEP FI Other, please specify (Australian Sustainable Finance Initiative; Climate Measurement Standards Initiative; Climate Leaders Coalition (NZ); Minderoo Foundation)	In 2017, CBA became a partner to the Climate Bonds Initiative (CBI) to support the CBI's mission to mobilise the bond market for climate change solutions. Colonial First State has become a signatory to the UN-endorsed Principles for Responsible Investment (PRI); this is just one of a number of activities associated with the implementation of Colonial First State's Responsible Investing Framework. We are participating in the Australian Sustainable Finance Initiative to support a more resilient and sustainable economy for Australia; including participating across a range of working groups and holding a place on the steering committee. In New Zealand we have joined more than 100 NZ companies committed to the Climate Leaders Coalition. As a part of this commitment, we are addressing the climate impacts of our own operations and supporting our customers' transition to a low carbon economy. We are actively contributing to the Climate Measurement Standards Initiative, an industry-led collaboration developing a common approach to disclosing climate risk. In the first phase of this initiative, the focus is on physical risk projections of future repair and replacement costs for real estate and infrastructure assets in Australia. Participation has helped support our commitment to regular and transparent disclosure. We are collaborating with other organisations through the Minderoo Foundation to lift national resilience. The work allows us to proactively invest in building resilient communities, disaster risk reduction and disaster response.
Commitment	Other, please specify (UN Sustainable Development Goals; UN Global Compact; RE100; Paris Agreement (UN Framework Convention on Climate Change); NZ Climate Leaders coalition; Carbon Market Institute; Australian Banking Association – Corporate Sustainability Working Group)	The United Nations Sustainable Development Goals are 17 goals that provide a framework to address issues such as poverty, hunger, inequality and environmental degradation. We identify and map the SDGs that are most relevant to our strategy and stakeholders. We are a signatory to the United Nations Global Compact which encourages businesses to adopt sustainable and socially responsible policies. We are committed to implementing the UNGC's principles covering human rights, labour, the environment and anti-corruption. CBA continues to expand our branch solar panel network and our participation in RE100 – whereby we have undertaken to source 100% of our electricity needs from renewable energy sources by 2030. As a first step in that process, as of June 2019 we are sourcing 65% of our national needs from the Sapphire Wind Farm in New South Wales. We are committed to playing our part in limiting climate change in line with the goals of the Paris Agreement and supporting the responsible global transition to net zero emissions by 2050. In New Zealand, ASB is a member of the Climate Leaders Coalition which includes a commitment to science-based targets and climate risk disclosures. ASB is also Toitū carbonzero certified through Toitū Envirocare – an independent verification of carbon neutrality and robust emission reduction plans. Further, CBA is involved with the: • Carbon Market Institute • Investor Group on Climate Change • Responsible Investment Association Australia • Australian Banking Association – Corporate Sustainability Working Group • Business Council of Australia – Climate and Energy Policy Technical Groups

C14. Portfolio Impact

C-FS14.1

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

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD	Guided by our purpose to improve the financial wellbeing of our customers and communities, we recognise that we have a responsibility to manage our environmental risks and address the challenge of climate change. We are cognisant of the role we play, domestically and internationally, in supporting the transition to a low carbon economy. CBA has assessed the climate impact of its business lending activities since FY14. The insights garnered from this assessment provide us with a robust quantitative basis to identify and act upon key opportunities that can reduce the emissions arising from our business lending portfolio. The results are included in the FY20 Annual Report TCFD chapter.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD	As the Group's investment and superannuation business, Colonial First State (CBA entered into an agreement to sell a 55% interest in Colonial First State on 13 May 2020) assesses climate-related risks in line with its Responsible Investment Policy. To monitor the climate-related risks of its investments, CFSIL assesses two metrics for the equity allocation of Assets Under Management (AUM) at a whole of portfolio level: carbon emissions footprint per $100,000 invested and weighted average carbon intensity per US$M sales. The results are included in the FY20 TCFD report and in the FY20 Annual Report TCFD chapter.
Insurance underwriting (Insurance company)	Not applicable	<Not Applicable>	
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS14.1a

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

Category 15 (Investments)

Evaluation status

Not relevant, explanation provided

Scope 3 portfolio emissions (metric tons CO2e)

<Not Applicable>

Portfolio coverage

<Not Applicable>

Percentage calculated using data obtained from client/investees

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Please explain

CBA has been reporting the assessed emissions intensity of the business lending portfolio since FY14 (kg CO2-e / $ expenditure. Since 2020, we are able to report using the new Financial Services supplement section C-FS14 Portfolio Impact, allowing us to provide more comparable results to our peers. An absolute emissions figure has therefore not been disclosed in 2020. For comparability with the ongoing methodology used for the past years please refer to the assessed emissions reports at https://www.commbank.com.au/about-us/opportunity-initiatives/performance-reporting.html

