

**CARBON DISCLOSURE PROJECT****CDP5 Response****Responding corporation: Qantas Airways Ltd**

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**General Introduction**

If you would like to give an introduction to your answers, please enter it here.

NOTE FROM CDP: This response was submitted as a Word / PDF document and is attached in full to this introduction section. Where possible the data has been inputted into the online system but where the response does not match the question we have left the box blank. Please check the full response in Word / PDF to see the complete answer from this company.

[attachedfiles/Responses/40316/1583/CDP5\\_Qantas\\_AQ\\_final.doc](#)

**Section A & 1 Climate Change Risks, Opportunities and Strategy****Question 1(a)(i) & Regulatory risks**

For this question, please state the time period and where possible the associated financial implications.

What commercial risks does climate change present to your company including regulatory risks associated with current and/or expected government policy on climate change e.g. emissions limits or energy efficiency standards?

The Qantas Group is currently impacted by domestic policy around energy efficiency namely the Energy Efficiency Opportunities Program. This policy requires businesses to identify, evaluate and report publicly on cost-effective energy savings opportunities. The Qantas Group expects the introduction of national emissions reduction targets and a national trading scheme in the near future.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

**Question 1(a)(ii) - Physical risks**

For this question, please state the time period and where possible the associated financial implications.

What commercial risks does climate change present to your company including physical risks to your business operations from scenarios identified by the Intergovernmental Panel on climate Change or other expert bodies, such as sea level rise, extreme weather events and resource shortages?

Physical risks to business operations from weather scenarios identified by the IPCC and others may include disruption to flight schedules, the need to implement new flight tracks due to different weather patterns, natural resource shortages, damage to infrastructure including pavements, ground equipment from extreme weather. Potential impact from sea level rise on airport facilities located in coastal areas.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

### Question 1(a)(iii) - Other risks

For this question, please state the time period and where possible the associated financial implications.

Apart from any regulatory and physical risks you have described in your answers to questions 1(a)(i) and 1(a)(ii) above, what other commercial risks does climate change present to your company including shifts in consumer attitude and demand?

Possible negative impact on the Qantas brand if consumers demonstrate preference to a perceived &greener& airline alternative if it comes into existence. Consumer preference for cleaner modes of transport, however this assumes that the Qantas Group adopts a &do-nothing& approach to more efficient operations and cleaner technology, which is not the case either currently or for the future

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

### Question 1(b) - Opportunities

For this question, please state the time period and where possible the associated financial implications.

What commercial opportunities does climate change present to your company for both existing and new products and services?

The Qantas Group recognises the strategic business advantage in pursuing a more sustainable approach to doing business. Effectively managing climate change risk will satisfy various critical stakeholders including the investment community, the consumer base and regulators.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

### Question 1(c) - Strategy

For this question, please state the time period and where possible the associated financial implications.

Please detail the objectives and targets of the strategies you have undertaken or are planning to take to manage the risks and opportunities you have detailed in questions 1(a) and 1(b) above. Please include adaptation to physical risks.

The Qantas Group has in place a comprehensive emissions reduction program with a primary focus on operational efficiency. A Fuel Conservation Program commenced in

2004 to identify opportunities for fuel savings and consequently emissions reductions, in areas such as improved flight planning, cabin weight reduction and more efficient approach and departure procedures. In 2006/2007 the Qantas Group is expanding the conservation program across the non-flying aspects of the business to address energy consumption on a broader scale. The Qantas Group strategy includes programs across four key areas; offset programs, new technology, behavioural change programs and innovation and efficiency.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

## **Section A & 2 Greenhouse Gas Emissions Accounting**

### **Question 2(a)(i) & Methodology & Accounting Year**

Please state the accounting year used to report GHG emissions.

Financial accounting year: 31 December 2006

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

### **Question 2(a)(ii) & Methodology**

Please state the methodology by which emissions are calculated.

Please provide additional information below

$\text{CO}_2 = \text{total fuel (litres)} \times 0.78 \times 3.15/1000$

Please state the reporting boundaries for the data provided in this questionnaire

Please provide additional information below

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

### **Question 2(a)(iii) & Methodology & External verification**

Please state whether the information provided has been externally verified or audited.

No

Information has not been externally verified.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

### **Question 2(a)(iv) & Methodology & Variations in emissions**

Please provide an explanation for any significant variations in emissions from year to year eg: due to major acquisitions, divestments, introduction of new technologies etc

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

### **Question 2(b) & Scope 1 and Scope 2 GHG Protocol - Year 1 answers**

Please state your direct and indirect GHG emissions in metric tonnes CO<sub>2</sub>e for global and Annex B countries.

If you are having difficulty reporting your emissions figures in CO<sub>2</sub>e metric tonnes please see the further guidance on answering the CDP5 questionnaire available [here](#).

Please enter the accounting year used to report GHG emissions details below.

[31 December 2006](#)

Total Global Emissions

Total Emissions Annex B countries

Scope 1 activity emissions globally

[11200000 CO<sub>2</sub>e metric tonnes](#)

Scope 1 activity emissions Annex B

Scope 2 activity emissions globally

Scope 2 activity emissions Annex B

Please state the MWh of electricity purchased and consumed by your company globally.

221618 MWh

Please state the MWh of electricity purchased and consumed by your company in Annex B countries.

Please state the **percentage** of purchased and consumed MWh of electricity from renewables globally.

Please state the **percentage** of purchased and consumed MWh of electricity from renewables in Annex B countries.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

Notes on the figures: 1. Total Domestic and International Qantas Group operations 2. Excl. Jetstar operations, some non-flying business units

### Question 2(c) & Scope 3 of GHG Protocol - Year 1 answers

Please enter the accounting year used to report GHG emissions details below.

31 December 2006

If possible, please provide estimates in metric tonnes CO<sub>2</sub>e for the following categories of emissions:

Use/disposal of company's products and services

Your supply chain

External distribution/logistics

Employee business travel

Other

Please provide details of the sources of emissions if you have entered a figure in the "Other" box

Please provide further information about your measurement of scope 3 emissions.

[No information is available in regard GHG emissions from the stated items.](#)

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

## **Section B & 3 Additional Greenhouse Gas Emissions Accounting**

### **Question 3(a) & Scope 1 and Scope 2 GHG Protocol emissions per country**

Using the methodology set out in 2(a), please state your emissions per country. NB : If it is not practical for you to list emissions on a full country by country basis, please list here countries with significant emissions in the context of your business and combine the remainder under &rest of world&. If you already have this information in another format (e.g Excel) please attach it.

<b>Country</b>	<b>Scope 1 Emissions (Tonnes CO2e)</b>	<b>Scope 2 Emissions (Tonnes CO2e)</b>
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Would you like to provide any additional information relating to this question that you have not provided elsewhere?

[Yes](#)

[Data on greenhouse gas emissions for Qantas& international operations is available in section 2 \(b\).](#)

### **Question 3(b) & Facilities covered by the EU Emissions Trading Scheme**

Please provide details of total emissions in metric tonnes CO2e for all facilities covered by the EU ETS and details of allowances issued under the applicable National Allocation Plans

Emissions from the total of all facilities covered by EU ETS figure in metric tonnes CO2e

Total number of allowances issued under all National Allocation Plans applicable to installations covered by the EU ETS

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

Not applicable to Qantas Group.

### **Question 3(c) & EU ETS impact**

What has been the impact on your profitability of the EU Emissions Trading Scheme?

Aviation has not yet been included in the EU scheme. QANTAS has done strategic modelling of potential impacts given a range of scenarios. Scheme details from the EU are not specifically available a time of writing.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

## **Section B & 4 Greenhouse Gas Emissions Management**

### **Question 4(a)(i) Reduction programmes**

What emission reduction programs does your company have in place? Please include any reduction programs related to your operations, energy consumption, supply chain and product use/disposal.

Does your company have an emissions reduction program?

Yes

What is the baseline year for the emissions reduction program? (YYYY format eg. 1990)

2004

If you do not use a baseline year for your reduction programme, please provide details of your reference point for the programme here.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

Yes

The Qantas Group has in place a comprehensive emissions reduction program with a primary focus on operational efficiency. A Fuel Conservation Program commenced in 2004 to identify opportunities for fuel savings in areas such as improved flight planning, cabin weight reduction and more efficient approach and departure procedures. In 2006/2007 the Qantas Group is expanding the conservation program across the non-flying aspects of the business to address energy consumption on a broader scale.

**Question 4(a)(ii) Reduction programmes**

What are the emissions reduction targets and over what period do those targets extend?

Emissions reductions target (%)

Time frame for reduction target

Further information.

Emissions reduction targets include:

7.5% improvement in fuel efficiency (Fuel Burn / Revenue Tonne Kilometre) by 2011.

Reduce greenhouse gas emissions by 2 million tonnes pa by June 2011.

10% reduction in electricity consumption by June 2011.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

**Question 4(a)(iii) Reduction programmes**

What investment has been/will be required to achieve the targets. (In US \$)

Over what time period? (In years)

More detail

Investments made to achieve these targets have been and will continue to be around purchase of new technology. For example the need for new aircraft to feature design elements that contribute to greater fuel efficiency. The non-flying aspect of the business will also pursue more efficient technology to reduce energy consumption. The Qantas Group has established a dedicated team to focus on achieving emissions reduction targets.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

**Question 4(a)(iv) Reduction programmes**



What emissions reductions and associated costs or savings have been achieved to date as a result of the program?

The fuel conservation efficiency program will deliver 342,000t Co2 reduction or AUD\$100m by June 2008. New Aircraft purchases will deliver further reductions of 2 million tonnes of greenhouse gases by June 2011.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

#### **Question 4(a)(v) Reduction programmes**

What renewable energy and energy efficiency activities are you undertaking to manage your emissions?

As discussed, much of the focus for energy efficiency gains for the Qantas Group has been directed to fuel conservation strategies. Aircraft operations contribute the majority of total Qantas Group greenhouse gas emissions. Other energy efficiency initiatives have included pursuing more energy efficient design within new Qantas building developments. Qantas Group is also investigating more efficient facility management options around lighting and equipment procurement.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

#### **Question 4(b) Emissions trading**

What is your company's strategy for trading in the EU Emissions Trading Scheme, CDM/JI projects and other trading systems (e.g. CCX, RGGI, etc), where relevant? Explain your involvement for each of the following:

EU ETS

CDM/JI

CCX

RGGI

Others

More detail

[Qantas Group is currently investigating the implications of involvement in a national or global Emissions Trading Scheme.](#)

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

#### **Question 4(c) Emissions intensity**

Please state which measurement you believe best describes your company's emissions intensity performance? What are your historical and current emissions intensity measurements? What are your targets?

Best measurement of emissions intensity for your company

Historical intensity details

Current intensity details

Target details

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

[Yes](#)

[The Qantas Group measures emissions intensity as Emission per Revenue Tonne Kilometre.](#)

#### **Question 4(d) Energy costs**

What are the total costs of your energy consumption e.g. from fossil fuels and electric power? What percentage of your total operating costs does this represent?

Total costs of energy consumption (in US\$)

**Percentage** of total operating costs (%)

More Details.

[Information on energy costs is not available.](#)

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

#### **Question 4(e) Planning**

Do you estimate your company's future emissions? If so please provide details of these estimates and summarize the methodology for this. How do you factor the cost of future emissions into capital expenditure planning? Have these considerations made an impact on your investment decisions?

Do you estimate your company's future emissions?

Please provide details of these estimates and summarize the methodology for this or provide details of why you do not estimate your company's future emissions.

[The Qantas Group does estimate future emissions in light of future growth in demand.](#)

How do you factor the cost of future emissions into capital expenditure planning?

Have these considerations made an impact on your investment decisions?

Please provide details below.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

#### **Section B & 5 Climate Change Governance - Responsibility**

##### **Question 5(a)(i) Responsibility**

Which Board Committee or other executive body has overall responsibility for climate change?

[The Qantas Board of Directors has overall responsibility for climate change policy.](#)

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

**Question 5(a)(ii) Responsibility**

What is the mechanism by which the Board or other executive body reviews the company's progress and status regarding climate change?

The Board is updated on the company's progress and status around climate change via reports from the Executive Team to the Board Safety Environment and Security Committee of the Board.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

**Question 5(b) Individual performance**

Do you provide incentive mechanisms for managers with reference to activities relating to climate change strategy, including attainment of GHG targets?

No

If so, please provide details.

The Qantas Group does not currently provide incentive mechanisms for managers with reference to attainment of greenhouse gas targets. However, the company does provide a broader recognition program for staff innovation including environmental initiatives.

Would you like to provide any additional information relating to this question that you have not provided elsewhere?

**General Information**

Please add any general information and attachments that are not related to a specific question but that you would still like to include with your response here.



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