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Market Announcements Office  
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### **ANZ 2022 ESG Supplement**

Australia and New Zealand Banking Group Limited (ANZ) today released its 2022 ESG Supplement.

It has been approved for distribution by ANZ's Continuous Disclosure Committee.

Yours faithfully

**Simon Pordage**  
**Company Secretary**  
Australia and New Zealand Banking Group Limited



**WE'RE CONTINUING TO**  
SHAPE A WORLD WHERE PEOPLE  
AND COMMUNITIES THRIVE

Approved for distribution by ANZ's Continuous Disclosure Committee, 2 November 2022



ANZ 2022 ESG SUPPLEMENT



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# Our 2022 reporting suite

> **2022 Annual Report**  
anz.com/  
annualreport

> **2022 ESG Supplement**  
anz.com/  
annualreport

> **2022 Climate-related Financial Disclosures**  
anz.com/  
annualreport

> **2022 Corporate Governance Statement**  
anz.com/  
corporategovernance

> **2022 ESG Data Pack**  
anz.com/  
annualreport

> **2022 Voluntary Tax Transparency Report**  
anz.com/  
annualreport

## About this Environment, Social and Governance (ESG) Supplement

This report provides stakeholders with more detailed information on Australia and New Zealand Banking Group<sup>1</sup> Limited's ESG performance and challenges.

This report is structured in three sections. The first outlines our purpose and values; our approach to ESG governance and risk management; our approach to the identification and prioritisation of material issues; our stakeholder engagement and our ESG targets.

The second section outlines our management of materially significant issues aligning with our focus areas of environmental sustainability, housing, financial wellbeing, and fair and responsible banking.

The third section contains information on employee wellbeing and inclusion, and our second self-assessment report against the United Nations Principles of Responsible Banking.

Comparative performance data, including Equator Principles data and our United Nations Guiding Principles Reporting Framework index, is contained in our separate 2022 ESG data pack available at [anz.com/annualreport](https://anz.com/annualreport).

This report has been prepared in accordance with the Global Reporting Initiative (GRI) 2016 Standards: Comprehensive option. A complete GRI Index is available in our 2022 ESG data pack.

KPMG has provided limited assurance in respect of this ESG Supplement, including considering whether the appropriate indicators have been reported in accordance with GRI Sustainability Reporting Standards' Comprehensive level of disclosure. A copy of KPMG's independent limited assurance report is on pages 96–97.

KPMG has also provided limited assurance over ESG content within our Annual Report and Annual Review.<sup>2</sup> See pages 242–243 in the Annual Report for a copy of KPMG's opinion.

This report covers all ANZ operations over which, unless otherwise stated, we have control for the financial year commencing on 1 October 2021 and ending 30 September 2022. Monetary amounts in this document are reported in Australian dollars, unless otherwise stated.

## Reporting suite

We produce a suite of reports to meet the needs and requirements of a wide range of stakeholders including shareholders, customers, employees, regulators, non-government organisations and the community.

This ESG Supplement complements our 2022 Annual Report available at [anz.com/annualreport](https://anz.com/annualreport). In preparing pages 1–62 of the Annual Report we applied aspects of the International Integrated Reporting Framework to describe how our business model, strategy, governance and risk management processes are addressing risks and opportunities in our operating environment and delivering value for our shareholders and other stakeholders.

Our 2022 Corporate Governance Statement discloses how we have complied with the Australian Securities Exchange (ASX) Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th edition' and is available at [anz.com/corporategovernance](https://anz.com/corporategovernance).

Our 2022 Climate-related Financial Disclosures report, assured by KPMG, will be released prior to our Annual General Meeting and made available at [anz.com/annualreport](https://anz.com/annualreport).

We are continually seeking to improve our reporting suite and welcome feedback on this report. Please address any questions, comments or suggestions in relation to this report to [corporate.sustainability@anz.com](mailto:corporate.sustainability@anz.com).



You can trace our actions on human rights throughout this report using this symbol

## DISCLAIMER & IMPORTANT NOTICE:

The material in the ESG Supplement contains general background information about the Bank's activities current as at 26 October 2022. It is information given in summary form and does not purport to be complete. It is not intended to be and should not be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate. The ESG Supplement may contain forward-looking statements or opinions including statements regarding our intent, belief or current expectations with respect to ANZ's business operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices. When used in the ESG Supplement, the words 'forecast', 'estimate', 'project', 'intend', 'anticipate', 'believe', 'expect', 'may', 'probability', 'risk', 'will', 'seek', 'would', 'could', 'should' and similar expressions, as they relate to ANZ and its management, are intended to identify forward-looking statements or opinions. Those statements: are usually predictive in character; or may be affected by inaccurate assumptions or unknown risks and uncertainties; or may differ materially from results ultimately achieved. As such, these statements should not be relied upon when making investment decisions. These statements only speak as at the date of publication and no representation is made as to their correctness on or after this date. Forward-looking statements constitute 'forward-looking statements' for the purposes of the *United States Private Securities Litigation Reform Act of 1995*. ANZ does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

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# 2022 ESG performance snapshot

## Environmental sustainability

\$40.04B

funded and facilitated in sustainable solutions since 2019

51%

reduction in Scope 1 and 2 greenhouse gas emissions against a 2015 baseline

## Financial wellbeing

Supported nearly  
1.5M  
customers to save regularly<sup>1</sup>

More than  
58,000  
participants in our financial education programs<sup>3</sup>

## Housing

Over  
\$4.4B  
funded and facilitated to deliver more affordable, accessible and sustainable homes to buy and rent since 2018<sup>2</sup>

Supported more than  
1,300  
customers to reduce the environmental impact of their home in New Zealand<sup>4</sup>

## Fair and responsible banking

More than  
5,000  
employees trained to identify and support customers in need of extra care<sup>5</sup>

Spent  
\$12.7M  
with 32 Indigenous businesses in Australia

## Employee wellbeing and inclusion

84%  
employee engagement

35.9%  
of women in leadership<sup>6</sup>

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<sup>1</sup>. On average, across Australia and New Zealand. <sup>2</sup>. In Australia and New Zealand. <sup>3</sup>. Includes individuals who have participated in more than one program (for example, people who have participated in MoneyMinded as part of Saver Plus are counted twice as they are included in both the MoneyMinded and Saver Plus totals). <sup>4</sup>. Via our Good Energy Home loan top up. <sup>5</sup>. In Australia. <sup>6</sup>. Measures representation at the Senior Manager, Executive and Senior Executive levels. Includes all employees regardless of leave status but not contractors (who are included in Full Time Equivalents (FTE)).

# About our business

We provide banking and financial products and services to around 8.5 million retail and business customers, and operate across 32 markets.

Our expertise, products and services make us a bank. Our people, purpose, values and culture make us ANZ.

## Our divisions

**Australia Retail and Commercial** – serves retail customers across Australia through our branch network, ATMs, digital and mobile banking applications including ANZ Plus.

**Commercial** – serves commercial and private banking customers across Australia through our business centres, digital and mobile banking applications.

**Institutional** – serves institutional and business customers across Transaction Banking, Loans and Specialised Finance and Markets.

**New Zealand** – serves retail and commercial banking customers in New Zealand and is one of the largest New Zealand companies based on profit and assets.

**Pacific** – provides products and services to retail and commercial customers located in the Pacific Islands, where our history dates back 139 years.

**Corporate Centre** – functions of the business servicing the organisation including Risk, Finance, Communications and Public Affairs, Internal Audit, and Talent and Culture.

## Our purpose and strategy

**Our purpose is to shape a world where people and communities thrive.**

It explains 'why' we exist and drives everything we do at ANZ, including the choices we make each day about those we serve and how we operate.

We bring our purpose to life through our strategy; to improve the financial wellbeing and sustainability of customers through excellent services, tools and insights that engage and retain them, and help positively change their behaviour.

Through our purpose we have elevated areas facing significant societal challenges aligned with our strategy and our reach which include commitments to:

- Improving the financial wellbeing of our people, customers and communities by helping them make the most of their money throughout their lives;
- Supporting household, business and financial practices that improve environmental sustainability; and
- Improving the availability of suitable and affordable housing options for all Australians and New Zealanders.

**Fundamental to our approach is a commitment to fair and responsible banking**

– keeping pace with the expectations of our customers, employees and the community, behaving fairly and responsibly and maintaining high standards of conduct, as well as addressing issues identified through our annual materiality assessment.

Integrating ESG and purpose into our strategy has created an opportunity for us to better serve our customers and generate long-term shareholder value.

## Our values

Our values shape how we deliver our purpose-led strategy. They are the foundation of 'how' we work – living our values every day enables us to deliver on our strategy and purpose, strengthen stakeholder relationships and earn the community's trust. All employees and contractors must comply with our Code of Conduct, which sets the expected standards of professional behaviour and guides us in applying our values.

### Our values are

Integrity



Collaboration



Accountability



Respect



Excellence



## Supporting sustainable development

We are committed to the United Nations Sustainable Development Goals (SDGs) and believe that business has an important role to play in their achievement. Our 2022 ESG targets supported 12 of the 17 SDGs.

In 2019 we became a founding signatory to the UN Principles for Responsible Banking. Under the Principles we are required to set at least two targets that address our most significant (potential) positive and negative impacts, aligned with the SDGs and the Paris Climate Agreement.



We have reported our progress towards implementing the Principles using the Reporting and Self-assessment Index, available on pages 81–94.



# ESG governance and risk management

Our governance framework provides the structure for effective and responsible decision-making within the bank.

The Board is responsible for the oversight of the bank, and its sound and prudent management, with specific duties as set out in its charter available at [anz.com/corporategovernance](https://anz.com/corporategovernance).

There are six principal Board Committees: the Ethics, Environment, Social and Governance (EESG) Committee; the Audit Committee; the Risk Committee; the Human Resources Committee; the Digital Business and Technology Committee; and the Nomination and Board Operations Committee. Each Committee has its own charter setting out its roles and responsibilities.

At management level, the Group Executive Committee comprises ANZ's most senior executives. A delegations of authority framework clearly outlines those matters

delegated to our Chief Executive Officer (CEO) and other members of senior management. In addition, a number of formally established management committees deal with particular ongoing issues.

Our ESG governance processes are overseen by the Board and management through our Board EESG Committee and executive Ethics and Responsible Business Committee (ERBC).

These Committees are also informed by the work of Evelyn Halls – our Customer Fairness Officer – who reports directly to our Chief Executive Officer (CEO). This is a crucial role

that was first established in 2016 to help us more consistently deliver fair and responsible banking to our retail and small business customers in Australia.

Our most material ESG issues (refer to pages 6–8) are captured and managed within the Group's Key Material Risks. For further information on risk management refer to pages 36–40 of our 2022 Annual Report available at [anz.com/annualreport](https://anz.com/annualreport). For further detail on our governance framework see our 2022 Corporate Governance Statement available at [anz.com/corporategovernance](https://anz.com/corporategovernance).

## Board Ethics, Environment, Social and Governance (EESG) Committee

The Board EESG Committee, led by ANZ's Chairman, is responsible for assisting the Board by overseeing measures to advance ANZ's purpose, focusing on ethical and ESG matters.

This includes the oversight, review and/or approval of ESG reporting and objectives, corporate governance policies and principles, and other conduct-related matters. The Committee also oversees the ethical and ESG risks and opportunities relevant to the bank's ability to advance our purpose and operate as a fair, responsible and sustainable business.

The Board EESG Committee meets at least quarterly and more frequently if deemed necessary. Meetings typically open with an overview of the ESG operating environment, covering current and emerging issues, including regulatory and parliamentary inquiries, community sentiment, competitor activity, relevant international developments and our stakeholder engagement activities.



Further information on some of the key matters considered by the Board and its Committees during the year is outlined in our 2022 Annual Report on page 30 available at [anz.com/annualreport](https://anz.com/annualreport)

## Ethics and Responsible Business Committee (ERBC)

The ERBC, chaired by the CEO, comprises Senior Executives and members from business divisions and Group functions. Independent ethics adviser Dr Simon Longstaff participates as an observer every second meeting.

The Committee is a leadership and decision-making body to advance ANZ's purpose and ensure ANZ operates responsibly and achieves fair, ethical and balanced stakeholder outcomes.

The Committee considers the social and environmental impacts of the industries, customers and communities ANZ serves. It also considers our products and services and how they are provided, as well as stakeholder and community expectations.

The ERBC is accountable to the Board EESG Committee in the effective discharge of its responsibilities. It operationalises Board objectives and makes decisions on issues and policies. It also approves the bank's ESG targets and monitors performance against them quarterly.

### Issues discussed this year at the EESG Committee and ERBC included:

'how we bank' – our ESG focus areas, customers requiring extra care, scams and accessibility, our new Reconciliation Action Plan and First Nations Voice to parliament, and

'who we bank' – through industry sector reviews, human rights policy and modern slavery, climate change policy, biodiversity and sensitive wholesale transactions.

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# What matters most to our stakeholders

Through our annual materiality assessment, we engage with internal and external stakeholders to inform our identification of, and responses to, ESG risks and opportunities. We seek to identify those issues with the most potential to impact our ability to operate successfully and create value for our shareholders and other stakeholders.

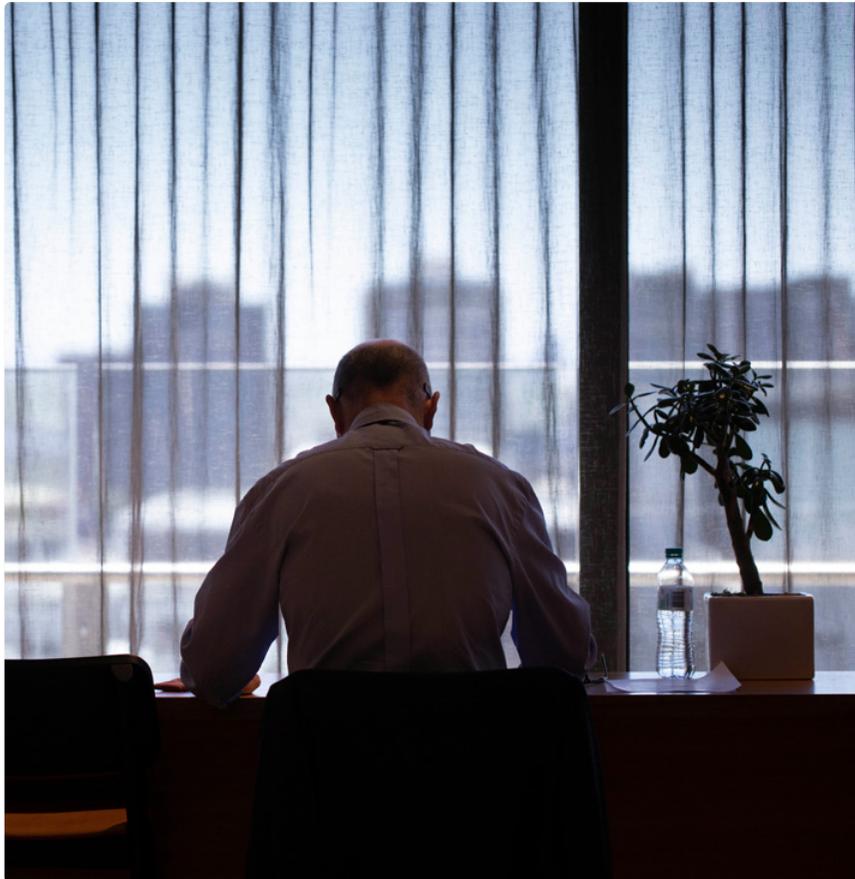


Image: ANZ Centre, Melbourne.

We use the results to inform our strategy, ESG targets, group remuneration scorecard and external reporting.

External views were sought through interviews with institutional investors, consumer and environmental NGOs, and our community partners on a broad range of ESG issues.

This year, our materiality assessment again highlights the importance of continuing to act on **climate change**. Greenwashing was identified as an emerging topic. A number of stakeholders also identified biodiversity as increasingly important.

The importance of **information security** has increased, commensurate to the scale and sophistication of scams targeting individuals. This is part of a broader theme of payments system safety. **Innovation and technology** is recognised as foundational to providing customers with a digitally connected experience, while also ensuring the responsible use of emerging technologies.

**Customer experience** is determined by the products we offer customers and the value they deliver, and ensuring we have empathetic and helpful processes for when things go wrong, such as managing complaints and for customers in financial difficulty. This is particularly important given the emerging impact of macroeconomic conditions on the cost of living and housing affordability.

As staff return to workplaces, **employee capability and wellbeing**, including mental health, was viewed as essential to maintain an engaged and resilient workforce.

These insights were presented to our executive Ethics and Responsible Business Committee and Board Ethics, Environment, Social and Governance Committee and helped inform the development of our public ESG targets and group scorecard.

## Our material issues

We considered the following in order to identify any changes in risks and opportunities that should be reflected in the list of material issues (as published on pages 6–8 of our 2021 ESG Supplement available at [anz.com/annualreport](https://anz.com/annualreport)):

- our Key Material Risks (refer to pages 36–40 of our 2022 Annual Report available at [anz.com/annualreport](https://anz.com/annualreport))
- our strategy, values and Code of Conduct (refer to pages 12–13 of our 2022 Annual Report available at [anz.com/annualreport](https://anz.com/annualreport))
- media analysis
- recent regulatory developments
- peer review
- industry trends, including the Sustainability Accounting Standards Board Materiality Map and the World Economic Forum's 2022 Global Risks Report
- the United Nations Sustainable Development Goals (SDGs).

For clarity, 'cyber security and data privacy' was renamed 'information security' to better capture the increasing threat of scams targeting individuals. Information security is intended to also cover data privacy.

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## Our top 5 material issues, ranked by stakeholders

Description of issue	Location of disclosure	Relevant UN SDGs
Climate change	<p>Managing the business risks and opportunities associated with climate change. Includes the role we play in supporting our customers to transition to a low carbon economy.</p> <p>2022 Annual Review, pages 16–17 and 38 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a></p> <p>2022 ESG Supplement, pages 16–27</p> <p>2022 Climate-related Financial Disclosures available at <a href="https://anz.com/annualreport">anz.com/annualreport</a> prior to our Annual General Meeting</p>	 
Information security	<p>Policies and processes in place to protect our systems, data and customers against scams and cyber attacks. Includes customer access to personal data.</p> <p>2022 Annual Review, pages 15 and 37–38 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a></p> <p>2022 ESG Supplement, pages 53–56</p>	
Innovation and technology	<p>Keeping pace with digital innovation to ensure we are offering our customers reliable and convenient products and services in a rapidly changing market.</p> <p>2022 Annual Review, pages 18–25 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a></p> <p>2022 ESG Supplement, pages 30 and 32</p>	
Customer experience	<p>Delivering value and improved customer experience through appropriate financial products and services for all customers, small business and personal.</p> <p>2022 Annual Review, pages 18–25 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a></p> <p>2022 ESG Supplement, pages 32 and 47–52</p>	
Employee capability and wellbeing	<p>Attracting and retaining a capable and engaged workforce, that is diverse and inclusive, helping us serve our customers better and drive strong business performance across the markets in which we operate. Includes supporting the physical and mental health and wellbeing of employees.</p> <p>2022 Annual Review, page 15 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a></p> <p>2022 ESG Supplement, pages 64–74</p>	  

## Other strategic priorities

Description of issue	Location of disclosure	Relevant UN SDGs
Financial wellbeing	<p>Promoting and enabling access to safe and affordable products and services, particularly for lower-income consumers and customers in need of extra care. Work with cross-sector partners to help customers, employees and the broader community meet current financial commitments and needs, and improve their financial resilience.</p> <p>2022 Annual Review, pages 14–15 and 18–19 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a></p> <p>2022 ESG Supplement, pages 28–36 and 47–50</p>	   
Housing	<p>Availability of suitable and affordable housing options for all Australians and New Zealanders.</p> <p>2022 Annual Review, pages 14–15, 18–19 and 24–25 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a></p> <p>2022 ESG Supplement, pages 41–44</p>	   

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Other strategic priorities continued

	Description of issue	Location of disclosure	Relevant UN SDGs
Fairness and ethical conduct	A strong corporate culture, known for ethics, values, fairness and transparency. Simple and understandable products and communications (i.e. product disclosure, including bank fees and charges) and appropriate hardship/collections policies.	2022 Annual Review, pages 36–39 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a> 2022 ESG Supplement, pages 45–52 and 57–59	
<b>Other issues (not ranked)</b>			
Anti-money laundering and terrorism financing	Compliance with international sanctions, anti-money laundering and terrorism financing requirements.	2022 Annual Review, page 37 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a> 2022 ESG Supplement, pages 55–56	
Banking regulation	Regulation of the banking sector, including policy and compliance requirements relating to consumer protection, risk management and capital adequacy.	2022 Annual Review, pages 36–42 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a> 2022 ESG Supplement, page 52	
Biodiversity	Managing the business risks and opportunities associated with biodiversity loss, as a result of species extinction and/or reduction. Includes the role we play in supporting our customers to manage their biodiversity impacts.	2022 Annual Review, pages 11, 16-17 and 38 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a> 2022 ESG Supplement, page 21 2022 Climate-related Financial Disclosures available at <a href="https://anz.com/annualreport">anz.com/annualreport</a> prior to our Annual General Meeting	  
Corporate governance	Appropriate governance frameworks in place (i.e. processes and policies, including those relating to risk management, executive remuneration and financial stability) to ensure ANZ is managed in the long-term interests of stakeholders.	2022 Annual Review, pages 26–35 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a> 2022 ESG Supplement, page 5 2022 Corporate Governance Statement available at <a href="https://anz.com/corporategovernance">anz.com/corporategovernance</a>	
Human rights	Supporting and respecting the human rights of our employees, customers and communities including through the expectations we have of our business relationships and supply chain.	2022 ESG Supplement, pages 62–63	 
Investing in the community	Supporting the communities in which we operate through workplace giving and volunteering; and recovery from natural disasters.	2022 ESG Supplement, pages 37–40	  

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# Stakeholder engagement

One of the ways we help create long-term value and deliver on our business strategy is through a collaborative and proactive approach to building and maintaining relationships with stakeholders.