C-FS14.1b

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

Metric type
Carbon intensity

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

Scope 3 portfolio metric
0.22

Portfolio coverage
More than 50% but less than or equal to 60%

Percentage calculated using data obtained from clients/investees
23

Calculation methodology
The business lending financed emissions analysis was conducted by EY, as informed by the principles set out in the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The methodology has been developed and refined since 2015, based on emerging protocols discussed through the Greenhouse Gas Protocol and United Nations Environment Programme Finance Initiative (UNEP FI) working group. For methodology and further details, please refer to: https://www.commbank.com.au/about-us/opportunity-initiatives/performance-reporting.html In estimating the emissions arising from its lending activities, the Group used client-specific emissions where available, and modelled sector-specific emissions intensity data for its remaining lending exposures. Client- Specific Emissions - The Group focused on identifying client-specific emissions for those clients to which the Group has a material exposure, and for emissions-intensive industry sectors . Notably, very little client-specific data is available for our agriculture clients. Emissions data was sourced from the Australian National Greenhouse and Energy Reporting scheme, the Australian National Greenhouse Gas Inventory, publicly available reports and other company disclosures and known performance measures. The proportion of CBA debt exposure for which client-specific emissions data was available differed by sector. Emissions associated with debt exposure to the Finance and Government ANZSIC divisions are excluded from the scope of the metric. Intensity is measured as emissions per Australian dollar of client expenditure. Client expenditure is defined as the sum of capital and operating expenditure as reported publicly by clients or derived from financial databases. The coverage figure has been calculated based on the TCE included in the analysis, as a proportion of CBA's total business lending exposure. The analysis extends to business lending exposures for CBA, Bankwest and ASB. Emissions associated with debt exposure to the Finance and Government ANZSIC divisions are excluded from the scope of the metric, as these exposures are required to be held for regulatory, bank liquidity and other interbank operations purposes. The scope of this metric also excludes other exposures such as guarantees, derivatives and leasing. The "portfolio coverage" figure listed above is for commercial lending and so excludes residential mortgages.

Please explain
In 2020 we undertook a detailed assessment of the carbon emissions arising from the Group's business lending portfolio in FY19. The analysis provides the insights to reduce the carbon emissions associated with our business lending.

C-FS14.2

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

	Scope 3 breakdown	Comment
Row 1	Yes, by asset class Yes, by industry	The data reported in section 14.1b can be disaggregated to provide a breakdown of emissions intensity for key industry sectors, and by geography.

C-FS14.2a

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

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

C-FS14.2b

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

Industry	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Other, please specify (Agriculture, Forestry and Fishing)	Carbon intensity	Other, please specify (kg CO2-e / $ expenditure)	1.8	This is weighted average based on a sub-set of the data from our FY19 financed emissions assessment. Individual exposures are allocated to an industry based on ANZSIC codes.
Other, please specify (Mining)	Carbon intensity	Other, please specify (kg CO2-e / $ expenditure)	0.4	This is weighted average based on a sub-set of the data from our FY19 financed emissions assessment. Individual exposures are allocated to an industry based on ANZSIC codes.
Other, please specify (Manufacturing)	Carbon intensity	Other, please specify (kg CO2-e / $ expenditure)	0.2	This is weighted average based on a sub-set of the data from our FY19 financed emissions assessment. Individual exposures are allocated to an industry based on ANZSIC codes.
Other, please specify (Electricity, Gas and Water Supply)	Carbon intensity	Other, please specify (kg CO2-e / $ expenditure)	1.1	This is weighted average based on a sub-set of the data from our FY19 financed emissions assessment. Individual exposures are allocated to an industry based on ANZSIC codes.
Other, please specify (Transport and Storage)	Carbon intensity	Other, please specify (kg CO2-e / $ expenditure)	0.4	This is weighted average based on a sub-set of the data from our FY19 financed emissions assessment. Individual exposures are allocated to an industry based on ANZSIC codes.
Other, please specify (Property and Business Services)	Carbon intensity	Other, please specify (kg CO2-e / $ expenditure)	0.2	This is weighted average based on a sub-set of the data from our FY19 financed emissions assessment. Individual exposures are allocated to an industry based on ANZSIC codes.

C-FS14.3

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

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	Yes	We are transparently reporting the transition of the CBA business lending portfolio through the Energy Value Chain and business lending assessed emissions reporting. The analysis provides insights to reduce the carbon emissions associated with our business lending.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	Colonial First State (CFS) – a wholly owned subsidiary of CBA (CBA entered into an agreement to sell a 55% interest in CFS on 13 May 2020) – conducts analysis of climate-related risks and opportunities across the equity allocation of CFSIL Assets under Management (representing approximately 60%) using MSCI data and methodologies. Historically, the focus of this analysis has been on calculating the carbon emissions and emissions intensity of this portfolio in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2019 we also started assessing CFSIL portfolios for carbon-related assets (looking at the weight invested in the most carbon-intensive sectors), and reporting forward looking metrics such as low carbon transition scores (as defined by an external ESG service provider). CFSIL’s investments are managed by external investment managers, and CFSIL assesses the inherent climate-related risk within the aggregate portfolio of each manager at the selection and appointment stage, and on an ongoing basis.
Insurance underwriting (Insurance company)	Not applicable	
Other products and services, please specify	Not applicable	

C-FS14.3a

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

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

C-FS14.3b

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

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

C15. Signoff

C-FI

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

C15.1

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

	Job title	Corresponding job category
Row 1	Group Executive, Financial Services and Chief Financial Officer	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms