

Approaching EEO as part of an integrated response to climate change

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Integrating EEO and other climate change related issues into your business

NAB Group's climate change strategy

- ▶ **Leadership through our own actions** - establishing our carbon inventory, and making our operations carbon neutral, publicly reporting on our progress and being involved in the debate and development of solutions to climate change.
- ▶ Engaging and assisting our people
- ▶ Understanding and backing our customers
- ▶ Building key partnerships
- ▶ Continuing to grow our understanding of climate risks and opportunities

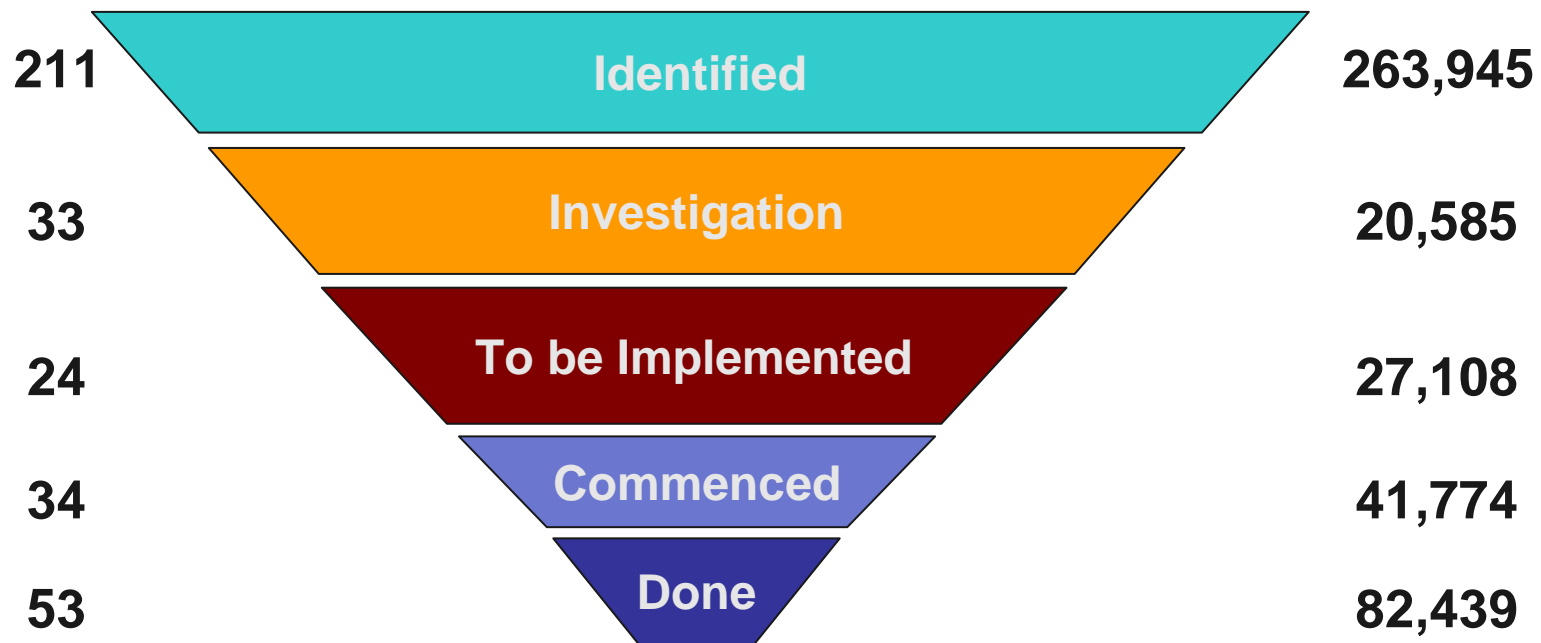
Integrating EEO and other climate change related issues into your business

Strategy Area	Links to our strategy
Leadership through our own actions	EEO – Reducing our carbon footprint
Engaging and assisting our people	EEO – Green Teams
Understanding and backing our customers	EEO/NGERS – Knowledge to share CPRS – New products and markets
Building key partnerships	EEO, NGERS and CPRS
Continuing to grow our understanding of climate risks and opportunities	EEO, NGERS and CPRS

Our energy efficiency pipeline

**Number of
Projects**

**Potential Energy
Saving (GJ per year)**



Redundant/Not to be implemented 67



Note: Energy efficiency pipeline as published in NAB's public EEO Report in December 2008

Implications of EEO, NGER and CPRS:

Risks and opportunities

Risks and management strategies

- ▶ Compliance
 - ▶ EEO, NGRS and CPRS (emissions units as financial products)
- ▶ Regulatory change
 - ▶ Getting the right people involved
 - ▶ Participating in consultation and sharing with others
 - ▶ Legal advice and record keeping related to data, methodologies and key decisions
- ▶ Time frames
 - ▶ Established early and shared internally
 - ▶ Regular progress reporting to management/Board half yearly
 - ▶ Build in redundancies
 - ▶ Rehearsal at half year for NGRS
- ▶ Accuracy requirements
 - ▶ NAB's risk management process via 3 lines of defence
 - ▶ External verification

Opportunities

- ▶ Reducing our carbon footprint & operational costs
- ▶ Assists our ability to forecast emissions reductions
- ▶ Employee communication and engagement around climate change and energy efficiency
- ▶ Adding discipline to our approach to energy efficiency
- ▶ Taking the journey our customers are taking
 - ▶ Understanding the experience of our customers
- ▶ New products and markets to help customers
 - ▶ Loans for energy efficiency, clean technology, renewable energy etc
 - ▶ Emissions trading

Challenges and opportunities that have arisen from assessments to date

- ▶ Resourcing/expertise – planning/use of external expertise
- ▶ Meeting internal business case requirements for payback – energy costs/cost of carbon
- ▶ Communicating the stories to employees and other stakeholders – tri-generation
- ▶ Identifying new ways to do things/new technology
- ▶ Building knowledge that can be shared with suppliers, customers and others

Challenges and benefits from the public reporting process

- ▶ Board involvement in the sign-off process – requires planning
- ▶ Provides a forum to tell people about our climate change strategy and energy efficiency achievements
- ▶ Branding our public report as “NAB”

Implications of the GFC for energy efficiency programs

- ▶ It's harder to get access to capital in the current environment
- ▶ Having a climate change strategy and factoring increased energy costs/cost of carbon helps
- ▶ It's a way to help keep business operational costs lower