With the challenges of the COVID-19 pandemic lingering in some markets, a focus on rising rate environments and cost of living pressures dominated 2022. To demonstrate trustworthiness and build on existing confidence, we have communicated openly, embedding stakeholder engagement in our policies, processes and operations. Outlined below are the key issues raised by our stakeholders throughout the year and how we responded.

## Customers

### How we engaged with them

- Branch staff and relationship managers (via calls, emails and letters) for specific customer support
- ANZ's online customer research community
- Online forums, surveys, focus groups, and individual in-depth interviews
- 'Voice of Customer' platform capturing feedback on customers' experience with ANZ
- Conversations with our Complaints Resolution Centre, Extra Care Hub and related functions
- Social media

### Key issues raised

- Increasing interest rates and how it impacts cost of living pressures
- Conduct and culture
- Products, fees and charges
- Customer service
- ANZ's digital propositions and the ANZ Plus app launch
- Agreement to acquire Suncorp Bank
- Information security, scams and data privacy
- Societal challenges (e.g. housing affordability and natural disasters)

### How we responded

Our response to the issues raised by customers can be found on pages 9–10 of this document and pages 18–25 of the 2022 Annual Report available at [anz.com/annualreport](http://anz.com/annualreport).

## Employees

### How we engaged with them

- Annual 'My Voice' survey and regular 'pulse' surveys
- Interactive webcasts and teleconferences with CEO and Executive Committee
- Direct people leader communication
- Internal communications channels, including intranet and Yammer
- Meetings with unions representing ANZ employees

### Key issues raised

- Future-proofing the workforce
- Flexible working arrangements and return to the office
- Business strategy and priorities
- Professional growth and development
- 'Speak up' culture
- Our purpose and ESG focus areas
- Indigenous Voice to Parliament
- Diversity and inclusion
- Proposed Non-Operating Holding Company structure
- Remuneration and reward; performance management

### How we responded

Our response to the issues raised by employees can be found on pages 45–46 and 64–74 of this document

## Government and regulators

### How we engaged with them

- Meetings with political stakeholders, public officials and regulators
- Submissions to Parliamentary committee inquiries and government and regulatory consultations

### Key issues raised

#### AUSTRALIA

- Initiatives concerning financial crime, including scam prevention, and cyber security
- ANZ's commercial activities, including the announced agreement to acquire Suncorp Bank and the creation of a Non-Operating Holding Company structure
- Reform to the *Privacy Act 1988*
- Measures ANZ has in place to engage with, and provide support to, Aboriginal and Torres Strait Islander customers
- Regional banking challenges (e.g. how banks are transitioning services and delivery models and the impacts on accessibility)
- The Australian Law Reform Commission's review of financial services laws
- Regulation of digital crypto asset service providers including brokers, dealers, exchanges and markets
- Climate disclosure
- The policy agenda resulting from the Royal Commission into Misconduct in the Banking, Superannuation and Financial

- Services Industry, including the proposed compensation scheme of last resort
- The review into the quality of financial advice

#### NEW ZEALAND

- Regulatory issues including responsible consumer lending, merchant service fees, the future of money, deposit compensation, conduct of financial institutions and prudential supervision
- Public policy development on issues including accessibility of banking services, climate-related financial disclosures, retirement savings, housing and macro-prudential tools, modern slavery, digital identity and the consumer data right
- Economic analysis and outlook provided by ANZ Research

### How we responded

We seek to listen to and engage constructively with government, regulators and policy makers, including participation in government consultations and parliamentary inquiries.

An overview of the work underway in response to issues raised is outlined on pages 16–21, 48 and 53–56 of this document and pages 10–11, 18–25 and 30 of the Annual Report available at [anz.com/annualreport](http://anz.com/annualreport).

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## Shareholders

### How we engaged with them

- Interim and full-year results briefings, and quarterly updates
- ESG investor briefings, strategy and other market updates
- Annual General Meeting
- Disclosure documents, including results announcements, investor presentations, external reporting suite and ASX lodgements

### Key issues raised

- Approach to managing the bank and supporting stakeholders through a challenging economic environment
- Opportunities and challenges associated with current and future operating conditions
- ANZ's strategic focus, business priorities and competitive advantage
- Financial performance, including the contribution from our divisions
- Supporting our large emitting customers build their climate change response
- Focus on cost management, productivity, investment spend and priorities
- Capital and balance sheet management, portfolio credit quality, liquidity and funding positions
- Proposed Non-Operating Holding Company structure
- Dividends
- ESG approach, commitments and progress

### How we responded

We seek to provide shareholders with quality information in a timely manner through our reporting suite, announcements and briefings to the market, shareholder communications and our dedicated shareholder site at [anz.com/shareholder](http://anz.com/shareholder).

In addition to the engagements above, we held two climate-focused investor roundtables and our fifth annual ESG investor briefing.

## Non-Government Organisations (NGOs)

### How we engaged with them

- Regular program of CEO and Senior Executive meetings with civil society leaders
- Direct engagement with NGOs and academics
- Regular engagement with peak bodies for professional community services, such as financial counselling
- Regular meetings with our community partners
- Conduct and culture
- Remediation and compensation schemes
- Regulatory reform in financial services
- Climate change policies, carbon risk management and biodiversity
- Human rights grievance mechanisms
- Impact of COVID-19 including capacity of community sector organisations to continue providing effective services

### Key issues raised

- Cost of living pressures
- Customer and community support due to geopolitical unrest, floods and other natural disasters in Australia, New Zealand and affected locations such as Tonga
- Family violence and support for customers and communities, including financial wellbeing initiatives for women and children; and children's rights
- Indigenous social and economic development
- Unemployment and social and economic participation
- Emerging humanitarian issues for refugees and support of new arrivals in Australia to avoid adverse labour practices, including modern slavery
- Financial wellbeing in the community including digital literacy and inclusion
- Homelessness in Australia
- Customers requiring extra care, hardship programs and consumer protection

### How we responded

Our response to the issues raised by NGOs can be found on pages 28–36, 40, 43, 47–50, 62–63 and 74 of this document and pages 10–11, 18–25 and 30 of the 2022 Annual Report available at [anz.com/annualreport](http://anz.com/annualreport). Our 2022 Climate-related Financial Disclosures will be released prior to our Annual General Meeting and made available at [anz.com/annualreport](http://anz.com/annualreport).

## Industry associations

### How we engaged with them

ANZ is a member of a number of industry associations. Key memberships include the Australian Banking Association (ABA), the Business Council of Australia, the New Zealand Bankers' Association, and Business New Zealand.

Through our memberships we:

- participate in discussions about industry-wide issues and strategy
- provide input to industry association responses to parliamentary inquiries and government consultations
- engage with consumer representatives to discuss issues affecting customers
- participate in the ABA Climate Risk and Modern Slavery Working Group which aims to develop an industry position on the practical response to climate change and modern slavery

### Key issues raised

- Review of the Banking Code of Practice
- Information security, scams and data privacy
- Climate change policy and approach to climate risks and opportunities, climate-related financial disclosures
- Modern slavery

### How we responded

We seek to contribute constructively to public policy formation and understand the perspectives of our community's elected representatives, policymakers and regulators. We contribute to policy on business, economic, social and environmental issues affecting our customers and shareholders.

We have begun a process of periodically reviewing our membership of key associations and will publicly disclose outcomes and any material change to our position. More information can be found on page 40 of this document.

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# Our ESG targets

Each year we set public targets that reflect our ESG focus areas, support the delivery of our business strategy and respond to our most material issues.

Progress against targets is reviewed by the executive Ethics and Responsible Business Committee quarterly and twice a year by the Board Ethics, Environment, Social and Governance Committee. As a founding signatory to the UN Principles for Responsible Banking, we have set targets that address our most significant potential impacts; and are aligned with the UN SDGs and the Paris Climate Agreement.

NEW AND REFINED

## ESG Targets for 2022

The following targets will be introduced in 2023, to extend work underway in our focus areas.

### Housing

#### Targets

Support more customers into healthier homes through discounted lending of NZ\$300m funds under management and 12,000 households by end 2025. (New Zealand).<sup>2</sup>

#### Relevant UN SDGs



### Financial wellbeing

#### Targets

Have 30% or more of ANZ Plus Save customers set a savings goal by end 2023.

#### Relevant UN SDGs



### Environmental sustainability<sup>3</sup>

#### Targets

Reduce the direct impact of our business activities on the environment by:

- Reducing Scope 1 and 2 emissions 85% by 2025 and 90% by 2030 (against 2015 baseline);
- Increasing renewable electricity to 100% by 2025;<sup>4</sup>
- Reducing water consumption by 40% by 2025 (against 2017 baseline);
- Reducing waste to landfill by 40% by 2025 (against 2017 baseline); and
- Reducing paper consumption (both office and customer paper use) by 70% by 2025 (against 2015 baseline).

#### Relevant UN SDGs



The above refined targets increase our environmental sustainability footprint ambitions and performance in line with our purpose, while balancing the expected 'normalisation' of consumption associated with staff returning to workplaces. The modelling of the new targets took into account future remote working arrangements, proposed efficiency projects, planned portfolio consolidation and an increase in renewable electricity usage. Refer to page 25 for further details.

Improve the management of climate change risks through the following activities by end 2023:

- preparing a set of risk standards based on regulatory obligations, to be applied across all countries and territories where ANZ operates;
- extending our Climate Change Risk Assessment methodology beyond our Project Finance business starting with Institutional customers in higher emitting sectors such as resources and energy; and
- developing a data strategy to inform our approach to sourcing and integrating climate data into sectoral transition pathways, scenario analysis, stress testing and analytics. This will include learning from the New Zealand climate risk program.



## > 2022 ESG targets performance<sup>1</sup>

This year we have achieved, or made good progress against, the majority of our targets.

Details of our targets and performance are set out on the subsequent pages.

✓ 26% Achieved

→ 37% Partially achieved or in progress

⊕ 37% Refined target set

<sup>1</sup>. Unless otherwise noted, targets are Group-wide and cover the financial year 1 October 2021 – 30 September 2022. <sup>2</sup>. The target consists of drawdown funds under management, is cumulative and includes the following products that have been provided since 1 October 2020: Healthy Home Loan Package Interest-free Insulation Loans (n.b. product rolled off July 2022) and Good Energy Home Loan. <sup>3</sup>. Environmental reporting year is 1 July to 30 June, in line with the Australian regulatory reporting year. <sup>4</sup>. Set in 2019, no change from 2021 target.

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# 2022 ESG targets performance summary

## Financial wellbeing

GO TO SECTION

Improving the financial wellbeing of our people, customers and communities by helping them make the most of their money throughout their lives.

Targets	Performance	Status	Relevant UN SDGs
Support 1.3 million customers to save regularly, by end 2022. (Australia and New Zealand)	<p>Since October 2021, we have supported nearly 1.5 million customers to save regularly, including through:</p> <ul style="list-style-type: none"> <li>• Delivery of Your Money Report into ANZ App and Internet Banking (Australia);</li> <li>• Saver Plus, ANZ's matched savings program delivered in conjunction with community partners (Australia); and</li> <li>• Delivery of a savings campaign that encouraged active savings habits of regular deposits into customers savings accounts (New Zealand).</li> </ul>	✓	
Publish Adult Financial Wellbeing Research to inform our product design and financial literacy program delivery, by end 2022.	<ul style="list-style-type: none"> <li>• The triennial Adult Financial Wellbeing Survey and related communications were published in December 2021.</li> <li>• We continue to share survey insights with key internal stakeholders (e.g. Financial Wellbeing Leads Group and Accessibility Steering Committee) and external stakeholders (e.g. industry associations and community sector).</li> </ul>	✓	
Establish seven new partnerships to expand the reach and improve the impact of MoneyMinded for disadvantaged communities, by end 2023.	<ul style="list-style-type: none"> <li>• Since October 2020 we have established six new MoneyMinded Partners: Fruition Horticulture Bay of Plenty (NZ), Regent Training Centre (NZ), the Reserve Bank of Fiji (Fiji), Powerpac (Australia/Pacific), Dili Institute of Technology (Timor-Leste) and USP Pacific-European Union Marine Partnership Programme (Fiji).</li> <li>• We continue to explore new partnership options in Australia, New Zealand, and across Asia and the Pacific.</li> </ul>	→	   

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**Environmental sustainability** GO TO SECTION

Supporting household, business and financial practices that improve environmental sustainability.

Targets	Performance	Status	Relevant UN SDGs
<p>Fund and facilitate at least AU\$50 billion by 2025 towards sustainable solutions for our customers, including initiatives that help improve environmental sustainability, support disaster resilience, increase access to affordable housing and promote financial wellbeing.</p>	<ul style="list-style-type: none"> <li>Since October 2019, we have funded and facilitated \$40.04 billion towards the target, of which \$25.79 billion is funded and \$14.24 billion is facilitated.</li> </ul>		
<p>Engage with 100 of our largest emitting business customers to encourage them to, by end 2024:</p> <ul style="list-style-type: none"> <li>strengthen their low carbon transition plans so that more customers achieve a 'well developed' or 'advanced' rating; and</li> <li>enhance their efforts to protect biodiversity.</li> </ul>	<ul style="list-style-type: none"> <li>61 customers now have 'well developed' or 'advanced' plans versus 42 in September 2021.</li> <li>Our engagement with our largest emitting customers on biodiversity has been positive. We are seeing increased customer awareness of biodiversity and an increasing willingness to improve holistic management approaches, such as putting in place governance and strengthening how they measure their impacts on nature.</li> <li>Currently customers are less progressed in setting targets and disclosure around biodiversity compared with developing low carbon transition plans. However, we expect progress to continue in line with developments in the Taskforce on Nature-related Financial Disclosures (TNFD).</li> </ul>		
<p>Develop an enhanced climate risk management framework that strengthens our governance and is responsive to climate change, by end 2022.</p>	<ul style="list-style-type: none"> <li>We have continued to improve our management of climate risks within our risk management framework through workstreams focused on regulatory monitoring, policy and processes, risk appetite, data and analytics through:                             <ul style="list-style-type: none"> <li>Reviewing and assessing current and emerging regulatory requirements across the jurisdictions in which we operate;</li> <li>Refining our Risk Appetite Statements for Institutional and including climate risk in lending criteria documents in the Australia Retail, Commercial and New Zealand portfolios; and</li> <li>Participating in the Australia Prudential Regulation Authority (APRA) Climate Vulnerability Assessment, which assessed the potential impact of physical and transition risks to parts of our Australian mortgages and business lending portfolios.</li> </ul> </li> </ul> <p>While progress has been made against this target, climate risk management is an emerging component of risk. Throughout 2022 we have identified further steps that we can undertake to improve the management of climate risk. Refer to page 18 for our refined climate risk management 2023 target.</p>		

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Environmental sustainability continued [GO TO SECTION](#)

Supporting household, business and financial practices that improve environmental sustainability.

Targets	Performance	Status	Relevant UN SDGs
<p>Reduce the direct impact of our business activities on the environment<sup>5</sup> by:</p> <ul style="list-style-type: none"> <li>reducing Scope 1 and 2 emissions by 24% by 2025 and by 35% by 2030 (against a 2015 baseline)</li> </ul>	<ul style="list-style-type: none"> <li>Scope 1 and 2 emissions have decreased by <b>51%</b> since 2015.</li> </ul>		
<ul style="list-style-type: none"> <li>increasing renewable energy use to 100% by 2025<sup>6</sup></li> </ul>	<ul style="list-style-type: none"> <li><b>39%</b> of energy consumption associated with our operations is from existing renewable energy projects.</li> </ul>		
<ul style="list-style-type: none"> <li>reducing potable water consumption by 25% by 2025 (against a 2017 baseline<sup>7</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>Water consumption has decreased by <b>61%</b> since 2017.</li> </ul>		
<ul style="list-style-type: none"> <li>reducing waste to landfill by 30% by 2025 (against a 2017 baseline)</li> </ul>	<ul style="list-style-type: none"> <li>Waste to landfill has decreased by <b>75%</b> since 2017.</li> </ul>		
<ul style="list-style-type: none"> <li>reducing paper consumption (office and customer paper use only) by 60% by 2025 (against 2015 baseline).</li> </ul>	<ul style="list-style-type: none"> <li>Paper consumption has decreased <b>69%</b> since 2015.</li> </ul>		

The COVID-19 pandemic has unquestionably changed the way we do business, making it necessary to refine our 2025 and 2030 environmental sustainability footprint targets to align with more flexible working arrangements for employees, refer to page 11 for our refined targets and page 25 for more information.

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<sup>5</sup> Environmental reporting year is 1 July to 30 June, in line with the Australian regulatory reporting year. <sup>6</sup> Self-generated renewable electricity, direct procurement from offsite grid connected generators e.g. Power Purchase Agreement (PPA) and default delivered renewable electricity from the grid, supported by credible attributes in accordance with RE100 technical guidelines. <sup>7</sup> This target was submitted to the Science Based Targets Initiative (SBTI) for informal review, and SBTi provided written confirmation that it may be considered and communicated as science-based. We prepared our target using the Science Based Targets Initiative (SBTI) methodology, however this does not include emissions arising from our financing activities (Scope 3).

**Housing** GO TO SECTION

Improving the availability of suitable and affordable housing options for all Australians and New Zealanders.

Targets	Performance	Status	Relevant UN SDGs
Fund and facilitate AU\$10 billion of investment by 2030 to deliver more affordable, accessible and sustainable homes to buy and rent. (Australia/New Zealand)	<ul style="list-style-type: none"> <li>Since October 2018, we have funded and facilitated over \$4.4 billion to support the delivery of more affordable, accessible and sustainable homes to buy and rent.</li> </ul>		
Support more customers into healthier homes with our Healthy Home Loan Package and Interest-free Insulation Loans – through a 2% <sup>8</sup> increase of funds under management and a 4% <sup>9</sup> increase in customer numbers by 2025. (New Zealand)	<ul style="list-style-type: none"> <li>Since October 2020, we have supported 1,446 households into healthier homes through our Healthy Home Loan Package (55 households) and our Interest-free Insulation Loans (1,391 households).</li> <li>Our initial target was set using a methodology that is now outdated. A refined target has therefore been set (see page 11), which reflects our expanded product suite including our new Good Energy Home Loan.</li> </ul>		

**Fair and responsible banking** GO TO SECTION

Keeping pace with the expectations of our customers, employees and the community, behaving fairly and responsibly and maintaining high standards of conduct.

Targets	Performance	Status	Relevant UN SDGs
Implement ANZ's new Customer Extra Care Framework, including enhanced training of 5,000 employees to build their capabilities with respect to identifying, supporting and referring impacted customers, by end 2022 (Australia).	<ul style="list-style-type: none"> <li>Enhanced training has been provided to more than 5,000 Australian employees through a combination of leader-led meetings and workshops to identify and support customers in need of extra care. Topics included family violence, elder financial abuse, interpreter services, gambling harm, supporting customers with disability and those experiencing bereavement.</li> </ul>		
Implement ANZ's new human rights grievance mechanism, and publicly report on complaints received under the mechanism, by end 2022.	<ul style="list-style-type: none"> <li>The grievance mechanism materials were made available on <a href="https://anz.com">anz.com</a> in November 2021. No complaints have been received to date.</li> <li>Internal process documentation will be continually reviewed and refined.</li> </ul>		
Achieve the 17 actions in our Reconciliation Action Plan, by end 2024. <sup>10</sup> (Australia)	<ul style="list-style-type: none"> <li>We made good progress against the 17 actions in our Reconciliation Action Plan, meeting 99% of commitments that fell due within 2022.</li> </ul>		

8. Off a 2021 baseline. 9. Off a 2021 baseline. 10. This target was altered reflect the language included in the Reconciliation Action Plan, following feedback from Reconciliation Australia.

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# Our approach to climate change



We want to be the leading Australia- and New Zealand-based bank in supporting customers' transition to net zero emissions by 2050.

Our environmental sustainability strategy identifies priority sectors, technologies and financing opportunities to help achieve our ambition. Our climate change commitment provides the framework for our strategy and our commitment to enable the transition by working to align our lending portfolio to net zero emissions by 2050. We joined the Net-Zero Banking Alliance (NZBA) in 2021, reflecting that commitment.

The most important role we can play in meeting the Paris Agreement goals is to help our customers reduce emissions and enhance their resilience to a changing climate. We support an orderly transition that recognises and responds to social impacts. This aligns with our purpose to shape a world in which people and communities thrive.

To achieve our environmental sustainability strategy we are:

- directing our finance into key priority areas, refer to page 17
- aligning our lending decisions to the Paris Agreement goals and have disclosed metrics and targets for our power generation portfolio and large-scale commercial buildings
- progressively developing metrics and targets for key sectors, in line with our NZBA commitment, which is aimed at ensuring the majority of our portfolio emissions are covered by end 2024

- funding and facilitating \$50 billion of sustainable solutions by 2025, to support customers in their efforts to achieve improved environmental outcomes, including the reduction of their greenhouse gas emissions. This year, 140 transactions worth \$18.09 billion have been completed, bringing our progress towards our \$50 billion target to \$40.04 billion since October 2019. Refer to page 22 for further details
- equipping our employees with a deeper understanding of climate risks and opportunities, focusing on our Institutional bankers in key priority sectors such as resources, energy and agribusiness
- reducing emissions from our operations, including a target to increase renewable energy use to 100% by 2025<sup>1</sup> and setting updated targets for our environmental footprint; refer to page 25 for further details
- implementing strategic partnerships, for example with climate advisory and investment firm, Pollination
- actively participating in recognised industry associations to help shape policy development and settings to enable the development of taxonomy and standards
- engaging constructively with stakeholders on our approach through ESG market briefings, investor roundtables, civil society engagement and other avenues

<sup>1</sup> Self-generated renewable electricity, direct procurement from offsite grid connected generators e.g. Power Purchase Agreement (PPA) and default delivered renewable electricity from the grid, supported by credible attributes in accordance with RE100 technical guidelines.

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**Examples of how we are directing our finance into key priority areas and sectors of opportunity this year include:**

We have participated in a new \$1.45 billion Green Loan for the Intellihub Group to fund the rollout of smart meters across Australia and New Zealand. And we financed the first-ever EV battery manufacturing plant in South-East Asia for HLI Green Power, a joint venture bringing together the Hyundai Mobis, Hyundai Motor Company, Kia Coporation and LG Energy Solutions in Korea, demonstrating the value of our regional network, which is the broadest and deepest of the Australian banks.

We have also piloted the trading of tokenised carbon credits, using ANZ's Australian-dollar stablecoin. The transaction was successfully executed with long-term customer, Victor Smorgon Group. Finally, we have a memorandum of understanding to develop a carbon farming and biodiversity

project that combines native reforestation and biomass harvesting. This project has potential to support our customers by contributing to supply and distribution capabilities for high-quality carbon credits. The project is expected to provide opportunities for rural landowners in the Wheatbelt community in Western Australia, developed together with major corporate customers INPEX and Qantas. The diverse nature of these examples show the breadth and growth in our environmental sustainability capabilities across our portfolio.



**Our 2022 Climate-related Financial Disclosures will be released prior to our Annual General Meeting (AGM). This will be our sixth report using the Task Force on Climate-related Financial Disclosures, (TCFD) recommendations and will be available at [anz.com/annualreport](https://anz.com/annualreport)**



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**1.** Supporting sustainable resource extraction in areas such as iron ore, lithium, nickel, cobalt, rare earths, copper and bauxite. **2.** Supporting basic materials production including green steel and low-carbon aluminium production. **3.** Supporting new technology projects focused on upstream hydrogen and carbon capture use and storage. **4.** Initial focus on financing high-efficiency residential buildings and retrofits. **5.** Supplying green investment options for environmental sustainability-focused funds/insurers and partnering with financial institutions to deliver alternative capital.

## Climate risk management framework

We are making progress to improve our management of climate risks to strengthen our governance and respond to climate change.

Our Climate Advisory Forum, chaired by Mark Whelan, Group Executive Institutional, includes our Chief Risk Officer and other executives. The forum supports execution of our climate policy, disclosures and related matters including sustainability opportunities across the Group.

We continue to improve our management of climate risks through Risk workstreams focused on regulatory monitoring, policy governance, risk appetite, data and analytics.

This year we have been focused on:

- reviewing and assessing current and emerging regulatory requirements across the jurisdictions in which we operate;
- refining our Risk Appetite Statements for Institutional and including climate risk in lending criteria documents in the Australia Retail, Commercial and New Zealand portfolios;

- participating in the Australia Prudential Regulation Authority (APRA) Climate Vulnerability Assessment;
- implementing an additional screening process for energy transactions, which includes escalation requirements for material transactions;
- adding a new climate risk topic within our Wholesale Judgemental Credit Requirements, which defines climate risks to help bankers consider these risks as part of customer credit assessments;
- digitising our Social and Environmental Risk Screening tool used to assess Institutional and Corporate customers, refer to page 57 for further details;
- piloting a Climate Change Risk Assessment (CCRA) for all Project Finance credit assessments (new transactions and Annual Reviews). The CCRA aims to identify and evaluate climate risks, including Physical and Transition. Outcomes of the assessment are included in and inform the credit decisions; and
- engaging with industry bodies and consultants to better understand data that could be used to assess physical risks across our portfolio.

We also participated in the Australian Prudential Regulation Authority's (APRA) Prudential Practice Guide CPG 229 Climate Change Financial Risks self-assessment survey, along with 63 other APRA-regulated entities in March. The voluntary survey was designed to provide insights into the alignment of climate risk practices by APRA-regulated institutions with the expectations set out in CPG 229.

The findings recently published show that an area for improvement for entities is metrics and targets, with forward looking exposure to physical and transition risk disclosures being limited. However, APRA recognised that climate risk is an emerging discipline compared with other traditional risk areas and assessing and managing climate risk is complex and resource-intensive. Sophisticated risk analysis will require strategic effort and investment.

We will use the findings of the survey to consider any potential enhancements to our approach in applying CPG 229.

## Our next steps outlined in our new ESG target are that by 2023, we will:

- prepare a set of risk standards based on regulatory obligations, to be applied across all countries and territories where ANZ operates;
- extend our Climate Change Risk Assessment methodology beyond our Project Finance business; starting with Institutional customers in higher emitting sectors such as resources and energy; and
- develop a data strategy to inform our approach to sourcing and integrating climate data into sectoral transition pathways, scenario analysis, stress testing and analytics. This will include learning from the New Zealand climate risk program.

We continue to measure the carbon intensity of higher emitting industry exposures within our portfolio and are intending to develop a strategy to enhance our ESG data and analytical capabilities further. Improved data and insights will allow us to define a Group-wide strategy that will inform appetite settings, enabling us to develop scenarios to stress test particular portfolios.



**Our 2022 Climate-related Financial Disclosures will include further disclosures and will be released prior to our Annual General Meeting with further details available at [anz.com/annualreport](https://anz.com/annualreport)**

## ➤ APRA's Climate Vulnerability Assessment

Earlier this year we participated in APRA's Climate Vulnerability Assessment (CVA), which assessed the potential impact of physical and transition risks to parts of our Australian mortgages and business lending portfolios.

The three key objectives of the CVA were:

- to assess potential financial exposure to climate risk;
- to understand how banks may adjust business models and implement management actions in response to different scenarios; and
- to foster improvement in climate risk management capabilities.

APRA's CVA comprised two stress tests, a counterparty assessment and data quality assessment.

APRA intends to disclose the outcomes of the CVA in late 2022.

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## Customer engagement

We committed to engage with 100 of our largest emitting business customers, to encourage them to strengthen their low carbon transition plans and enhance their efforts to protect biodiversity, by end 2024.

Last year, transition plans for 100 of our largest emitting business customers were grouped into levels of maturity – advanced, well developed, underdeveloped/starting out, and no public plans. Low-carbon transition plans are typically re-assessed annually, with engagement occurring throughout the year. As part of this engagement we expect more customers to further improve their plans to a ‘well developed’, or ‘advanced’ stage.

Customers continue to value our engagement on this topic, and our perspectives. Several customers outside of the 100 have sought to engage with us, seeking clarity on our expectations, or requesting suggestions to improve their approach.

For those customers starting out, we provide support in the form of insights into enhanced customer practices we have observed through our engagements. Where customers are further advanced, we encourage them to find ways to strengthen their approach and provide options for how we could potentially assist, including setting ‘stretch’ targets linked to improved financing terms in the form of sustainability linked lending.

Within each industry our customers have different starting points. Since the initial maturity assessment in 2021, many customers have improved their governance,

strategies and targets or disclosures, leading to an improved level of transition planning.

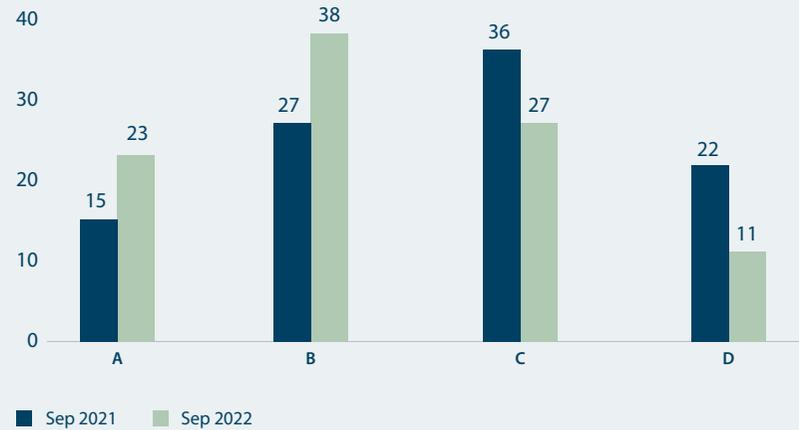
This is a positive step change over a 12-month period, as our customers continue to build their capacity to transition. For example, while many customers already had targets in place, we have observed a ‘strengthening’ in approach with a rise in the intention to develop ‘Paris aligned’ or ‘science-based’ targets and in those intending to report under the TCFD framework.

Discussions are typically led by our relationship managers and can include discussions with the Institutional Group Executive, Chief Risk Officer and senior executives from our customers. Where a customer remains in the ‘no public plan’ category, or in situations where there is a continued misalignment in approach, we will consider the most appropriate actions on a customer-by-customer basis.

Over the course of our engagement with our customers, there have been instances where we declined finance or reduced limits to customers with less developed plans or a misalignment in approach. These decisions were made in line with our Climate Change Commitment and Social and Environmental Risk Policy.

Overall our engagement with our largest emitting customers has progressed well this year – we’ve completed discussions with 99 customers on their progress in enhancing their low carbon transition plans and efforts to protect biodiversity. 61% of customers now have well developed or advanced plans versus 42% in September 2021. This keeps us on track to meet our public target for more customers to achieve this level of maturity in their plans by end 2024.

## 100 of our largest emitting business customers – by transition plan category<sup>1</sup>



### Customer transition plan categories

A – Advanced    B – Well developed    C – Underdeveloped/starting out    D – No public plans

### Since September 2021 we have upgraded our assessment of 29 customers:

- > 7 from B to A
- > 13 from C to B
- > 5 from D to C
- > 1 from C to A
- > 3 from D to B

<sup>1</sup> We replaced six customers in 2022 due to exits or significantly reduced exposures, or due to mergers and acquisition activities. Replacements on this list are typically from a similar sector, located in the same country or region, a similar level of exposure and emissions and at a similar stage of their transition planning.

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> Examples of characteristics of customers within categories:

**Energy company –  
Category A**

- ✓ Governance
- ✓ Targets
- ✓ Disclosures

**CUSTOMER**

- Acknowledges climate risk is a material risk and opportunity; has well developed plans and actions (by reference to their governance, targets, disclosures, and committed to net zero emissions by 2050)
- Climate resilience is a key pillar of its sustainability strategy
- Public goal of net zero emissions by 2050 across its portfolios
- Strong governance in place to manage climate risk
- TCFD-aligned reporting

✓ In place/met    → In progress

**Diversified industrial company –  
Category B**

- ✓ Governance
- ✓ Targets
- ✓ Disclosures

**CUSTOMER**

- At a well developed stage with well developed plans and actions
- Public climate change commitment; climate issues are considered by Sustainability Management Committee that report to their Board
- 2030 emissions reductions targets in place
- A long-term vision of striving for net zero by 2050
- Reports using the TCFD guidelines, scope to improve

**Large commodities company –  
Category C**

- ✓ Governance
- ✓ Targets
- Disclosures

**CUSTOMER**

- At an underdeveloped/starting out stage: acknowledgement, but with limited plans and/or actions
- Sustainability and climate risk discussed with Board Risk Committee at regular intervals; Chairman and CEO oversee their climate approach
- Has targets to reduce 'emissions intensity' across some of its operations
- Moving towards TCFD-aligned reporting; has a 'TCFD index' in its reporting<sup>2</sup>

**Large retailer –  
Category D**

- Governance
- Targets
- Disclosures

**CUSTOMER**

- No public plans evident; however, is establishing an Executive Sustainability Committee which will provide greater oversight
- Developing sustainability projects at a business and franchisee level
- Has engaged an external consultant to help develop a sustainability framework
- Acknowledges the need to develop a transition plan, though unclear at this stage whether it will be made public
- Have not reported against TCFD



Our 2022 Climate-related Financial Disclosures report which will provide further detail on our customer engagement program during 2022 and will be available at [anz.com/annualreport](https://anz.com/annualreport) prior to our Annual General Meeting.

2. Others in category C may be reporting against TCFD, with uplift required in key areas such as governance, metrics and targets.



## Biodiversity

We acknowledge the need to protect, restore and mitigate biodiversity loss including as a result of species extinction or decline, ecosystem degradation and nature loss. We seek to understand the impacts – positive and negative – our large business customers can have on biodiversity. We recognise the contribution we can make by working with our customers to understand risks and opportunities posed by their operations and to manage their impacts. We are committed to working with customers that support social and environmental sustainability in their approach.

In line with our Social and Environmental Risk Policy, we expect our business customers to use internationally accepted industry practices to manage social, environmental and economic impacts, including potential impacts on biodiversity.

Our Land Acquisition Statement acknowledges we will not knowingly support customer activities that significantly impact on culturally or environmentally sensitive areas, including: World Heritage Areas, wetlands on the Ramsar list, designated national parks and conservation areas, activities that threaten species listed in

CITES, the IUCN Red List or relevant national legislation, activities that result in the broad-scale conversion of intact native forests and High Conservation Value Areas, or activities which are in breach of agreed international treaties and agreements.

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**This year we broadened our engagement with 100 of our largest emitting business customers to include a focus on biodiversity, encouraging and supporting them to identify and manage their potential impacts and dependencies on biodiversity – so far, we’ve engaged with 99 customers with this in mind. We encourage them to establish or strengthen their approach to biodiversity through effective Board governance, policies and strategies, and disclosures using recognised indicators or metrics.**

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Our engagement with our largest emitting business customers on biodiversity has been positive. We are seeing increased customer awareness of biodiversity and an increasing willingness to improve holistic management approaches, for example putting in place governance and strengthening how they measure their impacts on nature.

We look to understand the impacts of a customer on biodiversity, and the impacts that biodiversity-loss may have on the customer. Currently customers are less progressed in setting targets and disclosure around biodiversity compared with their progress in developing low carbon transition plans, though we expect progress to continue in line with developments in the Taskforce on Nature-related Financial Disclosures (TNFD).

Customer engagement to date indicates a group of leaders – some with ‘no net loss’ and others with ‘positive impact’ commitments. For example one customer in our largest emitting customer group is identifying and understanding the material biodiversity issues at their operations, including deforestation management, and is conducting an audit of wildlife sightings to ensure more robust measurement.

We are considering how we might apply what we learn from our customer engagement to identify and engage with other large business customers likely to have significant impacts on biodiversity.

We welcome the establishment of the TNFD and have joined the TNFD Forum to support their work. We recognise their important role in driving widespread and improved disclosures of biodiversity impacts.

# Sustainable finance

Customer demand for sustainable finance products and services continued to grow this year, in both transaction volume and financing format. Sustainability-linked loan volumes increased significantly, while green, social, sustainability and sustainability-linked bond issuance volumes were impacted due to prevailing challenges in capital markets globally. Following the expansion of our sustainable solutions product suite, we provided the bank's inaugural green and sustainability-linked guarantees, and sustainability-linked derivatives for customers.

## > During 2022

We participated in 127 sustainable finance deals with a total deal size of \$155 billion<sup>1</sup>, compared to 81 deals with a total deal size of \$119 billion in 2021:

**\$112B** (64 deals) from **International**



**\$33B** (41 deals) from **Australia**



**\$10B** (22 deals) from **New Zealand**



- **\$24 billion** (25 deals) from Financial Institutions Group
- **\$71 billion** (38 deals) from Diversified Industries
- **\$22 billion** (15 deals) from Food, Beverages and Agriculture
- **\$28 billion** (27 deals) from Resources, Energy and Infrastructure
- **\$10 billion** (22 deals) from Property and Health

## Partnerships & initiatives

**We play a role in sharing research and insights, enabling cross-industry collaboration and supporting development and implementation of sustainable finance industry standards.**

### Australian Sustainable Finance Institute

ANZ is a founding member of the Australian Sustainable Finance Institute (ASFI), which developed a roadmap to re-align Australia's financial system to enable the transition to a more resilient and sustainable economy. The roadmap sets out 37 recommendations tackling a broad suite of challenges including climate change, biodiversity loss and economic inequality.

In 2022, the Institute made ongoing progress towards implementing priority recommendations. This includes establishing the Taxonomy Technical Advisory Group and the Taxonomy Steering Committee to begin development of the Australian Sustainable Finance Taxonomy. The Institute also supports and contributes to a well-informed Australian voice in the development and implementation of the Taskforce for Nature-related Financial Disclosures (TNFD). ASFI members have participated in several workshops organised by the Australian Government designed to educate and raise awareness on development of the TNFD.

### Toitū Tahua Centre for Sustainable Finance

ANZ New Zealand is a founding member of the Toitū Tahua Centre for Sustainable Finance (CSF), established in July 2021 as a charitable trust under the umbrella of the Aotearoa Circle. The Aotearoa Circle is a

partnership of public and private sector leaders, committed to the pursuit of sustainable prosperity and reversing the decline of New Zealand's natural resources. In 2022, the CSF began implementing the Aotearoa Circle Roadmap for Sustainable Finance, focusing on three key areas: changing mindsets, transforming the finance system and financing the transformation. It aims to support the stakeholder engagement process that underpins CSF. For example, one of the most recent gatherings was the Toitū Tahua Inclusion Summit, held in July 2022, attended by Māori/Iwi organisations, corporates, community organisations and government/regulators to collectively consider new models for increasing accessibility of services to communities and formulate ideas for action.

### Orange Bond Initiative

In 2022, ANZ joined the Orange Bond Initiative™ as a Steering Committee member alongside U.S. International Development Finance Corporation, Australian Department of Foreign Affairs and Trade, the United Nations Capital Development Fund, Water.org, Shearman & Sterling and Nuveen. This industry initiative, facilitated by Impact Investment Exchange, aims to mobilise capital towards gender-lens investing through Orange Bonds. Orange Bonds relate to a sub-segment of social bonds related to gender (orange is the colour of SDG 5 – Gender Equality). The Initiative's mission is to empower around 100 million women and girls worldwide by unlocking US\$10 billion by 2030 to place women at the forefront of capital markets to achieve the UN's 17 SDGs and build a more inclusive, climate-resilient future. The Steering Committee will be focusing on designing gender bond criteria and creating an enabling ecosystem.

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1. Of the 127 sustainable finance deals we participated in, \$4.4 billion was attributed to ANZ via our distribution capability, and \$13 billion via on balance sheet loans and other credit lines.

### Progress against our sustainable solutions target

We have committed to fund and facilitate at least \$50 billion by 2025 towards sustainable solutions for our customers, including initiatives that help improve environmental sustainability, increase access to affordable housing and promote financial wellbeing.



- ENVIRONMENTAL**
- \$2.7 billion Energy<sup>1</sup>
  - \$5.3 billion Green Building
  - \$0.2 billion Waste
  - \$0.3 billion Water
  - \$0.8 billion Transport<sup>2</sup>
  - \$0.03 billion Environmental Markets<sup>3</sup>
  - \$0.3 billion Information & Communication Technology<sup>4</sup>

- SUSTAINABILITY-LINKED**
- \$14.2 billion Sustainability-linked Facilities<sup>5</sup>
- SOCIAL**
- \$1.5 billion Affordable Housing
  - \$0.5 billion Other Social<sup>6</sup>

- \$12.6 billion ESG-format Bonds<sup>7</sup>
- \$1.1 billion Green Buildings/Renewable Loan Distribution<sup>8</sup>
- \$0.5 billion Advisory

Since October 2019 we have funded and facilitated \$40.04 billion across 332 transactions. This includes green, social, sustainability, sustainability-linked and transition loans and bonds, energy and affordable housing. \$25.8 billion of transactions are on balance sheet loans and other credit lines provided to borrowers by ANZ, while \$14.2 billion has been facilitated – including through advisory services;

ESG-format bonds; and loans initially underwritten by ANZ- and subsequently sold on to other lenders.

The majority of target transactions provide funding for sustainability-linked facilities, green buildings, energy and affordable housing (55%, 21%, 11% and 6% of funded transactions respectively), and facilitate ESG-format bond issuance (89% of facilitated transactions).

### Supporting our customers and industries to transition

We are focused on identifying opportunities to support our customers' path to net zero emissions and enhance their resilience to a changing climate. Examples of products we provide include:

#### Green, Social and Sustainability Loans

Lending to deploy capital into green, social and sustainability initiatives, where borrowers are required to use the proceeds of a loan to invest in qualifying green and/or social assets.

#### HIGHLIGHT

In November 2021, ANZ participated in a new \$1.45 billion Green Loan for the Intellihub Group to fund the rollout of smart meters across Australia and New Zealand.

Smart electricity meters facilitate reduced energy use and increased energy efficiency to support businesses and households to better manage their energy use. The uptake of renewable and distributed energy is also critical to achieving a decarbonised electricity network. This Green Loan is the first to receive Electrical Grids and Storage Certification under the Climate Bonds Standard. ANZ acted as Joint Arranger and Sole Green Loan Coordinator.

**1.** Includes Wind/Solar/Battery/Transmission Infrastructure/Energy Transition/Energy Efficiency. **2.** Low carbon transportation projects such as light rail, electric vehicle manufacturing. **3.** Corporate loans for businesses in environmental/carbon project development which facilitate the transition to net zero or create nature positive outcomes. **4.** Networks, management and communication tools which facilitate the transition to net zero, e.g. power management, broadband. **5.** Corporate loans to borrowers across multiple industry sectors where terms are linked to improved performance against agreed environmental and/or social targets that reflect the borrower's material sustainability risks, e.g. emissions reduction, increased renewable energy consumption, labour force diversity. **6.** Includes credit lines to global development banks and agencies providing support to emerging economies, and social component of Sustainability Loans. **7.** Green, Social, Sustainable, Sustainability-Linked and Transition Bonds and other ESG-related bonds within the sustainable finance market. **8.** Loans initially underwritten by ANZ and subsequently sold on to other lenders, e.g. other banks, fund managers and super funds.

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## Sustainable initiatives in New Zealand

In New Zealand we also offer products to support our business and retail customers' low carbon transition:

- **Good Energy Home Loan top up:** available for retail customers to upgrade homes with solar panels, heating and insulation, double glazing, ventilation systems and rainwater tanks. It can also be used for electric and hybrid vehicles, and electric vehicle chargers. Refer to page 43 for further details on the number of customers taking up the product since its launch in July 2022.
- **Healthy Home Loan Package:** offers discounts on home loan interest rates and other benefits for energy efficient homes. Customers can apply for the package if they are buying, building, renovating, or already own a home with a 6 Homestar rating or higher. Refer to page 43 for further details on the number of customers taking up the product.
- **Business Green Loan:** available for business customers to finance (or refinance) renewable energy initiatives, green buildings, native planting, sustainable land and water use to make a positive environmental impact. Launched in late August 2022, businesses are able to borrow up to NZ\$3 million at a special floating rate of 3.85% per annum – a 1.5 percentage point discount on the Business Term Loan floating base rate.

The loan is currently the only advertised green loan product in the market available to business customers and linked to the Loan Market Association's Green Loan Principles.

### HIGHLIGHT

In February/March 2022, Auckland Council refinanced a NZ\$200 million facility into a Sustainability-Linked Loan, accompanied by a Sustainability-Linked Derivative. The sustainability performance targets used for both instruments included increasing the number of low emissions buses in Auckland Transport's bus fleet, reducing the Council's greenhouse gas emissions and supporting Māori- and Pasifika-owned businesses and social enterprises in Auckland – by strengthening the Council's social procurement model. ANZ acted as the Sole Sustainability Coordinator.

### ANZ/Clean Energy Finance Corporation (CEFC) Energy Efficient Asset Finance (EEAF) Program

Financing to incentivise Australian commercial and agribusiness customers to invest in energy efficient and renewable energy technologies to reduce energy costs and carbon emissions.

**2022: closed 15 deals, \$16.8M volume**

### HIGHLIGHT

In August 2022, ANZ extended its \$200 million funding program with the Clean Energy Finance Corporation (CEFC) to help ANZ business customers transition to net zero emissions. Under the partnership, ANZ and the CEFC will each contribute 0.25 per cent toward a 0.5 per cent discount to eligible customers for loans up to \$5 million to invest in eligible energy efficient related assets and projects. Since its launch in 2017, this program has helped finance more than \$242 million of investment in over 1,017 clean energy technology deals for our commercial and agribusiness customers.

met the requirements of both an eligible green and eligible social project and ANZ acted as the Sole Sustainability Coordinator.

### ESG-format bonds

Distribution of capital into green, social and sustainability initiatives, e.g. green buildings, renewable energy or where bond terms are linked to improved performance against predetermined sustainability performance targets.

### HIGHLIGHT

In April 2022, Australian broadband infrastructure provider NBN Co successfully issued its first green bond with an \$800 million five-year issue, the largest green bond by an Australian corporate at the time and the first green bond in the information, communication and technology sector. Proceeds from the bond will be used to finance new or existing projects aligned to the International Capital Market Association's Green Bond Principles around energy efficiency and renewable energy. Underpinning the offering was NBN Co's Sustainability Bond Framework and Towards-Zero Carbon Ambition including a three-year roadmap to reduce energy consumption, purchasing 100 per cent renewable energy from December 2025, using electric or hybrid vehicles by 2030 and setting a Science-Based Target. ANZ acted as Joint Lead Manager and Joint Sustainability Coordinator.

### Sustainability-Linked Derivatives

Derivatives which include a pricing component tied to the sustainability targets of an underlying sustainability-linked bond or loan. This includes swaps, forwards, cross currency swaps, interest rate and foreign exchange options executed alongside sustainability-linked bonds or sustainability-linked loans.

### Sustainability-Linked Loans

Lending which incentivises the borrower's achievement of ambitious, predetermined sustainability performance targets.

### HIGHLIGHT

In August 2022, ANZ participated in the US\$1.35 billion refinance of Brambles' bank facilities, representing the borrower's inaugural Sustainability-Linked revolving credit facility. In 2020, Brambles announced its 2025 Vision and Sustainability Targets: Planet Positive, Business Positive and Communities Positive, which were used to form the targets in the Sustainability-Linked revolving credit facility. ANZ acted as Joint Sustainability Coordinator, Joint Documentation Coordinator, Bookrunner and Mandate Lead Arranger.

### Green and Sustainable Infrastructure (Project) Finance

Project financing to support the development of long-term sustainable infrastructure, e.g. renewable energy, schools and transport.

### HIGHLIGHT

In June 2022, ANZ participated in the \$250 million refinancing of the TESA Education consortium's South Australian Schools Public Private Partnership Project to establish best practice school infrastructure across South Australia and contribute to the state's economic growth. Two new birth-to-year 12 schools are being delivered in outer metropolitan areas to accommodate 1,675 students, including 100 special school students and a 75-place children's centre, plus more than 200 teaching and support staff. The consortium comprises of Tetris Capital, Sarah Constructions, ISS Services Australia and DIF Capital Partners with financing structured as a Sustainability Loan. The school project

# Reducing our environmental footprint

Emissions reductions continued in 2022 due to property consolidation and ongoing flexible working arrangements for our non-branch staff. Our aspiration is to limit consumption to less than pre-pandemic levels on a per-capita basis as staff gradually return to the office.

Beyond our centralised operational footprint, we also looked to reduce emissions by engaging our people to reduce their personal emissions while working flexibly.

A personal carbon footprint calculator was developed in partnership with external provider, Trace, and has been used by almost 500 staff at ANZ.

## 2025 and 2030 new environmental footprint targets

The COVID-19 pandemic has unquestionably changed the way ANZ does business, making it necessary to reset our 2025 and 2030 environmental sustainability footprint targets to align with more flexible working arrangements for employees. This reset complements the previously approved 100% Renewable Energy Target and our commitment to maintain carbon neutrality.

The new targets increase our environmental sustainability ambitions and performance in line with our purpose, while balancing the expected 'normalisation' of consumption associated with staff returning to workplaces. The modelling of the new targets took into account future remote working arrangements, proposed efficiency projects, planned portfolio consolidation and an increase in renewable electricity usage.



Image: ANZ London office.

### The below outlines our new ambitious targets



#### Greenhouse Gas Emissions

Reducing Scope 1 and 2 (market-based) emissions 85% by 2025 and 90% by 2030 (against a 2015 baseline).



#### Renewable Energy

Increasing renewable electricity use to 100% by 2025.<sup>1</sup>



#### Water

Reducing potable water consumption by 40% by 2025 (against a 2017 baseline).



#### Waste

Reducing waste to landfill by 40% by 2025 (against a 2017 baseline).

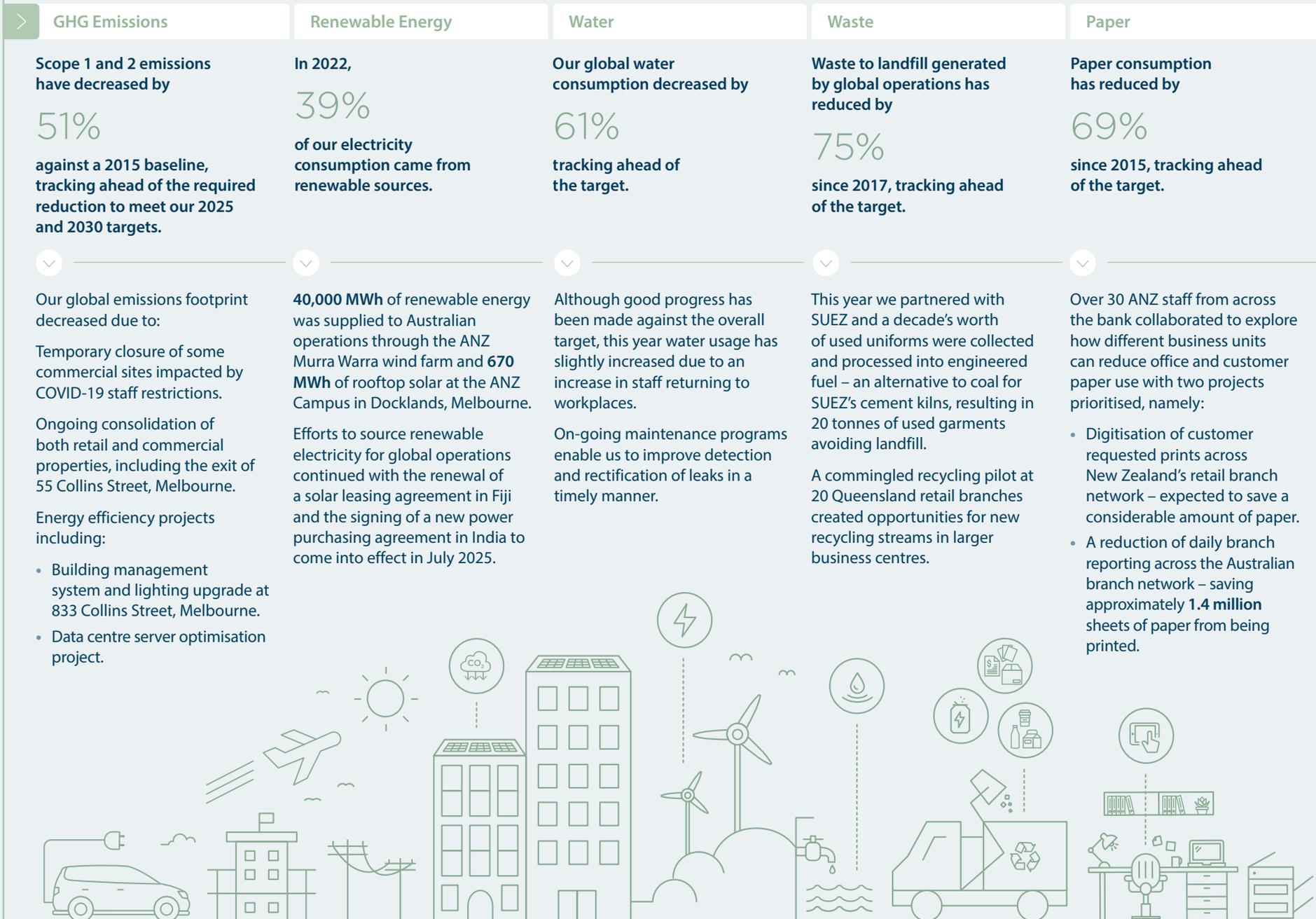


#### Paper

Reducing paper consumption (office and customer paper use only) by 70% by 2025 (against a 2015 baseline).

<sup>1</sup> Self-generated renewable electricity, direct procurement from offsite grid connected generators e.g. Power Purchase Agreement (PPA) and default delivered renewable electricity from the grid, supported by credible attributes in accordance with RE100 technical guidelines.

# Performance against targets<sup>1</sup>



1. Environmental reporting year is 1 July to 30 June, in line with the Australian regulatory reporting year. Refer to page 25 for new 2025 and 2030 targets.

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Image: ANZ Breathe branch.

### Sustainable building design

We continue to improve our office and retail branches through energy efficiency, water saving and waste initiatives.

#### London office refurbishment

Sustainability was at the centre of the relocation of ANZ's London office and part of every decision made. A new workplace was created based around three pillars of sustainable design to deliver great value to building users and the community:

##### 01. Environment

An energy efficient workplace, minimising embodied and operational carbon, waste and water to help ANZ deliver on Environmental Sustainability targets.

##### 02. Health & wellbeing

Support for ANZ employees by creating a healthy workplace where physical and mental health is valued and enhanced, as well as building a strong connection with the wider community.

##### 03. Inclusivity

Creation of an environment which is inclusive and accessible for ANZ employees and visitors alike.

### Breathe branch design

Breathe Architecture Studio worked with ANZ Retail to produce a new branch design; built using low carbon footprint, sustainable materials and finishes, with almost every material or component able to be re-used, recycled or composted. The new design aims to use as many materials and supplies from local sources. In partnership with Anixter and 2by2, ANZ's Technology team has also developed a new solution to allow branch technology infrastructure to be disassembled, relocated, and reused as part of embracing and building our circular economy. Stores and Pop-up outlets for ANZ Plus banking products are also making use of the same sustainable design principles.

ANZ's commitment to environmental sustainability initiatives via our "ANZ Breathe" retail branch designs was recognised by the Allan and Beth Coldicutt Award for Sustainable Architecture in the 2022 Victorian Architecture Awards.



Australian operations continue to be certified as carbon-neutral under the Climate Active certification.

### Sustainable staff initiatives

#### Green Ambassador Summit

Our Green Ambassador program, launched in 2018, empowers our people to live sustainably through education and by providing pathways to act.

This year, we held our second Green Ambassador Summit, a professional learning and development opportunity for employees to build sustainable capabilities, mindsets and culture. Over the month of August, more than 1,500 participants attended virtual panel discussions, workshops and in-person tours, and heard from business and community leaders on the latest sustainability insights.

Additional Green Ambassador initiatives from this year include:

- Australian Green Ambassadors entered into a one-year partnership with the Australian Microplastic Assessment Project and Earthwatch to deliver eight volunteer experiences for 400 employees across the country. ANZ employees were invited to become a 'scientist for the day' and contribute to the authentic data collection of microplastics along Australian coastlines, while also helping to rid beaches of plastic waste. More than 2,800 pieces of waste have been diverted from polluting our waterways and oceans to-date.
- Employees were invited to participate in World Environment Day by spending time in nature regenerating the environment.
- Green Ambassadors in Vietnam invited employees and their families from our Ha Noi and Ho Chi Minh City offices to an event at which 260 trees were planted.

### Sustainable initiatives in New Zealand

This year, we released a series of insight papers and webinars in partnership with climate advisory firm Toitū Envirocare to help small and medium sized businesses understand their emissions, set reduction targets and identify initiatives to achieve them. We are also growing the knowledge and expertise of our staff. Our education series 'Carbon 101' provided over 500 business bankers with insights into why sustainability and carbon emissions management are an important part of every business' strategy.

In partnership with Sustainable Coastlines, staff volunteered in annual planting activities across New Zealand. The program includes education and awareness raising of environmental issues and helps staff and communities understand the importance of biodiversity.

ANZ New Zealand is also a participating provider in the Government Investment in Decarbonising Industry Private Finance Pilot to help businesses seek funding for approved projects to accelerate the decarbonisation of industrial process heat. We have also been a signatory of the Climate Leaders Coalition (CLC) since 2019 including the new 2022 Statement of Ambition which reflects signatories' desire to be climate leaders as science and policy evolves.

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Financial wellbeing is the extent to which someone is able to meet all their current commitments and needs comfortably and has the financial resilience to maintain this in the future.

ANZ recognises the importance of financial wellbeing across the whole population in sustaining a healthy and inclusive economy. Beyond providing core banking services, we play a key role in leading research into what is influencing financial wellbeing in Australia and New Zealand. Insights from our research are shared publicly so they can be used by government, community and corporate sectors to inform their work, and we use these insights to inform our products and services, as well as our financial education programs, Saver Plus and MoneyMinded. These programs involve close collaboration with partners from the community and government sectors.

### 2021 Financial Wellbeing Survey

ANZ has been exploring the financial literacy, capability, attitudes and behaviours of Australian adults for 20 years. The 2021 Financial Wellbeing Survey is the seventh iteration of the series in Australia since the first national survey in 2002. More than 5,000 individuals across Australia and New Zealand participated in the 2021 survey which built on the established Kempson et al. conceptual model of financial wellbeing

used in our 2017 survey, with updated analysis to improve the understanding of what is influencing the financial wellbeing of Australians and New Zealanders.

External steering committees in Australia and New Zealand comprising key opinion leaders, academics and consumer advocates supported us in interrogating and developing the model of financial wellbeing to better understand the influence of socio-economic factors, financial behaviours and psychological elements like future focus, frugality and confidence.

While socio-economic factors had the largest impact on financial wellbeing, financial behaviours such as saving, spending and investing continue to have a major impact on financial wellbeing, and play an important role in building the financial resilience needed to lessen the impact of socio-economic disruptions.



Survey reports can be found at [anz.com.au/about-us/esg/financial-wellbeing/](https://anz.com.au/about-us/esg/financial-wellbeing/)



## Improving financial wellbeing



## Respondents in Australia and New Zealand are divided into four segments

**No worries** – (score of >80–100) Strongly future-oriented, goal-oriented, optimistic and frugal, contributing positively to financial wellbeing. High levels of confidence in managing money and substantial amounts in savings, investments and superannuation. More likely to report ‘excellent’ or ‘very good’ mental and physical health.

**Doing OK** – (>50–80) Describing their current financial situation as ‘fair’ or ‘good’ and are reasonably confident about their financial situation over the next 12 months. They are more likely to budget or plan and to have their savings put aside automatically.

**Getting by** – (>30–50) Generally describing their financial situation as ‘bad’, less confident in their money management skills and their ability to control their financial future. They are less likely to be frugal than other segments.

**Struggling** – (0–30) Often describing their current financial situation as ‘bad’, having little or no savings and finding it a constant struggle to meet bills and credit payments. They are less optimistic or future-oriented and have ‘poor’ mental and physical health. Most feel anxious about their future financial situation, do not have any superannuation and do not think owning a home is a realistic goal for them.

People with high financial wellbeing (no worries) were more likely to save regularly, even if by only a small amount (89% AUS; 87% NZ) than people who were struggling (39% AUS; 29% NZ). Almost one-fifth of Australians and New Zealanders said they sometimes, often or always need to borrow money or go into debt to pay for food or expenses because they ran short of money. This rose to 70% of people who were struggling in Australia and 55% of people struggling in New Zealand.

Psychological factors also had a strong influence on financial wellbeing. Financial confidence and a sense of control over our financial lives play a significant part in improving financial wellbeing through influencing whether we save, spend or invest. Behaviour traits influence financial wellbeing in different ways; optimism affects our financial confidence while future orientation, impulsivity and frugality affect our spending or saving mindset.

While overall most were doing OK, more than one-quarter (28%) of Australians and New Zealanders were either struggling or just getting by, leaving them more vulnerable to financial shocks and the rising cost of living.

## Challenging economic environment

The 2021 Financial Wellbeing Survey research was conducted in May and June 2021 during a period of the pandemic where optimism was relatively high, cases of COVID-19 in the community were low and restrictions were minimal. A year on, ANZ has been able to track the financial wellbeing of Australians during changing economic conditions with the ANZ Roy Morgan Financial Wellbeing Indicator. The latest release compared May 2022 results with December 2021. The update points to a downturn in financial wellbeing in Australia.

This led to an increase in the size of the struggling segment and the decline in financial wellbeing was more evident in households with an income of less than \$100,000 per year (down 1.8%). This group also experienced declining ability to ‘meet everyday commitments’. Young families, renters, people not working full-time and lower income households with a recent mortgage (in the last 2 years) also experienced greater downward pressure on their financial wellbeing.

While all groups had falls in whether they were ‘feeling comfortable’, young families and lower income households with a recent mortgage also experienced a decline in their ‘resilience’ (savings balances), and renters and people not working full-time had reduced ability to ‘meet everyday commitments’.

With interest rates on an upward trajectory, the impact of falling real wages and costs for both discretionary and non-discretionary items growing, we expect financial wellbeing may deteriorate further in the later part of this year and into 2023. Refer to page 49 for how we are assisting customers who may be experiencing financial hardship.

## Socio-economic factors and life events are key to financial wellbeing

In both Australia and New Zealand, the total impact of socio-economic factors and life events on financial wellbeing was substantially higher than our previous analysis was able to demonstrate. Socio-economic factors accounted for more than half (54.5% and 54.8% respectively) of a person’s overall financial wellbeing. Health – both physical and mental – was the largest socio-economic factor affecting financial wellbeing in both Australia and New Zealand. Other factors such as earning potential, unemployment, life journey, financial stability, ability to access social support, gender, having dependents and supporting extended family (in New Zealand) were the most significant socio-economic influences on financial wellbeing.

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**Exploring digital capability of older Australians**

ANZ worked with the University of South Australia to explore how older Australians, including those who are hard of hearing or can't see well, experience the digital environment when conducting their day-to-day banking activities, through a series of telephone interviews and focus groups. The research showed most interviewees were comfortable using the internet including online navigation and browsing. Although aware of online fraud and spam, interviewees were less sure about viruses, phishing, cyber security and hacking.

Most interviewees did their banking online, mainly using a laptop or tablet device (mobile phone banking was less likely to be used). Interviewees found online banking sites easy to use and expressed a high level of trust in online banking practices. Some used their local bank branch to deposit money, resolve problems and seek information. Where interviewees did exclusively use their local branch for banking, this was mainly because of security concerns and unfamiliarity with computers and the internet.

Accessibility to digital banking remains a critical ongoing issue for older Australians and must be taken into consideration with

all digital banking products and services. We are currently reviewing our approach to accessibility including developing ways to continually improve our digital channels to ensure they are accessible and inclusive for all customers, regardless of ability or age, to support independent, dignified and convenient banking. The findings from this research will contribute to our approach. Refer to page 48 for further detail.



The research can be found at [anz.com.au/about-us/esg/financial-wellbeing/](https://anz.com.au/about-us/esg/financial-wellbeing/)



**Mobile banking in the pacific**

ANZ's 'banking the unbanked' program is a rural banking business model operating in Fiji in partnership with the United Nations Development Program. It delivers basic, affordable, and reliable banking services to remote and disadvantaged communities – helping them to develop and prosper.

This year, we partnered with Vodaphone to offer customers in Fiji access to money transfer service M-PAiSA. This partnership will help close the financial inclusion gap in Fiji by enabling payments to regions with no banking services or infrastructure. Customers can transfer money to an M-PAiSA wallet even if the recipient does not have a bank account. Transactions clear within 15 minutes from internet banking and the ANZ Pacific app with no fees charged. Previously customers had to physically line up at an M-PAiSA outlet to top up their account. Since launching, more than 326,000 transactions have been made by customers to M-PAiSA.

*“Despite significant progress in Fiji, a large portion of the market remains ‘unbanked’. For customers who want to transfer funds to family and friends in rural and outer island areas in particular, having more flexibility within a secure mobile banking app that gives them access to their money, no matter where they are, is part of our commitment to make banking easier and more convenient.”*

**Renuka Kumar**  
ANZ Fiji Head of Retail

There are now more than 54,000 active ANZ Pacific App customers across seven countries – Fiji, Samoa, Vanuatu, Cook Islands, Tonga, Solomon Islands and Kiribati.

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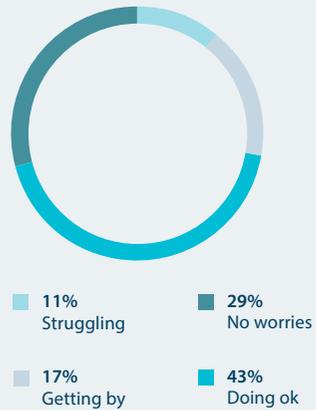
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Financial wellbeing categories in Australia



Financial wellbeing across life stages (score out of 100)

59 Young adults      58 Young families

64 Older families      77 Retirees

**OVERALL**  
Australia average  
64

Owning a home influence on financial wellbeing (score out of 100)

78 Own mortgage-free

66 Own with mortgage

49 Renting

Health influence on financial wellbeing (score out of 100)

46 Mental health fair/poor

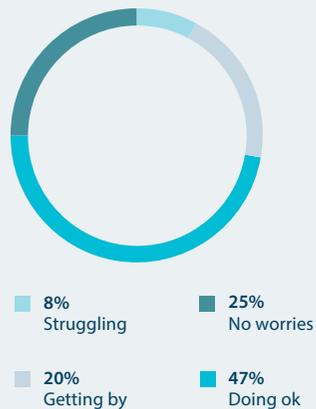
51 Physical health fair/poor

54 Long-term health condition or disability

45 Illness in the last 12 months

> New Zealand 

Financial wellbeing categories in New Zealand



Financial wellbeing score by dependent status (out of 100)

63 Couple with children      71 Couple with no children

46 Single parents      63 Living alone

**OVERALL**  
New Zealand average  
63

How saving and spending behaviours impact financial wellbeing

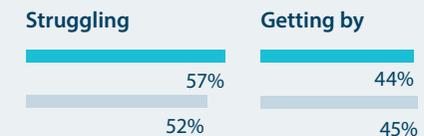
Financial wellbeing of people with less than \$1,000 in consumer debt

70 out of 100

Financial wellbeing of people with less than \$1,000 in savings as a buffer

34 out of 100

Overall mental and physical health is fair or poor



■ Mental health      ■ Physical health

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Image: ANZ Plus Journey Expert Chloe Yap and Coach Pranay Chathley.

### Supporting our customers to build their financial wellbeing

Research highlights the important influence savings behaviour has on overall financial wellbeing. Since October 2021, ANZ has supported nearly 1.5 million customers (on average) across Australia and New Zealand to save regularly, contributing to our target to support 1.3 million customers to do so. In Australia, we launched the Your Money Report, via the ANZ App and Internet Banking, providing personalised insights into customer spending by category and merchant. A ‘Spenemies’ (spend enemies) marketing campaign was launched alongside the report to encourage customers to identify the spending habits getting in the way of saving. ANZ’s Saver Plus program also supported more than 3,400 thousand new participants to save regularly using a Progress Saver account. In New Zealand, ANZ encouraged customers to set savings goals with NZ\$1,000 prizes offered to 25 winners as an incentive for regular deposits to savings accounts.

ANZ’s commitment to financial wellbeing is long-standing – we are striving to support our customers to make the most of their money and to improve their financial wellbeing into the future.

### Driving financial wellbeing outcomes with ANZ Plus

The launch of the first ANZ Plus digital banking proposition is the beginning of a multi-year plan to release improved products and services to our customers, built on modern systems and processes for our people.

Financial wellbeing is at the heart of the bank we’re building to create better financial outcomes and resilience for our customers. This is particularly important as our customers navigate an economic environment with rising interest rates and cost of living difficulties.

The ANZ Plus digital product provides the tools, support and insights people need to improve their financial wellbeing. Equipping customers with the ability to set up multiple savings goals, and better track their spending data means they will be empowered to spot trends and make better financial decisions. Future expenses such as bills and subscriptions can also be predicted and planned for with ANZ Plus.

The initial ANZ Plus transact and save account product is now available to download in the Apple App Store and Google Play. Since the customer launch, we have continued to deliver new features with a focus on expanding the payment options available for ANZ Plus customers.

We now have more than 50,000 ANZ Plus customers, increasing by thousands each week and on track to reach 100,000 customers faster than any other new bank in Australia.

At the heart of ANZ Plus are nine financial wellbeing principles which aim to impart knowledge, provide clarity and empower customers to make better financial decisions:

Spend less than you earn



Put money aside for a rainy day



Save regularly towards your goals



Protect what you can’t afford to lose



Borrow within your means



Pay your most expensive debt first



Build towards your retirement



Invest in things that grow



Give back to family, friends and the community when you can



As well as the ability to contact an ANZ Plus Coach via the app, we are piloting two ANZ Plus concept stores in Richmond, Victoria and Potts Point, New South Wales.

We have also designed pop-up stores which can be easily set up in high-traffic areas such as university orientation weeks and shopping centres. These stores provide customers with an opportunity to meet with ANZ Plus Coaches to have conversations about their needs or attend a financial wellbeing seminar which focuses on helping customers improve spending habits with tips and tricks to help them save more. Our ANZ Plus Coaches are pivotal to the in-store experience and to supporting our customers.

Additionally, we are working hard on a new data-driven home loan experience, utilising the same modern, flexible, technology foundations we have built to support our initial save and transact product.

#### HIGHLIGHT

#### Getting a better perspective of your money

Launched via the ANZ App and Internet Banking in October 2021, ANZ’s Your Money Report provides personalised insights to give customers more visibility about where their money is going and supporting them to find opportunities to save.

The report shows a monthly and 12-month view of money in versus money out, by category and merchant. The report also links to ANZ’s Financial Wellbeing Program to connect customers with tools and ideas which could help them change their money habits for the better.

Since going live, 2.1 million customers have received notifications encouraging them to view their report and there have been over 789,000 unique views to date.

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### MoneyMinded: supporting financial wellbeing across our region

MoneyMinded is ANZ’s flagship financial education program, supporting adults with low levels of financial literacy and those on lower incomes to build their financial skills, knowledge and confidence. The program is delivered by community organisations in Australia and New Zealand. In addition, this year MoneyMinded was delivered in 12 markets across Asia and the Pacific region by community organisations and ANZ employees.

An estimated 843,600 people have participated in MoneyMinded, including MoneyBusiness, since 2002.

Since 2002, the MoneyMinded program has been successful in supporting and engaging people in the community to build money management skills at their own pace. The flexibility of MoneyMinded enables a large and diverse network of accredited coaches to use the program to meet the specific needs of their clients.

During the last 12 months, the refreshed MoneyMinded program continues to be delivered to community sector professionals in Australia by our partners Berry Street, the Brotherhood of St Laurence and The Smith Family. Participants who completed MoneyMinded prior to March 2021 can update their accreditation by completing a short digital training module. Upon completion, they obtain access to the MoneyMinded hub, an online platform which contains a financial education content library and an interactive tool for creating customised session plans for clients.

*“Just to let you know that I received the email regarding the new look MoneyMinded and re-accreditation, and I love it. It looks really versatile and user friendly, I can’t wait for my next group.”*

MoneyMinded coach

### A partnership approach to building financial wellbeing with MoneyMinded

Since 2002, the success of MoneyMinded has been largely dependent on our partnerships with community organisations and individuals equipped to customise the program content and delivery mode based on the audience needs, and who are best placed to deliver the program within vulnerable and disadvantaged communities.

In addition to long-standing partnerships in Australia, New Zealand and across Asia and the Pacific, we continue to work towards a target of establishing seven new partnerships by the end of 2023 to expand the reach and impact of MoneyMinded within these communities.

This year we established three new MoneyMinded partnerships:

- Regent Training Centre, New Zealand – providing financial education to support young people to gain choice and control over their future.
- The University of the South Pacific component of the Pacific – European Union Marine Partnership (PEUMP) programme, Fiji (followed by Solomon Islands, Timor-Leste and Vanuatu) – supporting coastal communities to better manage their earnings from ocean, marine and coastal resources.
- Dili Institute of Technology, Timor-Leste – supporting students to build their financial skills, knowledge and confidence.

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### Characteristics of MoneyMinded participants<sup>1</sup>

	AUSTRALIA	NEW ZEALAND AND ASIA PACIFIC REGION
Female	76.0%	51.1%
Male	24.0%	48.9%
Sole parents	36.2%	16.9%
Unemployed	24.0%	19.0%
Aboriginal or Torres Strait Islander heritage	11.0%	n/a

1. Characteristics are from the 2022 MoneyMinded survey responses and do not include MoneyBusiness survey responses.



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## MoneyMinded in Fiji

Since 2010, MoneyMinded has been delivered across the Asia Pacific region, including in Fiji where seasonal workers who travel abroad complete the workshops as part of their pre-training program.

Participating in MoneyMinded helps seasonal workers like Manueli maximise their income and savings when they return home.

Growing up, Manueli was raised by a single father, who was a pastor. The family struggled and moved from church to church, never having a place of their own to call home. In 2016, Cyclone Winston destroyed the church house they were living in.

That same year, Manueli was part of a group from his village chosen to participate in a Recognised Seasonal Worker (RSE) program in Hawkes Bay, New Zealand. RSE programs play a crucial role in filling gaps in New Zealand's workforce while delivering economic benefits and skills to the Pacific. Manueli took part in MoneyMinded workshops as part of his pre-departure briefings.

The financial education helped him establish clear goals for the money that he would earn while working in New Zealand.

MoneyMinded was the first time Manueli had ever been taught about budgeting, saving and money skills. In particular, he credits the vision board and module on assertiveness as key to helping him achieve his goals.

"I was scared I might lose my family, or my family might lose the respect of everyone in the village if I said no when someone asked me for money," Manueli explains. "But I practiced little by little and I got through."

Manueli has since completed four seasons of RSE work in Hawkes Bay, meeting other MoneyMinded participants from Samoa and Tonga. The group motivates each other to stay focused on achieving their goals. Manueli's wife Milika has also taken part in MoneyMinded because they know with careful budgeting, planning and the practical life skills MoneyMinded offers, your life can change.

Case study



## MoneyBusiness – Australia

MoneyBusiness was developed by ANZ in partnership with the Australian Government in 2005 following research which showed financial exclusion was a significant challenge for Aboriginal and Torres Strait Islander people, particularly those living in remote communities.

In 2022, ANZ completed an extensive review of MoneyBusiness to make it easier for community professionals to access, use and tailor financial education for their Aboriginal and Torres Strait Islander clients living in remote communities.

In September 2022, community sector professionals attended MoneyBusiness coach training Alice Springs, Northern

Territory. The group were introduced to the new and updated resources which includes new topics and a range of visual resources. Upon completion, attendees were given access to the new online resources hub.

**"[I like] the webpage resources that allow us to form custom workshops."**

### Training attendee

MoneyBusiness is delivered throughout Western Australia, the Northern Territory, South Australia and far north Queensland. Since 2005, over 85,700 participants have been reached through the program.



Image: Participants attending a MoneyBusiness program.

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## MoneyMinded for family violence: education for prevention and recovery

In 2016, ANZ introduced an extension of MoneyMinded designed specifically for people in the community experiencing family violence. Over the past 18 months, ANZ has worked with longstanding community partner Berry Street to make enhancements to the MoneyMinded for family violence program.

It's not always easy to recognise victim survivors of abuse but they are people we have contact with every day in our families, workplaces and neighbourhoods. In many cases, a person may not immediately realise they're experiencing family violence as obvious signs extend beyond physical and emotional abuse.

One form of family violence is financial abuse. Perpetrators of financial abuse control their victim's finances by taking over access to the funds and by means of creating debt in the victim survivor's name. The behaviour limits the victim survivor's capacity to meet basic needs, their freedom of choice and impacts their actions now and into the future. Berry Street has been training family violence specialists in the enhanced program.

**"The range of information and flexibility of the program caters to the uniqueness of experience of clients, addressing what is needed when it's needed."**

MoneyMinded trainer

The program now includes a new range of visual resources, prompt cards, animations and interactive handouts, supporting community professionals to talk about financial abuse with their clients in accessible ways.

"Being able to sit with victim survivors and go through the budgeting tools provided in MoneyMinded empowers people to take control of their financial situation and move forward with confidence," says a family violence practitioner.



Case study



## MoneyMinded in New Zealand – Solomon Group

Solomon Group were the first organisation to partner with ANZ in New Zealand to deliver MoneyMinded. As a Māori Private Training Establishment (PTE) they work with rangatahi (youth), young mums and dads, all the way up to 70-year-old students who enrol in their programs. Services include youth support, vocational training and employment support.

Stella has delivered MoneyMinded at Solomon Group since January 2015, delivering up to 11 workshops each year. Regardless of each individual's personal circumstance, she finds MoneyMinded has great impact on tairua (learners).

"Solomon Group loves to deliver MoneyMinded as we have a joint vision to see the hapori (community) prosper," she says. "Whether a student comes in struggling to manage their money or thinking they are managing well but want to learn more, the course has great impact not only on the individual but also on their whānau (family) and hapori (community) which is amazing to see."



The prioritisation activity where learners think about what is important, not important or very important to them was highlighted as a real stand-out in the MoneyMinded workshops.

**"There are always surprised faces, no matter what the learner's situation. For some it brings to mind their priorities when going shopping with their whānau. For others it may make them think more carefully when considering purchasing a big-ticket item."**

MoneyMinded trainer

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## MoneyMinded in Australia

STARTTS (Service for the Treatment and Rehabilitation of Torture and Trauma Survivors) is a specialist, not-for-profit organisation that assists refugees rebuilding their lives in Australia.

Qais, a facilitator at STARTTS, originally completed the MoneyMinded training in 2017 and recently renewed his accreditation in the refreshed MoneyMinded program. Qais' clients include new arrivals from the Arabic community. Through a series of education workshops, Qais uses MoneyMinded content and resources when delivering the 'Money' workshop. Through these sessions, Qais has seen how important it is to help refugees build essential skills for managing their money.

Through the use of MoneyMinded, Qais' clients have learnt to track their spending, reduce their energy usage and switch mobile providers to manage the rising costs of living.

### Saver Plus

Saver Plus is a matched savings and financial education program developed by ANZ and the Brotherhood of St Laurence in 2003. Funded by ANZ and the Australian Government, Saver Plus is delivered in partnership with Berry Street, Brotherhood of St Laurence and The Smith Family. The Saver Plus program supports lower income earners to build a savings habit, access financial

education support and receive matched savings of up to \$500 from ANZ to support their own or their children's education.

Saver Plus participants open an ANZ savings account, set a savings goal and make deposits regularly over 10 months while attending MoneyMinded financial education sessions. Research has shown many participants go on to establish a lasting savings habit to achieve their financial

goals and improve their financial wellbeing. More than 53,000 Australians have participated in Saver Plus, saving more than \$27 million and receiving more than \$21.9 million in matched savings from ANZ for education costs. More than 90% of participants in the program are women<sup>1</sup>, half of all participants are single parents and 80% are not working full-time.

Case study



## Meet Gabrielle

Gabrielle, a single mum of two who works part-time, joined Saver Plus to learn how to save and support her young family. She now organises her income into 'buckets' and uses each one for a specific purpose to manage bills, savings and spending money.

"I never really budgeted, I was just looking at what was coming up in the moment," she explains. "Since the program, I make sure bills come first then savings, then the rest."

Gabrielle's parents worked hard but never taught her how to save, and she is now in the least stable financial situation of her life. Gabrielle participated in Saver Plus virtually, giving her the flexibility to join from home and save in child-care costs.



Image: Gabrielle and her children.

"I'm learning at my lowest point so the program really helped me in my ability to trust myself and have faith in the future," she says. "From such a short amount of time in your day, the growth, financial power and knowledge you receive in exchange is so valuable."

After completing the Saver Plus program, Gabrielle plans to use her matched savings to pay for her children's school uniforms. Her aspiration is for her kids to have financial freedom.

**"If something happens to me, I want them to be set up for the future."**

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1. Refer to "Saver Plus: pathways to wellbeing" report (2018).

# Community investment

We invest significantly in the communities in which we operate and play a role in supporting their capacity and resilience. Throughout the year we have continued to work closely with our partners to ensure we are providing support in a respectful, fair, and appropriate way, especially as people experience increased cost-of-living pressures and continue adjusting to living with COVID-19.



## Contribution by type<sup>1</sup>

### Cash

\$22,488,464

### Time

\$2,597,390

### In kind

\$46,904

### Management costs

\$4,606,382

### Forgone revenue

\$106,671,517



### TOTAL

\$136,410,657

<sup>1</sup> Cash: gross monetary amount paid in support of a community organisation/project. Time: cost to the company of the paid working hours contributed by employees to a community organisation or activity. In-kind services: other non-cash resources to community activities (e.g. company products or services or corporate resources). Management costs: costs incurred in making contributions, such as salaries and overheads. Forgone revenue: the cost of providing low or fee-free accounts to a range of customers such as government benefit recipients, not-for-profit organisations, students and the elderly. International transfer fees were waived for funds sent from Australia and New Zealand to Sri Lanka and Ukraine, and the Pacific to support communities impacted by COVID-19.

Since 2005, we have measured the dollar value of our community investment in accordance with the Business for Societal Impact Framework (formerly known as London Benchmarking Group), a global standard for measuring and managing social impact.

In 2022, our community investment was \$136.4 million. In addition, we facilitated more than \$22.2 million in donations to community organisations through our employees, customers, shareholders, other partners and the general public, including through our digital giving platform Shout for Good.

- > Employees \$1,535,291
- > Customer donations (including through internet banking) \$990,997
- > Shareholders (including dividend charity donation program and forgone dividends) \$450,429
- > Other partners \$6,405,452
- > General public (including Shout for Good) \$12,827,266

Approximately \$6.5 million of our community investment total (around 26% of our cash, time and in-kind contributions) contributed to programs and initiatives that support women and girls. We recognise women's social and economic empowerment is critical to achieving gender equality.



## Giving

Our workplace giving program enables employees in Australia to make contributions to around 30 charity partners through regular or once-off pre-tax payroll deductions. Donations are 'double matched' – ANZ donates two dollars for every dollar donated by an employee (up to \$5,000 per employee in a tax year). This year, ANZ and employee workplace giving contributions provided more than 130,000 meals to community partner Foodbank Australia to help people facing food insecurity, cost of living pressures, ongoing impacts of COVID-19 and natural disaster events.

ANZ also double matches donations made by employees in New Zealand and Fiji through payroll to their respective staff foundations (charitable trusts that provide small grants). Together with our employees, we donated \$3,041,679 to charitable organisations in Australia, New Zealand and Fiji in 2022.

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## The Nappy Collective

Driven by increases to the cost of living and broader social disadvantages, many Australian families have had to sacrifice a clean nappy for other essential items leading to 'nappy stress'.

Established in 2013, The Nappy Collective has redistributed millions of collected nappies towards community partners assisting families in need through women's crisis shelters, respite services and community organisations supporting disadvantaged families such as asylum seekers and refugees. The Nappy Collective received a \$15,000 ANZ Community Foundation grant to redistribute 500,000 nappies to families in need through their half-yearly collections.

ANZ Bendigo Branch Manager and father of three Louis Meyer knows firsthand how expensive essential items for babies such as nappies and formula can be. Recognising the financial pressures some families faced, the Bendigo branch became a 'pop-up' collection point for nappies in April this year.

Approximately 2,000 nappies were collected and distributed to local families in need. Following the successful pilot at the Bendigo branch, a national campaign as part of The Nappy Collective's 'July Collective Campaign' saw 25 ANZ branches participating as nappy collection points – some the only collection point in regional areas.



Image: Nappy collection at our Bendigo branch.

A total of 224,231 nappies were donated from the community during this campaign. ANZ's involvement in the campaign allowed The Nappy Collective to raise awareness for this social issue, encouraging new supporters to get involved through donations and volunteering activities.

**"Every unused nappy can go to a baby who really needs it... For us, a nappy is not just a nappy – it's the ability for a family in crisis to buy something else critical or to give their child a healthy, clean and stable start to their day."**

**Sandra Jacobs**  
Chair and Founder of  
The Nappy Collective

### Since their establishment, our staff foundations have provided

**Over 925**  
grants in Australia  
valued at >\$6.3 million (since 1988)



**Over 1,390**  
grants in New Zealand  
valued at >NZ\$8.6 million (since 2000)



**Over 150**  
grants in Fiji  
valued at >FJ\$1 million (since 2006)

### Community grants

**\$1.73 million in community grants provided this year, impacting approximately 239,500 people and their communities:**

**\$250,000**  
in ANZ Seeds  
of Renewal  
community grants

**\$360,500**  
in grants through  
the ANZ Community  
Foundation

**NZ\$1.1M**  
in grants through  
the ANZ New Zealand  
Staff Foundation

**FJ\$93,705**  
donated through  
the ANZ Fiji Staff  
Foundation

### Staff foundations

The ANZ Community Foundation offers grants of up to \$30,000. In 2022, the Foundation provided 17 grants to organisations totalling \$360,500.

New Zealand's Staff Foundation provides grants of up to NZ\$25,000 to local charities. This year, the Foundation distributed 93 grants to organisations totalling more than NZ\$1.1 million including the Pukorokoro Miranda Naturalists' Trust which received a grant of NZ\$15,950 to engage people on the significance of the bar-tailed godwits bird and their largest and most important habitat at Pukorokoro. The grant will help fund a shore guide at the Miranda Shorebird Centre to educate visitors on how to protect key sites from habitat threats and the impact on biodiversity.

The ANZ Fiji Staff Foundation supports local charities working in remote communities, including those providing funding to support, education and environmental projects. This year FJ\$93,705 was donated to fund six different community projects.



**For more information on all of our Community Grant programs, please see [anz.com.au/about-us/esg/community/community-grants](https://anz.com.au/about-us/esg/community/community-grants)**

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## ANZ Seeds of Renewal grant program

ANZ Seeds of Renewal provides grants of up to \$15,000, to help build vibrant and sustainable communities in regional Australia. This year, we funded \$250,000 in community grants, shared between 22 projects.

Founded in 1979, Yarredi Services provides access to a range of services including specialist counselling, a therapeutic children's wellbeing program, crisis accommodation and have also developed a 'Women's Wellbeing and Safety Centre' in Port Lincoln, South Australia. Yarredi received a \$5,184 grant to create a safe environment for women and children affected by domestic violence.

The grant supported the purchase of laptops and office equipment to address the need for women to access secure and stable technology as they took steps to grow their financial independence and empowerment. The laptops will also

support domestic and family violence clients for study, remote learning, looking for work or housing, while at the same time providing them with education around online safety and security.

Technology can be used to abuse or track individuals, according to Yarredi Executive Officer Sharyn Potts.

**"It's important our clients have access to computers and technology in an environment that's supportive and informative."**

**Sharyn Potts**  
Executive Officer at Yarredi Services

Since 2003, the ANZ Seeds of Renewal program has provided more than \$5.5 million to over 900 community projects across Australia. Further information on the projects funded is available at [frrr.org.au/funding/people/anz-seeds-of-renewal](http://frrr.org.au/funding/people/anz-seeds-of-renewal).

Case study



## Foster skills through volunteering



This year, ANZ's Process Engineering and Governance team shared their specialised skills to assist Berry Street. Volunteers were involved in a strategic project to address the decrease in foster care households across the country.

ANZ volunteers provided more than 170 hours of skilled expertise over several months by collaborating with Berry Street to review their end-to-end foster care recruitment process using Lean Six Sigma methodology. They surveyed staff, conducted root cause analysis, led a series of half-day workshops and identified process improvements. Participants defined more than 120 ideas, prioritised nine solutions and recommended four key initiatives to improve the digitisation of foster care recruitment and onboarding process. The four initiatives were presented to the Berry Street leadership team and were well received.

In July this year, Berry Street launched their Home-Based Care strategy with a key focus aimed at improving foster carer recruitment. The work ANZ volunteers undertook to review and improve business processes, and the recommendations provided directly informed some of the uplift Berry Street has implemented and will continue to be a key input as their recruitment strategy progresses.

**"It's been an amazing experience and their insights will directly inform positive changes as part of our transformation work to grow our foster care program."**

**Jenny McNaughton**  
Deputy CEO and Executive Director of Services at Berry Street

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## Volunteering

Our Volunteer Leave Policy applies to permanent, regular and fixed-term employees, providing at least one day of paid volunteer leave each year.

Our corporate volunteer program started in 2001 with an initial goal to provide 50,000 volunteer hours each year to local communities. More than two decades later, ANZ and employees celebrated the longevity of the program during Australia's National Volunteering Week in May. We are proud to have contributed more than 1.4 million volunteering hours since the program began, supporting many local communities in our various operating markets.

ANZ New Zealand received Volunteering Auckland's 2021 Leaders of Volunteer Engagement (LoVE) Corporate Champion award, recognising our dedication and commitment to promote volunteering.

This year, our people volunteered 52,443.5 hours to community organisations. This represents more than 6,555 working days and \$2.6 million in value to the community. 13.8% of employees volunteered this year, compared to 15.5% in 2021.

## Shout for Good

In 2022, ANZ's digital giving platform Shout for Good, which supports charities in Australia with free and innovative digital fundraising solutions, facilitated approximately \$12.4 million in donations for more than 325 charities. In April, Shout launched a dedicated auction platform to complement their existing product suite. This new functionality provides charities the ability to host silent or live auctions with a one stop fundraising solution. Further information on Shout is available at [shoutforgood.com](https://shoutforgood.com).

## Disaster relief and building resilience

We are supporting our customers and communities to manage and recover from natural disasters. Our Disaster Relief and Recovery Policy guides an efficient, coordinated and proportionate response to disasters. The policy encompasses a range of measures, including charitable donations, hardship assistance, financial advice and employee volunteering to assist with community rebuilding.

During 2022, we activated financial relief packages for customers in Australia affected by storm damage across Victoria, bushfires in Western Australia, and floods throughout New South Wales and Queensland. We also implemented our New Zealand customer assistance package for those affected by floods in Gisborne in November, and businesses affected by floods in the Nelson-Tasman region in August.

In January, Tonga's Hunga Tonga-Hunga Ha'apai volcano erupted leading to a tsunami and significant damage to buildings and homes. ANZ made a \$50,000 donation to the Red Cross to support the recovery and long-term rebuilding of Tonga.

To help the flow of funds to Pacific communities impacted by COVID-19, ANZ has indefinitely waived transfer fees on foreign currency international transfers from Australia and New Zealand via ANZ Internet Banking (AU and NZ) and ANZ goMoney (NZ) to the Cook Islands, Fiji, French Polynesia (AU Only), Kiribati, New Caledonia, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga and Vanuatu.

As a result of the conflict in Ukraine and economic crisis in Sri Lanka this year, ANZ also waived the IMT fees to support customers to send funds to family and friends in these regions.



For more information please see [anz.com.au/about-us/esg/community](https://anz.com.au/about-us/esg/community)

## Contribution to public policy

We seek to contribute constructively to public policy formation and understand the perspectives of our community's elected representatives, policymakers and regulators. We contribute to policy on business, economic, social and environmental issues affecting our customers and shareholders.

We are also a member of a number of industry associations that contribute to public policy debate and formation.

### In 2022, our key membership payments included:

- > Australian Banking Association \$3,261,145
- > Business Council of Australia \$99,000
- > New Zealand Bankers' Association NZ\$619,601
- > Business New Zealand NZ\$46,460

Payment to the New Zealand Bankers' Association includes our annual fee as well as expenditure related to the trial of regional banking hubs, contribution to an industry partnership with a nationwide financial capability charity, the establishment of an industry whistle blower scheme run by the Banking Ombudsman and industry initiatives in response to regulatory issues.

We understand our stakeholders are interested in the position we take on issues such as banking accessibility, scams and climate change, and our membership of industry associations that develop policies and undertake advocacy on these issues.

We have begun a process of periodically reviewing our membership of key associations and will publicly disclose outcomes and any material change to our position.

## Managing our tax affairs

We are committed to the highest standards of tax governance and compliance with the tax laws and obligations in the jurisdictions in which we operate. We pay tax consistent with our business presence and operations. We apply the Australian Board of Taxation's Voluntary Tax Transparency Code and provide the recommended disclosures.



Refer to our [Voluntary Tax Transparency Report available at anz.com/annualreport](https://anz.com/annualreport)

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## Improving the availability and affordability of homes

We seek to play a role in helping to improve the availability and affordability of housing. We provide support for innovative housing delivery models across the private, public and not-for-profit sectors, through research and market expertise, and through our partnerships with community organisations.

We are committed to helping improve the availability of suitable and affordable housing options for all Australians and New Zealanders by:

- increasing the supply of social and affordable housing
- investing in emerging markets such as build-to-rent, specialist disability accommodation and land lease housing
- backing new housing models from pilot to scale including build-to-rent-to-own.

### Bringing more homes to market

We have a target to fund and facilitate \$10 billion of investment by 2030 to deliver more affordable, accessible and sustainable homes to buy and rent in Australia and New Zealand. Since 2018 we have funded and facilitated over \$4.4 billion towards the \$10 billion target, with over \$350 million of investment in the past 12 months.

Key initiatives delivered in 2022 include:

- ANZ continues to be the sole domestic bank to support all of National Housing Finance and Investment Corporation’s

bond issuances (totalling nearly \$2 billion) into the market. We welcome the Australian Government’s ongoing commitment to government guaranteed-backed bonds as the beginning of the journey for social and affordable housing to be recognised as an asset class.

- Our partnerships with government agency Kāinga Ora in New Zealand (Homes and Communities) continued with ANZ acting as joint lending manager on a wellbeing bond issuance by subsidiary Housing New Zealand. The bond contributed NZ\$800 million this year to help fund sustainably constructed affordable, sustainable homes.
- ANZ continues supporting emerging asset classes:
  - Leading commercial financier for Land Lease Communities, an emerging growth market in retirement living, offering an affordable housing option for the over 55’s market with over \$1.3 billion of funding in place.
  - Backing build-to-rent to support a growing pipeline of secure, sustainable rental housing with an additional focus on project pipelines offering affordable housing and/or partnerships with community housing providers.

Case study



## An alternative, supported path to home ownership

Housing affordability is a challenge faced by many people in Australia and New Zealand, particularly younger people and those on lower incomes.

Assemble is an end-to-end 'build-to-rent' (BTR) development, investment and community manager. The organisation's ambition is to challenge Australia's housing affordability crisis by creating new ideas on how to generate a fairer system. Assemble's housing pipelines focuses on revenue resilience rather than market rent out-performance.

The business, which launched in 2018 with Assemble Futures Model (build-to-rent-to-own), has had ongoing support from ANZ through its design and development stages. Assemble Futures is a direct response to the crisis of home ownership in Australian capital cities, by addressing security of rental tenure and the challenge of saving for a deposit. The innovative model provides an alternate, supportive pathway to home ownership. Residents are enabled to rent securely for five years, with the option to buy their home at the end of the lease period, at an agreed price.



**Left image:** (L-R) Assemble Managing Director Kris Daff, Kensington resident Sophie and Chief Operating Officer Emma Telfer.



**Right image:** (L-R) ANZ Head of Housing Strategy Caryn Kakas, Assemble Managing Director Kris Daff and Assemble Chief Operating Officer Emma Telfer.

Residents moved into 64 households in the ANZ-financed pilot project in Kensington, Victoria in August this year with an additional 400 Assemble Future dwellings to be delivered in the next two years.

Assemble's design and delivery model also focuses on providing high quality and sustainable homes. They positively impact residents' sense of wellbeing by providing communal spaces, workshops,

rooftop gardens and lending libraries to foster social interaction and enrich daily living. In addition, a financial coaching program is offered to provide residents with tools and support to save for a home deposit.

Assemble is building secure social and affordable rental apartments in suburbs where this type of housing is needed most. The current pipeline of build-to-rent projects in Victoria is valued in excess of \$3 billion.

We have worked with Assemble since 2018 to refine their model, providing advice on funding options, valuation methodology and risk management. Our Retail business assisted Assemble to understand consumer purchasing profiles, retail mortgage lending parameters and appropriate strategies to support potential purchasers to save for their deposit prior to the end of the lease.

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### Ongoing improvements for affordable and sustainable housing in New Zealand

In 2022, ANZ continued to support New Zealanders looking to combat rising energy and fuel costs and improve the environmental sustainability of their homes, encouraging better housing standards for both owner occupiers and renters through:

- Our **Healthy Home Loan Package** offers discounts on home loan interest rates and other benefits for energy efficient homes. Customers can apply for the package if they are buying, building, renovating or already own a home with a 6 Homestar rating or higher.

- The **Good Energy Home Loan** top up product was launched providing a low-interest home loan rate for customers wanting to increase the energy efficiency of their home. It allows customers to borrow up to NZ\$80,000 at a 3-year fixed rate of 1% per annum to upgrade homes with solar panels, heating and insulation, double glazing, ventilation systems and rainwater tanks. It can also be used for electric and hybrid vehicles, and EV chargers. Since July 2022, ANZ has supported more than 1,300 customers to reduce the environmental impact of their home, representing NZ\$60 million funds under management.<sup>1</sup>
- Our ongoing partnership with the **New Zealand Green Building Council** includes support for HomeFit – a free

online tool to check the health, comfort, energy efficiency and safety of new homes, or advise on how New Zealanders can improve the health of their current home.

*“Whatever the motivation; saving money on your utility bills, future proofing your home, collecting rainwater to last you through summer, being more energy efficient or reducing carbon emissions, this loan removes some of the cost barrier for people wanting to make a change.”*

**Ben Kelleher**  
ANZ New Zealand Managing Director  
for Personal Banking

### Pay off your loan faster

The 2021 Financial Wellbeing survey showed owning a home had a positive influence on overall financial wellbeing. In New Zealand, there has been a focus on helping customers understand how small changes could help them to pay off their home loan faster. This includes resources on our website about getting your loan structure right, increasing repayments, extra ways to reduce interest and changing your repayments. Customers also have the option to meet with an ANZ Home Loan Coach to get help or attend a webinar on how to pay off a home loan faster. In 2022, we further expanded this proposition to allow customers to increase their regular payments by up to NZ\$250 per week without incurring fees.

### > Supporting customers through a changing economy

ANZ continues to play an industry leading role in supporting the development of housing policy. We maintain ongoing engagement with industry stakeholders from across the sector, offering both public policy and market expertise to support government, the community and our customers.

Our ongoing partnership with CoreLogic (a leading provider of property data and analytics) delivers housing affordability research and in-depth market analysis

for the Australian housing market. In 2022, CoreLogic research showed the rising interest rate environment in Australia may add pressure to some households – both from a mortgage serviceability perspective and rental affordability.

During the pandemic, our default response was to keep repayments at the same level to help Australian customers get ahead on their mortgage, meaning we did not automatically reduce minimum repayments as interest rates decreased. This assisted customers to build repayment buffers ahead of rising interest rates in Australia. In addition, a material

proportion of customers continue to maintain payments significantly more than the minimum required. In September 2022, around one in six customers were making scheduled repayments on their home loans at 25% or more above the minimum repayment required. Notwithstanding the rising interest rate environment, only about 0.6% of home loans are more than three months behind on repayments, lower than pre-COVID levels.

We are also monitoring the housing market closely in New Zealand as rising interest rates and ongoing lower migration rates present risks to demand. The drop in house prices

from record highs is set to continue for some time but strong household income growth and a tight labour market should contribute to the eventual floor. Ongoing risks remain in terms of both uncertainties around the impact of rising mortgage rates on housing and how typical seasonal patterns in the housing market will play out over the coming year.



For information on our approach to hardship refer to page 49.

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1. The Good Energy Home Loan product replaced the interest-free Insulation Loans product which rolled off in July 2022. Data as at 28 Sept 2022. This product requires customers to have an ANZ Home Loan to qualify.



## Partnering with the homelessness sector

We continue to support community partner organisations working in the homelessness sector to deliver housing and support to those most in need. This year, around 17% of the total funds distributed by our community grants programs went towards projects seeking to alleviate homelessness and provide housing support in Australia, New Zealand and Fiji.

### ANZ Community Foundation housing grants

This year, the ANZ Community Foundation provided a number of grants to not-for-profit organisations providing appropriate housing for Australians experiencing vulnerability and at risk of homelessness, including:

- **Taldumande Youth Services** – Providing up to 28 days of emergency accommodation for young people who have newly entered, or who are at-risk of entering, the juvenile criminal justice system. The partnership helps young people meet bail conditions and an prepare for their court date, rather than being held in juvenile detention.
- **Lighthouse Foundation** – Providing trauma-informed, therapeutic support to some of Australia's most vulnerable young people impacted by complex trauma, neglect abuse, mental health issues and homelessness. Lighthouse provides a home and critical psychological support to help young people move towards a brighter future.
- **Wentworth Link Housing** – Piloting and delivering the Ready2Work program to 25 Link Housing social housing residents. This program addresses barriers to employment experienced by social housing residents. The program provides training to improve work readiness as well as budgeting and financial literacy education to further boost employability.

### Case study



## Shining a light for young people in need

This year, ANZ supported non-profit organisation the Lighthouse Foundation which integrates trauma-informed practice, attachment theory and contemporary psychoanalytic theory to create a holistic therapeutic treatment environment for young people impacted by neglect, abuse and homelessness.

The ANZ Community Foundation provided a grant of \$30,000 to Lighthouse Foundation for ongoing therapeutic support as well as \$50,000 to the Property Industry Foundation to help pay for the build of a new home for four disadvantaged young people and two live-in carers from the Lighthouse

Foundation in Clayton, Victoria. The build was led by ANZ customer Frasers Property Australia and ANZ staff from the Property Finance team volunteered their time to help put together furniture for the bedrooms and living areas in this home.

The four young people in Clayton House are part of the Lighthouse Foundation's parent and baby cohort, which typically includes young mothers at significant risk of homelessness.

ANZ Enterprise Finance staff also volunteered their time and expertise at multiple events run by the Lighthouse Foundation to assist with donation management and support for the events team.

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# Improving conduct and culture



## Code of conduct

Our Code sets expected standards of behaviour and guides us in applying our values. Our Code explicitly requires all employees and contractors to be ethical and professional, act with integrity, protect competition and the competitive process, treat everyone with dignity and respect, manage conflicts of interest, protect privacy and confidentiality, and also call out unacceptable behaviour and stand up for what is right. Our Code requires all employees and contractors to comply with the law as well as all of our policies and procedures.

The Code is supported by a suite of policies that are reviewed regularly to ensure they reflect any legislative changes and remain fit for purpose.<sup>1</sup> We expect our banking partners (such as suppliers, service providers and other relevant third parties) to adopt and maintain conduct and ethics principles similar to those outlined in the Code and supporting policies. All employees and contractors are required to complete training courses within two months of commencing with ANZ and then on an annual basis. The courses include training on 'Living the Code', 'Equal Opportunity Essentials' (includes anti-discrimination and sexual harassment), 'Financial Crime Essentials' (including Anti-Money Laundering), 'Operational Risk', 'Security Essentials' (includes information and cyber security) and Privacy, Competition Law and Consumer Protection. The Living the Code course reinforces the importance of our values and seeks a declaration of compliance with the Code. By completing

the course, participants are confirming they understand the Code's principles and have complied with them over the last 12 months.

This year, 99.9% of our employees and contractors completed the training. Individuals who fail to complete this training or other mandatory learning requirements within 30 days of the due date are (in the absence of genuinely exceptional circumstances) ineligible for any fixed remuneration increase or variable remuneration as part of our annual performance and remuneration review.

Our performance management framework includes an annual assessment for two distinct components: 'How' employees have demonstrated our behaviours and 'What' outcomes they have achieved. Performance management guides and other materials are updated regularly and made available to all employees on our intranet. This guidance includes clearly articulated impacts to performance and remuneration outcomes in our annual performance and remuneration review for employees who do not meet expected standards of performance or behaviour.

This year, there were 1,133 employee relations cases involving alleged breaches of our Code, with 518 resulting in a formal consequence or the employee leaving ANZ (down from 573 in 2021). Breaches ranged from compliance/procedural breaches (23%) through to general unacceptable behaviour (36%), email/systems misuse (17%), attendance issues (14%), fraud/theft (4%), conflict of interest (2%), and breaches of our Equal Opportunity, Bullying and Harassment Policy (3%). Outcomes following investigations of breaches this year included 95 terminations, 322 warnings and 101 employees otherwise leaving ANZ.

1. A copy of our Code of Conduct and the full list of policies are available at [anz.com/corporategovernance](https://anz.com/corporategovernance).

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## Whistleblower Policy

The Whistleblower Policy and Program is a key component of ANZ's strong and effective conduct risk management and corporate governance framework. We apply Australian whistleblower regulations across the markets we operate in. Additional jurisdiction-specific regulations imposing higher or contrary regulatory/legal obligations are captured in ANZ Country Schedules to the Policy.

The Whistleblower Program is one of many channels encouraging and empowering our people to speak up and raise misconduct concerns, freely and without fear of reprisal.

The Policy and Program provide strong protections for individuals who disclose misconduct and play a pivotal role in maintaining the integrity of the bank. Information received through the Whistleblower channel helps us uncover misconduct that may not otherwise be detected and to act on issues which do not support our purpose and values.

This year the program focused on improving the governance framework, risk management and control framework, and improving the timely management of whistleblower matters.

Raising employee awareness and building trust in the Whistleblower Program also continued to be a focus. Initiatives to educate, shape behaviours and inspire action included training sessions and communication initiatives to build awareness, confidence and trust in the program and process. A bank-wide employee survey tested awareness and perceptions of confidence and trust in the Whistleblower Program. Positive results indicated high levels of awareness and confidence in the program and process to provide protection and to appropriately handle whistleblower reports. Survey data insights enabled opportunities to build ongoing awareness and trust in the program and process. In addition, our Group Integrity team delivered 195 awareness sessions to various business units (116 in 2021).

All employees and contingent workers are required to undertake annual mandatory training on their obligations and responsibilities under the Whistleblower Policy. As part of a broader refresh of non-financial risk training content, updates to the Whistleblower Essentials module are being designed. Role-specific training for whistleblower investigators and eligible recipients of whistleblower reports (including Board and Executive Committee members) was delivered to ensure all whistleblower investigators and eligible recipients understand obligations under applicable laws and how to appropriately handle and investigate reports.

## Whistleblower investigation outcomes

In 2022, the Whistleblower Program received reports covering a broad range of allegations including: potential financial crime (money laundering and bribery and corruption); Code of Conduct and other Policy breaches, fraud (internal and external); conflicts of interest; unsafe work practices; sexual harassment; privacy and confidentiality breaches, improper business practices impacting customers; and bullying.

While new report volumes decreased marginally year-on-year (down 10% from 2021), the number of reports in 2022 (142) demonstrates a continued willingness of individuals to raise misconduct concerns.

Of investigated reports, 76% led to recommended actions (77% in 2021), including formal warnings and termination of employment. This is a strong indication the Whistleblower Program is operating as an effective channel to raise misconduct concerns and drive action in response to staff 'speaking up'.

In addition to staff disciplinary actions, substantiated and unsubstantiated matters resulted in recommendations for other management action including: policy and other documentary review; coaching and informal counselling; training; procedural remediation recommendations; and recommendations to issue communications reinforcing expected standards of behaviour.



Image: ANZ Centre, Melbourne.

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## Supporting customers in need of extra care



ANZ is committed to supporting customers in financial hardship or in need of extra care, and ensuring our products and services are accessible and inclusive to all people. Our commitment aligns to our strategic focus on improving financial wellbeing and the expectations of our regulators, customers and the community.

We continue to make progress implementing our strategy for customers in need of extra care in Australia and are focused on delivering better customer outcomes by strengthening frontline capability and proactive external engagement, as well as improving product design and data use to improve accessibility and limit harm. Key areas of progress include:

- Enhanced training has been provided to more than 5,000 Australian employees through a combination of leader-led meetings and workshops to identify and support customers in need of extra care. Topics include family violence, elder financial abuse, interpreter services, gambling harm, supporting customers with disability and those experiencing bereavement.
- We have launched an Extra Care Hub, a small specialist team to strengthen ANZ's practical support for customers, with an initial focus on supporting customers impacted by family violence including making changes to banking arrangements and assisting customers to rebuild financial independence.
- We implemented an Inclusive Design Assessment in our product lifecycle, providing guidance to product managers in the design, change and decommissioning of products ensuring they are as accessible and inclusive as possible.

### Abusive payment messages

Financial institutions are increasingly finding payment text fields on banking platforms are being used to stalk, harass or threaten others, including people impacted by family violence. Perpetrators may use this method to avoid detection and police scrutiny.

ANZ is committed to identifying, investigating, and reporting abusive behaviour and supporting impacted customers. This year we strengthened our approach in a number of ways. Working with Australian Transaction Reports and Analysis Centre (AUSTRAC), industry partners, the Australian Banking Association (ABA) and law enforcement, we have leveraged shared intelligence to develop a new way to identify instances of abuse.

We deployed a complex algorithm to help identify indicators of potential abuse and/or criminal harassment in payment messages. Once identified, these threats are investigated by a specialist team to determine the appropriate next steps.

Our work has identified a number of high-risk cases, some involving an imminent threat to life and/or what appears to be ongoing abuse. In those high-risk cases concerns are escalated to relevant authorities to take appropriate action and where appropriate also to a specialist team for customer outreach and support.

We have also taken steps to strengthen governance of our profanity list in digital channels which acts as preventative block against profane words in payment messages, including establishing daily reporting to measure the frequency of blocked outbound payments. We have also reviewed our terms and conditions to ensure action can be taken against customers where necessary.



**For more information about our extension of the MoneyMinded program to assist people experiencing family violence see page 35.**

#### Case study



### Taking action on technology facilitated abuse in our payment platforms

Our Financial Crime team identified a customer had sent over 300 small payments with concerning messages attached to a recipient banking with another financial institution. The case was referred by Financial Crime to a specialist team for review. The team contacted the

ANZ customer to reaffirm the ANZ App was designed to facilitate banking transactions and was not to be used as a messaging service. Following this phone call, the customer ceased sending messages to the recipient.

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## Supporting diverse language and communication needs

The 2021 Australia Census highlighted the community is more culturally and linguistically diverse (CALD) than ever. To better support CALD customers, we have piloted an at-call interpreter service, delivered with a leading independent provider that staff can contact to assist customers with limited English. Overall customer experience and response times have improved, with a broad range of languages and a high quality of interpretation provided.

This year, use of the interpreter service was extended to support more than 1,500 customers in almost 50 languages. The interpreter service is now being made available across all Australia Retail Division teams for service enquiries by the end of 2022, making it easier for customers to communicate over the phone or in-person in the language of their choice.

We also offer written formats in languages other than English:

- ATMs offer multilingual options covering eight languages (Hindi, Arabic, Traditional Chinese, Simplified Chinese, Korean, Greek, Vietnamese and Italian).
- This year we published our new Customer Complaints Guide in a range of languages including Easy Read and Auslan format supporting customers whose first language is not English, people with cognitive impairment or low language literacy, and customers who are deaf or hard of hearing. We have seen strong customer use of these accessible formats, representing more than 20% of downloads since publication.



## Providing an inclusive banking experience

ANZ worked with the University of South Australia to explore how older Australians experience the digital environment when conducting their day-to-day banking activities, through a series of telephone interviews and focus groups. Accessibility to digital banking remains a critical ongoing issue for older Australians. According to the research, older Australians are embracing online banking in line with other age groups, but they may experience challenges due to age related impairments such as hearing or vision loss.

We are currently partnering with the Australian Network on Disability on the refresh of our Accessibility Plan, a public set of commitments to continue to drive a more accessible and inclusive bank for our customers, employees and the community. The research will help inform our new commitments to ensure we continue to embed inclusive design thinking in all aspects of product and service design.



**For detailed information about how we are driving diversity and inclusion among our staff at ANZ see the Workplace Diversity and Inclusion section at page 69.**



## Supporting Aboriginal and Torres Strait Islander customers

ANZ recognises that Aboriginal and Torres Strait Islander customers, particularly those living in remote communities, may experience barriers with doing their banking.

We continue to support these customers by:

- Providing ongoing training to build cultural capability and awareness for staff working on our dedicated Support Line for Aboriginal and Torres Strait Islander customers and in branches supporting remote communities.
- Making it easier to contact our dedicated Support Line for Aboriginal and Torres Strait Islander customers through search engine optimisation on our website and by implementing a new Interactive Voice Recording to create greater clarity for customers who contact ANZ outside of our operating hours.

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## Supporting customers in financial hardship

There are times when our customers are unable to meet their financial commitments. In some cases, financial difficulty is temporary, and our customers simply need time to get back on track. While in others, the challenge is permanent and customers may need extra help to review and restructure their financial arrangements. Whatever the situation, we work with customers to find a solution that is respectful, fair and appropriate.

### > Referral programs

Customers may need extra care for a range of reasons – for example, a customer may be experiencing financial hardship as a result of loss from natural disasters, family breakup or illness including permanent injury. Accessing financial counselling can be a key step towards improving financial wellbeing and regaining economic stability.

Economic dependency can also keep a person locked into, or cause them to return to, an abusive relationship. In circumstances where a relationship has ended, a person may be left with debt or may experience ongoing economic abuse. Independent financial counselling and specialist support can help a person on the path towards economic independence.

**We have processes in place to refer customers in need of extra care to community partners to receive appropriate assistance including:**

**CareRing** – run by Uniting, this program provides a centralised, single point of contact connecting customers to a coordinated range of support services, including housing support, social workers, drug and alcohol services, home energy assessments and employment

services. We referred 409 customers to CareRing this year. Clients of the CareRing program can also be referred to our MoneyMinded program to develop their basic budgeting skills.

Through the CareRing service, ANZ continues to provide a specific program for those in need of immediate financial assistance to escape domestic violence. This year, we have assisted 14 customers to access this support, providing a combined total of almost \$19,000 to assist them on their journey to recovery.

**Way Forward Debt Solutions** – funded initially by donations from Australia's four major banks, Way Forward is a registered charity providing free debt management services to assist people in need of extra care to return to financial stability through two key services:

- advocating on a client's behalf to establish affordable arrangements with their creditors

- management of debt repayments via one regular payment by a client to Way Forward, which is subsequently distributed to creditors

This year, we referred 88 customer accounts with current funds under management of over \$4.9 million. We support Way Forward as an alternative to fee-for-service debt management firms.

**Fitted for Work** – Fitted for Work (FFW) is an independent Australian based not-for-profit organisation which supports unemployed women customers, or those who identify as a woman, to improve their employment prospects by providing the practical skills, knowledge and confidence to become job ready – including developing a resume, writing a cover letter and provisioning appropriate work clothes. Employees within our hardship team are trained to identify unemployment triggers and refer customers to FFW. Our program referred 305 customers to FFW this year. Since inception, approximately 30% of referred customers who have completed the FFW program have found employment.

Data plays an important role in the early identification of customers that may fall into hardship. By using data analytics to look at savings, credit and offset accounts we can understand customers' financial behaviour and potential future outcomes.

When we do identify potential hardship, we contact customers to offer a full review of their financial position to see what additional assistance may be suitable. We endeavour to instil a culture of empathy and train our staff to identify and respond appropriately to customers' needs, assisting them through a difficult period so they can get back on track.

**We provide customers with a range of options to help address their circumstances:**

- 1 Change to an interest only period
- 2 Loan restructuring
- 3 Temporarily reducing or pausing repayments
- 4 Provide information and access to our financial literacy programs
- 5 Referrals to financial counselling via the National Debt and/or small business helpline
- 6 We may reduce the amount of debt owing and, in sensitive circumstances, consider debt forgiveness on a case-by-case basis

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**Australia**

We use data to analyse events such as interest rate changes, increases in living expenses and cashflow to determine whether these could impact a customer's financial position.

Despite interest rates continuing to rise this year, our data is showing low levels of financial stress, as suggested by our indicators. For example, the percentage of customers behind on loan repayments has continued to decrease with about 0.6% of home loans more than three months behind, lower than pre-COVID levels. This data is helping us understand who is in a positive financial position to meet future repayments and who could experience financial stress in the next 12 months with forecast rate increases.

This year, we received 36,326 applications for hardship assistance in Australia. Of these, only 6,366 were due to ongoing disruptions relating to COVID-19, a reduction from the previous two years reflecting the changing nature of the pandemic.

We invested significantly in building and upskilling our financial hardship team during the pandemic, to support customers through the tough times. Our team is well positioned to help those who may need assistance as we enter a period of economic uncertainty and we are ready to support customers through periods of financial hardship. We are using real-time transaction data to adopt a proactive approach to identifying and contacting customers before they experience financial distress to discuss how we can help them.

Hardship experts remain embedded within our teams, responsible for coaching and uplifting the capability of hardship staff and dealing with escalated and/or complex customer hardship requests. This year, our state-based hardship hubs are piloting face-to-face appointments with customers who may find it difficult to complete an application on the phone, including customers in need of extra care, or who are elderly or may have a disability.



Image: ANZ Pitt Street, Sydney branch.

**New Zealand**

Hardship volumes in New Zealand remain at pre COVID-19 levels, with consistent themes of illness, relationship break downs and job loss/reduced hours.

Application numbers have decreased this year, with 3,338 received this year compared to 4,333 for last year.

Due to the current economic environment with increased costs of living and interest rates rising, we're currently piloting a proactive

calling program to check-in with customers we have identified as potentially struggling to see if there is a way we can help.

We continue to work with MoneyTalks, a free financial mentoring service offering access to over 200 financial mentors across New Zealand, where we direct customers to obtain assistance with financial budgeting advice. Customers receive a call from a trained professional within 24 hours of a referral from ANZ. MoneyTalks has financial mentors who are fluent in several languages.

**HIGHLIGHT**

**Limiting harm from problem gambling**

This year, ANZ arranged for all hardship staff to attend "Three Sides of the Coin" gambling awareness training. This organisation is funded by the Victorian Responsible Gambling Foundation and uses storytelling, both in-person and online, to ignite conversation, challenge stigma and build empathy to frame gambling as a public health concern. The awareness training aims

to uplift the capability and understanding of staff when dealing with customers with a gambling problem, acknowledging this is a complex mental health concern.

Over 33,600 'gambling blocks' were enabled by customers using our self-exclusion tool for Visa credit and debit cards (initiated through the ANZ App or via our call centre) this year. Designed in consultation with experts and community organisations, the tool blocks

gambling transactions from being made in-person, over the phone and online and includes a 48-hour switch-off delay.

We also offer a control to prevent gambling transactions where a customer's card has been utilised beyond 85% of the account credit limit to reduce harm to customers potentially in need of extra care by having credit remain available for more essential purchases. Since implementation, 10.6%

of total gambling transactions attempted have been declined due to this control.

We also provide gambling support content at [anz.com](https://anz.com), and training and resources for our employees to facilitate customer conversations about our gambling controls, financial assistance and referrals to external support services. We continue to collaborate with the Australian Banking Association on this issue.

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# Learning from customer complaints

We have been changing the way we manage and think about customer complaints by improving our capabilities, and embedding a culture where complaints are valued as an opportunity to learn and deliver better customer outcomes. We strive to deliver excellent products and services to our customers, but if we get things wrong we want to know, and seek to resolve complaints with empathy and fairness.

## Australia

In 2021 we deployed a new complaint recording and management system to over 11,000 customer-facing staff in Australia Retail and Commercial, providing a central record of all customer complaints and enabling staff to record and resolve complaints at first point of contact. In some cases, where additional support is required, the complaint will be escalated (by a staff member or a customer) to our specialist complaint resolution team who will work with the customer to resolve the complaint. If a customer is not satisfied with the proposed resolution of their complaint, they can escalate their complaint to the external Australian Financial Complaints Authority (or the Banking Ombudsman Scheme in New Zealand).

Our capability to identify and analyse complaint data for systemic issues has increased via use of advanced analytical techniques, including machine learning, to help proactively identify emerging issues from complaints.

The Australian Securities and Investment Commission's (ASIC) Regulatory Guide RG271 for Internal Dispute Resolution took effect in October 2021 and outlines the maximum timeframes for providing a response that financial institutions must maintain for internal complaints. ANZ meets these obligations by having our complaint management system set up with appropriate timeframe controls, prioritisation towards urgent and severe complaint types, and active oversight through our risk and governance forums.

A Complaint Governance Forum provides oversight of the end-to-end complaints management ecosystem and promotes reduction of key complaint drivers. Complaints data and insights are regularly reported to senior management and the Board.

The Customer Advocate Lead provides advice and guidance internally as a voice for our customers to support fair customer outcomes and experiences. Thematic reviews have led to additional awareness-raising for staff of the complexities regarding Mistaken Internet Payments and Powers of Attorney.

Complaints recorded in Australia Retail and Commercial increased, driven by changes to ASIC's Regulatory Guide RG271 and the introduction of a new complaint recording and management system. The top five complaint categories this year remained similar to 2021. Channel accessibility accounted for 26% of complaint issues; service quality 22%; product fees, interest and rewards 12%; account set up and maintenance 11%; and transaction and payments 4%.

The percentage of all complaints resolved within 30 days of receipt increased to 98% (94% in 2021).

## New Zealand

Complaints recorded in New Zealand decreased by 15% from 2021. Service issues accounted for 44% of total complaints received, with queues and wait times being the top issue in 2022. This reflected COVID-19 impacts on staffing levels and higher than expected customer demand for some services. Credit cards, transactional accounts and home loans were the products with the most complaints. Common concerns included account fees, wait times or delays and requests actioned incorrectly.

The percentage of complaints resolved within five working days has improved to 91% (from 90% in 2021); and the percentage of complaints resolved within 30 calendar days of receipt remained at 97% (97% in 2021).

In New Zealand we have made it easier for customers to understand our complaint process by introducing complaint guides in multiple languages, adding a complaints section to our goMoney banking app and more clearly promoting the Banking Ombudsman Scheme's services. We are currently building a modern complaint capture and management system similar to Australia with implementation expected in 2023. The new system will make it easier for our staff to capture and resolve problems and will produce richer data outputs leading to more targeted improvements of our products, services and processes.



Data relating to complaints is available in our 2022 ESG data pack available at [anz.com/annualreport](https://anz.com/annualreport)

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# Improving customer experience

One of the ways we measure the experience of our customers is through our strategic Net Promoter Score (NPS). NPS enables us to gauge whether we are meeting customer needs and expectations and how we are performing relative to our peers. It is measured by asking customers how likely they are to recommend ANZ (on a 0–10 scale) and is calculated by subtracting the percentage of detractors (those who give a score of 0–6) from the percentage of promoters (those who give a 9 or 10).

## NET PROMOTER SCORE

### AUSTRALIA

**Retail: scored -3.3, ranked 4th<sup>1</sup>**  
(up from -4.3, ranked 4th at end of 2021)

**Commercial: scored -24.6, ranked 4th<sup>2</sup>**  
(down from -19.0, ranked 4th at end of 2021)

**Institutional: scored 40, ranked 2nd<sup>3</sup>**  
(up from 36, ranked 2nd in 2021)

### NEW ZEALAND

**Retail: scored 13.7, ranked 4th<sup>4</sup>**  
(down from 28.4, ranked 4th at end of 2021)

**Commercial and Agricultural: scored -15, ranked 5th<sup>5</sup>**  
(down from -13.1, ranked 5th at end of 2021)

**Institutional: scored 30, ranked 1st<sup>6</sup>**  
(down from 33, ranked 1st in 2021)

### Meeting our Design and Distribution Obligations

The Design and Distribution Obligations (DDO) came into effect in Australia in October 2021. Intended to help customers obtain appropriate financial products, the legislation requires products to be designed for a given target market and distributed to reach customers in that target market, ensuring products are continuing to meet the needs of our customers.

As part of our DDO program, we have undertaken an in-depth review of our products and processes to ensure a customer-centric approach to designing, marketing and distributing our products. Additionally, ongoing monitoring of customer data is helping us understand how products are performing in the hands of our customers, identifying opportunities to potentially improve customer outcomes and intervene where appropriate. We have also introduced some additional tools and process changes to help customers select products that are likely to meet their objectives, needs and financial situation.

### Providing suitable products and services

Our Product Suitability customer contact programs seek to improve customer outcomes and enhance financial wellbeing by helping our customers better understand how to get value from their products.

This year, we continued to deliver our Concession Account Suitability program, contacting customers in receipt of eligible Centrelink or Veterans' Affairs benefits with an offer to move to a low-cost basic bank account. This year, we contacted 97,389 customers, with more than 1,900 taking up the offer to move to a basic account.

## Risk Governance Oversight Committee

Our Risk Governance Oversight Committee (formerly the Royal Commission and Self-Assessment Oversight Group) monitors progress with our Risk Governance Self-Assessment (RGSA) Plan. The Committee is chaired by our Chief Risk Officer and provides regular progress updates to the Executive Committee and the Board. We have made significant progress across the five focus areas in our RGSA Plan: Culture; Governance and Accountability; Management of Operational Risk; Remediation; and Simplification.

While each Division manages its operational risks we did not make the progress we had hoped with regard to building and embedding a new Group wide non-financial risk framework and the existing capital overlay remains in place. Improvements in this area will be a key focus for the Board and senior management over the next 12 months. It is important to us that all of these actions deliver better outcomes for our customers, our shareholders and the community, and the changes we have made will endure.



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1. Roy Morgan Single Source, Australian population aged 14+, Main Financial Institution, six-month rolling average to Sep'21 and Sep'22. Ranking based on the four major Australian banks. 2. DBM Atlas (Business). Base: Commercial (<\$100 million annual turnover) Main Financial Institution customers. Six-month average to Sep'21 and Sep'22. Ranking based on the four major Australian banks. 3. Peter Lee Associates, 2021–2022 Large Corporate and Institutional Relationship Banking surveys, Australia. Ranking based on the four major Australian banks. 4. Retail Market Monitor, Camorra Research, six-month rolling average to Sep'21 and Sep'22. 5. Business Finance Monitor, Kantar Research. Base: Commercial (\$3 million – \$150 million annual turnover) and Agricultural (>500K annual turnover) customers. Four-quarter rolling average to Q3'21 and Q2'22. 6. Peter Lee Associates, Large Corporate Relationship Banking Survey, New Zealand 2022.

# Collaborating securely to drive innovation

Our approach to cyber defence ensures multiple layers of security controls are in place to protect and defend the bank. This includes a 24/7 security operations centre that analyses millions of data events each day to help keep the bank, staff and customers safe. With the sophistication of cyber threats increasing, protective processes, systems and software prevent unauthorised access to ANZ's systems and information, while education programs help staff and customers stay secure online.

We maintain strong relationships and strategic partnerships with government, industry, community groups and law enforcement agencies locally and internationally to promote cyber security resilience across jurisdictions.

The importance of resilience and shared accountability for security and collaboration have never been more important as we face new opportunities and evolving threats.

## ANZ's Security Strategy

Our Security Strategy, approved by the Board each year, outlines measurable objectives and priorities to secure ANZ's systems, embed security across the organisation, and embrace innovation to enable better customer experiences and business growth.

The strategy enables us to adapt to the rapidly evolving threat and regulatory environment, and strengthens our ability to be resilient against increasing threats and recover from security incidents through enhanced technology, data, automation, and threat intelligence. By providing security platforms to enable staff, customers and partners to connect securely anywhere, at any time, we continue to make it safer and easier to do business with ANZ.

Protecting the bank against cyber threats is the responsibility of everyone at ANZ. Governance processes, including regular reporting to the Board, and education at all levels of the organisation is essential to fostering a security-centric culture within the bank and, more broadly, within the communities we operate in.

## Information Security roles and responsibilities

ANZ's Security Strategy promotes the importance of shared ownership for information security across the organisation by maintaining a strong security culture with roles and responsibilities clearly defined and understood.

Our Chief Information Security Officer is responsible for establishing and maintaining the bank's security strategy and program, ensuring we protect the confidentiality, integrity and availability of our systems and data, and our customers' data. Our security policy and standards guide us with respect to specific security requirements.

Our security culture, capability and behaviours are reinforced through a comprehensive education program to ensure staff understand their responsibilities. Annual mandatory cyber

training is also provided for all staff including targeted security training for developers and engineers. Over the past 12 months, the education program has extended to include a network of cyber security 'ambassadors' from across the bank to reinforce the importance of positive security behaviours.

ANZ continues to evolve its comprehensive phishing resilience and capability program, including regular simulated exercises or drills for all staff to help them learn how to detect suspicious emails aiming to phish for information. This is complemented by ongoing review and exercising of ANZ's capability to respond to cyber security events.

Third parties managing sensitive ANZ information are also expected to meet requirements to ensure the protection of information and management systems. We have a mature security testing program for all third parties managing information and comply with the Australian Prudential Regulation Authority's (APRA) Information Security Standard, CPS 234.

The effectiveness of the bank's education programs is monitored by ANZ's security behavioural index which enables us to better understand, track and improve key areas of cyber security risk. For example, by

monitoring the number of staff who click on links in phishing email drills and number of data loss protection alerts (ie. where an attempt is made to send sensitive data to non-ANZ email accounts) across our businesses. The data points represent opportunities to educate our staff which is crucial to protecting the bank. The index has maintained a strong position in 2022.

ANZ understands the value of sharing this knowledge with the community as part of a broader security ecosystem. Our relationships with customers, community partners, industry peers, regulators and government not only help ensure the bank's information and systems are secure but contribute to building cyber security awareness and knowledge across the wider community.

A strong security position enables ANZ build a better bank to adapt, evolve and flourish over the long term. The bank recognises the importance of embedding security in everything we do, ensuring security culture is set at the top, practised by everyone, and embedded in systems and processes.

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## Sharing our expertise and insights

ANZ has a sophisticated 24/7 security operations centre that enables us to detect, respond to and recover from security incidents. Our cyber security experts monitor for cyber threats external to our environment and identify suspicious activity within our environment. They collaborate with an external network of cyber security professionals locally and internationally to share expertise, knowledge and experience, and work together to understand and anticipate emerging threats and changes to the landscape. These partnerships enable development of shared solutions and responses to protect the community at an international, national, local and individual level.

The Australian Cyber Security Centre (ACSC) distils information gained through such collaborations, producing a range of public resources, issues updates and alerts relating to cyber security events. ANZ refers to and promotes these resources as part of our ongoing education and resilience program with staff, customers and the broader community. The information is easy to access, understand and apply. This ensures an ongoing cycle of updated and readily available information for customers and the community to keep abreast of rapidly changing threat and regulatory environments and how to best protect themselves.



### Data protection and privacy

**Understanding how and why we collect and use data is critical to responsibly managing personal information and maintaining stakeholder trust across the markets we operate in.**

Our Chief Risk Officer for Data and Technology (Data Protection Officer) provides group-wide guidance on managing privacy risk. At ANZ, understanding data impacts is at the forefront of our operations and we create systems which manage data safety and privacy risks, by design, from the ground up. Over the past year, there has been increasing focus by law makers and regulators on the need to have adequate preventative and detective controls to mitigate privacy and personal data protection risk. We are continually monitoring and responding to changes to data protection and privacy regulations in response to this evolving landscape.

Major changes include the European Data Protection Board (EDPB) and United Kingdom Information Commission Office's (UK ICO) recent adoption of new European Union Standard Contractual Clauses (EU SCCs) and UK International Data Transfer Agreement (UK IDTA) to further strengthen the data protection of individuals' personal information who reside in the EU and UK. The EU SCCs and UK IDTA mean additional protection of EU and UK personal data that is transferred outside of the EU/European Economic Area (EEA). The required control measures are being implemented by ANZ.

Another change that ANZ has responded to is the Thailand Personal Data Protection Act (PDPA), which came into effect on 1 June 2022. To meet regulatory obligations, ANZ has implemented privacy assessments on the personal data of customers and staff residing in Thailand, published privacy notices, and introduced a Thailand PDPA training course for staff.

Our data event management processes at ANZ focus on ensuring potential data breaches are rapidly responded to, mitigating risk of harm to the individual. We ensure a root cause analysis is completed to drive operational improvements and prevent a reoccurrence of the same issue. Since the rollout of the enterprise-wide data event management processes in 2019, we have achieved a significant increase in data protection and privacy awareness among ANZ staff enabling us to effectively manage potential data breaches. Campaigns such as ANZ Privacy Week, targeted training, workshops and videos have contributed to the continuous improvement and automation of business processes. In addition, Privacy training is a mandatory training model required to be completed by all staff and contractors on an annual basis. Through these actions ANZ continues to uphold its commitment to protect personal data within ANZ and with our service providers, signalling our zero tolerance towards non-compliance of data protection and privacy obligations.

This year, ANZ reported zero data breaches to the Office of the Australian Information Commissioner (OAIC) under the Notifiable Data Breach Scheme (three in 2021). Our privacy policy is available at [anz.com.au/privacy/centre/policy/](https://anz.com.au/privacy/centre/policy/).

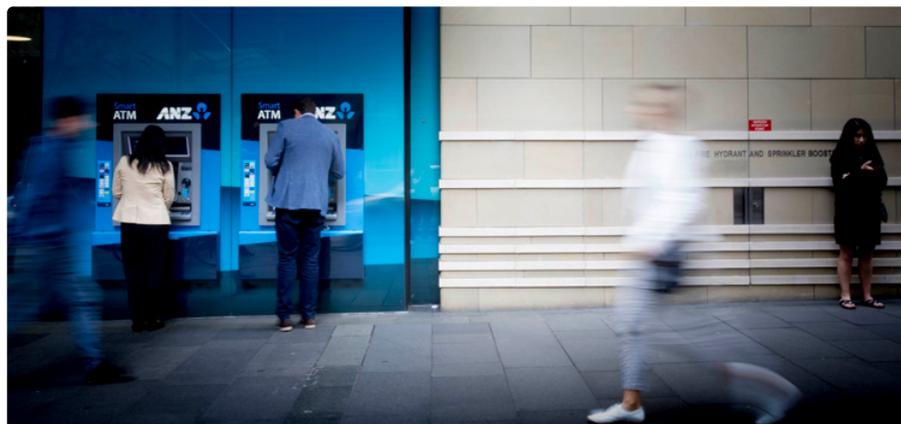


Image: ANZ Pitt Street, Sydney.

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The increase in digital and online scams continued this year, with the commercialisation of crime transitioning away from COVID-19 specific fake websites toward bank and other government agency scams. This resulted in an increase of phishing and smishing (phishing via text message) attacks, identity theft and fraud directed at our customers and employees. The rate in which we have identified and taken down websites pretending to be ANZ has increased 178% this year.

We maintained a strong focus on financial crime data collection, monitoring and screening with ongoing upgrades across Anti-Money Laundering/Counter-Terrorism Financing, sanctions and fraud platforms, improving our ability to collaborate with external parties to fight financial crime.

Our employees and contractors undertake mandatory annual training to ensure they understand their role in preventing financial crime. Additional training is tailored for specific roles, including senior management and Board.

## Scams

With most consumers moving to a primarily online financial services environment they are potentially more accessible to scammers. Our teams are dedicated to anticipating the changing scam environment, scanning the dark web for phishing or fake websites, or tracing the most recent text bot.

We have invested in technologies to detect fraud and scams, including behavioural biometrics which helps us determine if we are interacting with our customer or a scammer.

The behavioural biometrics solution analyses a customer's digital interaction behaviours to look for anomalies which may suggest that the session is being orchestrated by a third party and not the customer. This information will only be used to help protect against fraud

and scams and not for any other purpose. This is a key enhancement in our detection tools as we continue to adapt to an ever-changing fraud and scam environment.

This year our Scam Assist team investigated over 5,556 individual scams impacting Australian Retail and Commercial customers. The expanded use of digital and real-time payments makes it potentially easier for criminals to move funds quickly and easily through various accounts and ultimately offshore, making recall and recovery increasingly difficult. We were successful in recovering approximately 24% of lost funds on behalf of victims.

We endeavour to improve customers awareness of scams by delivering targeted messages regarding protection from fraud and scams by building a training and education framework to continually upskill our frontline staff on matters relating to protecting customers.

## Fraud

Our Fraud Policy sets the standards for the prevention, detection, investigation and reporting of fraud. Processes to support the policy include the ongoing assessment and management of fraud risk, the use of advanced analytical and detective systems to monitor and identify suspected fraud, and the principles and responsibilities for investigating both internal and external incidents.

### Case study



## National Disability Insurance Scheme (NDIS) Fraud

We continue to work closely with the Australian Transaction Reports and Analysis Centre (AUSTRAC) and law enforcement partners to support vulnerable members of the community. This year, we supported a joint-agency investigation into a \$10 million National Disability Insurance Scheme (NDIS) fraud syndicate located in Western Sydney.

The investigation identified a sophisticated network of entities allegedly defrauding NDIS government benefits. Facilitated through setting up a series of corporate entities with false director details subsequently registered with the National Disability Insurance Agency (NDIA) as providers of disability services, the NDIS funding received was used to purchase luxury items and assets instead of going to people in need.

ANZ assisted the investigation through identification of funds flows, analysis and intelligence relating to the control and operation of the bank accounts. The investigation resulted in the arrest of six people and the seizure of assets worth over \$2 million.

Leveraging lessons learned from the investigations and intelligence, ANZ developed an industry-leading algorithm targeting red flags to detect suspected instances of NDIS fraud.

Feedback received from the National Disability Insurance Agency, AUSTRAC and the Australian Federal Police confirmed the algorithm's value and associated reporting in identifying new criminal targets.

**"The detailed and timely suspicious matter reporting by ANZ was pivotal in confirming suspected connections."**

**Fintel Alliance**

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### Anti-bribery and anti-corruption (ABAC)

We place a premium on business integrity and have zero tolerance for bribery and corruption in our business dealings. Our Anti-Bribery and Anti-Corruption (ABAC) Policy and Framework sets out the principles and conduct provisions which apply to ABAC business integrity matters applicable to ANZ, its employees and third parties. Our commitment to business integrity is described through key ABAC principles and the practical behavioural outcomes required to demonstrate adherence to this policy. The policy is further supported by operating standards and enablement tools to help demonstrate compliance.

ABAC training is mandatory for all employees, and regular risk assessments are undertaken to identify and manage bribery and corruption risks. Capacity in the ABAC team continues to increase in response to growing regulatory and social expectations to combat bribery and corruption. We continue to uplift the third-party due diligence program to ensure we hold our third parties to our business integrity standards.

### Anti-money laundering and counter-terrorism financing (AML/CTF)

Our AML/CTF Program guides our approach to detecting and deterring money laundering and terrorism financing (ML/TF). Risk assessments are completed at both an enterprise and country level to identify, manage and mitigate ML/TF risk across the organisation.

We perform risk-based due diligence on customers and their activities. We also complete an enhanced level of due diligence where the risk is deemed to be high. We seek to identify unusual or suspicious transactions, activities and/or behaviours through a combination of transaction monitoring and other methods of observation, reporting suspicious activity to appropriate authorities.

### Sanctions compliance

Our sanctions compliance program guides our Group-wide approach to meeting our sanctions obligations. Sanctions risks are assessed to identify, manage and mitigate the potential for breaches. Customer relationships and activities that pose a higher sanctions risk are subject to enhanced due diligence measures, monitoring and approval.

In response to ongoing geopolitical tensions in 2022, restrictions were imposed on a significantly higher number of global entities, banks and individuals with an unprecedented increase in the complexity of sanctions obligations. We have enhanced our monitoring of transactions and strengthened our customer due diligence process to ensure we can support transactions within our risk appetite and in a compliant manner.



Details of ANZ's Financial Crime policies including sanctions, anti-money laundering and counter-terrorism financing, anti-bribery and anti-corruption, and fraud are available on [anz.com](https://anz.com)



Image: ANZ Albert Street, Auckland.

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# Responsible business lending



We consider current and emerging ESG issues to determine whether we should review our policies, principles and lending approach.

Emerging social and environmental issues which, through our lending to customers, could result in risks to the business are also considered by our management Ethics and Responsible Business Committee (ERBC) and Board Ethics, Environment, Social and Governance Committee (EESG) (see page 5 for further details).

**We seek to assess and manage the impacts of our lending decisions through the application of our Social and Environmental Risk Policy (the Policy) and accompanying 'sensitive sector' requirements for:**



Energy



Extractive industries



Forestry and forests



Military equipment



Hydroelectric power



Water

The Policy outlines the social and environmental considerations to be taken into account by our bankers when determining business transactions. It incorporates our approach to human rights, including our 'zero tolerance' for improper land acquisition and involuntary resettlement as well as labour rights issues such as modern slavery.

We review the Policy at least every three years, with oversight from our ERBC to ensure it remains fit-for-purpose. The review takes into account changes to customer practices, international standards, emerging social and environmental issues and stakeholder expectations.

In 2022 we have focused on enhancing our approach to screening customers in line with the Policy, primarily by incorporating our Social and Environmental Risk screening tool into our Online Customer Profile. This work will be completed within the first quarter of next year, enabling us to better collect and analyse data through our customer screening.

Educating employees on our policies and standards and how they are applied in practice is key to effective management of the social and environmental risks associated with our business lending. Our training programs cover the Policy, sensitive sector requirements and our approach to human rights. This training is mandatory for new employees authorised to make credit decisions for business customers.

## Due diligence

Prior to entering into a relationship with any large business customer, relationship managers are expected to consider the customer's management of its material social and environmental issues. They must also have specific knowledge of the customer's history and approach to dealing with any potential (or historical) impacts.

Under our credit policy we review our business customers annually. This includes the consideration of relevant issues using our social and environmental risk screening tool. We expect our customers in all sectors to implement appropriate stakeholder engagement strategies and plans and we have included this consideration in the tool.

We continue to apply a strengthened due diligence for thermal coal extraction and associated transport and power generation customers. We also apply this due diligence to cover major oil and gas companies within our largest 100 emitters (for further information see our separate Climate-related Financial Disclosures to be released prior to our Annual General Meeting and made available at [anz.com/annualreport](https://anz.com/annualreport)).

We also apply an enhanced human rights due diligence for customers operating in higher-risk geographies and sectors. By applying enhanced due diligence, we seek to avoid human rights infringements or other impacts. If we fail to properly conduct due diligence we may contribute, or become directly linked to, significant impacts.

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Where a customer's practices may not be consistent with our policies, we work with them to understand the circumstances and, where necessary, encourage them to identify specific and time-bound improvement plans. If customers are unwilling to adapt their practices in an appropriate timeframe, we may decline further financing or exit the relationship. We monitor the social and environmental risks of our business customers through our monthly 'Reputation Risk Radar' tool. We also rely on regular dialogue between relationship managers and their customers to alert us to issues. Notable incidents and allegations are referred to our risk management meetings in which ESG and credit risks are considered.

In 2022 we continued to engage with Australian resources customers to learn more about their approach to cultural heritage management, following the review we undertook in 2021. Through our engagement we have noted a heightened awareness of the importance of protecting cultural heritage.

### Complaint about ANZ's fossil fuel targets and disclosures

During 2021 we participated in a dialogue with an NGO and three individuals who made a complaint to the Organisation for Economic Co-Operation and Development (OECD) Australian National Contact Point (AusNCP)<sup>1</sup>. The complaint concerned aspects of ANZ's climate change policy and practices in relation to fossil fuels, greenhouse gas emissions, and climate change. The complaint alleged that aspects of ANZ's disclosure, investments, target-setting and scenario analysis breached the *OECD Guidelines for Multinational Enterprises* (OECD Guidelines).

The NCP facilitated a dialogue between ANZ and the parties to the complaint, focused on climate disclosures, target setting and scenario analysis. The dialogue sought to help the parties determine whether they can come to an agreement regarding any of these matters, consistent with the OECD Guidelines. The parties did not reach agreement, leaving the NCP's Independent Examiner to determine ANZ's consistency with the OECD Guidelines.

After considering the complaint, the Examiner determined ANZ's actions were consistent with the OECD Guidelines. The Final Statement is **publicly available**.

### Implementing our animal welfare principles

In 2021 we developed animal welfare principles (available at [anz.com.au/about-us/esg/policies-practices](https://anz.com.au/about-us/esg/policies-practices)) that reflect our approach, bringing ANZ in line with Australian agribusiness finance industry standards. The principles were developed in line with our overall approach to managing lending risk – noting that animal welfare practices can impact the risk profile of a business.

We believe good animal welfare standards in Australian agriculture are critical to industry sustainability and are an important part of our ESG commitments.

We value and support our farming customers that treat animals with due care and respect. We believe this reflects Australian community standards and farmer standards of 'doing the right thing', noting that industry codes and policies across various subsectors and geographies evolve with continuing research and expert stakeholder advocacy and feedback.

Our agribusiness team in Australia developed an online training module aimed at increasing staff awareness of our animal welfare principles and informing them of the appropriate channels within our business to seek clarification and support. The training and a short assessment will be added in 2023 to the agribusiness banker induction program and as recommended training for all regional business bankers. It will also be available to all ANZ staff.

<sup>1</sup>. AusNCP is responsible for promoting the OECD Guidelines for Multinational Enterprises (an international standard on responsible business conduct) and providing conciliation services to resolve complaints against multinational enterprises.

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## Equator Principles

The Equator Principles (EP) is a risk management framework for determining, assessing and managing social and environmental risks in major projects such as mines, windfarms and pipelines. The EP provides a minimum standard for due diligence and monitoring to support responsible decision-making in five financial products: Project Finance Advisory Services; Project Finance; Project-Related Corporate Loans; Bridge Loans; and Project-Related Refinance and Project-Related Acquisition Finance.

We regard the EP as complementary to our sensitive sector requirements and our Social and Environmental Risk Policy.

When determining whether a project complies with the EP, a social and environmental due diligence report prepared by a third-party expert is typically commissioned. Matters examined include:

- client capacity and commitment to manage social and environmental issues
- the scope of the transaction, including the value of the loan and whether it is specific to a project or for general corporate purposes
- how an Environmental Impact Assessment (if required) will be implemented through the company's Environmental Management System
- the level of community concern regarding potential impacts of the project, for example on water or land, and effectiveness of the company's stakeholder engagement in response

We will not provide finance to projects where the customer will not, or is unable to, comply with the EP.

Information on our 2022 project finance advisory services and transactions is available in our 2022 ESG data pack available at [anz.com/annualreport](https://anz.com/annualreport).

### Case study



#### Electronics manufacturing in Vietnam

ANZ has a long-standing project financing arrangement for the construction and ongoing operation of an electronics manufacturing plant in Vietnam. The original facility was built in compliance with the Equator Principles.

In 2021, ANZ was invited to finance the expansion of the plant to accommodate increase demand and growth in production.

In assessing the expansion proposal, we deemed an additional Equator Principles Assessment necessary. The expansion was assessed as category C under the Equator Principles with minimal or no adverse environmental and social risks and/or impacts reported.

As an Equator Principles project, the existing consultant was engaged to undertake an independent assessment and confirmed the "C" categorisation.

The transaction was approved subject to the customer meeting local social and environmental approvals and potential future environmental and social impacts be appropriately managed.

#### Solar farms in Australia

In 2021, ANZ provided project financing for three solar farms in New South Wales.

The initial Equator Principles assessment collectively categorised these projects as a "B", with potentially limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

The banking group commissioned an independent expert to review the environmental and social risks associated with the solar farms. The report confirmed the "B" categorisation, with immaterial environmental and social issues identified.

The projects were financed on the basis they would continue to meet local environmental and social laws and permits, and any new issues would be actively managed to ensure minimal impact.

#### Infrastructure Project in South East Asia

In 2022, ANZ was invited to participate in the project financing of a large infrastructure project in the South East Asia.

The project was assessed against the Equator Principles and categorised as an "A", meaning it was assessed as having high environmental and social risks. As a category A project, comprehensive due diligence was undertaken including use of expert consultants to prepare an independent Environmental and Social Due Diligence (ESDD) report for use by the syndicate banks.

The ESDD identified several site specific environmental and social issues, including potential loss of critical biodiversity and impact on local communities.

High-level mitigation strategies that lacked detail were outlined by the customer. Consequently, the consultant was unable to recommend Action Plans prior to the customer requiring financial close. ANZ was not comfortable with the potential risks and mitigation strategies and declined to participate in the financing.

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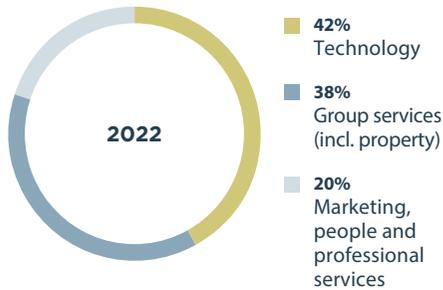


# Managing ESG risks in our supply chain

We have a fair, sustainable, responsible and ethical approach to procuring and delivering goods and services.

In 2022, ANZ spent **\$5 billion** with suppliers procuring goods and services across our **32** operating markets. The majority (91%) was spent in Australia and New Zealand on the following commodity areas.

## Spend by commodity area



Suppliers, including subcontracted suppliers, are screened as part of Group Procurement's ongoing supplier due diligence using a third-party tool to assess performance against 28 ESG issues, including human rights. In 2022, we undertook 5,691 checks (up from 4,729) which included our top 100 suppliers, by spend. These checks identified potential issues in 6 instances. We followed all instances with the supplier requesting further detail to determine whether they had adequate measures in place to resolve the identified issue/s. We worked with these suppliers to understand the issue/s and mitigating steps, and all issues were resolved to our satisfaction.

Our Supplier Code of Practice (SCOP) outlines our minimum requirements for suppliers in relation to human rights, workplace relations, workplace health and safety, ethical business practices, information management and confidentiality, accessibility, environmental management and supplier diversity.

We endeavour to include SCOP clauses in new and renewed contracts. In 2022, this led to an increased SCOP contractual inclusion of 86% up from 83% in 2021. Separate contractual clauses covering human rights and modern slavery were introduced in 2021 for all new and renewed contracts. Contracts are reviewed for SCOP inclusion as they come up for renewal.

We endeavour to ensure suppliers conduct their business in accordance with our expectations. While not a contractual requirement, we seek an annual attestation of adherence to the SCOP from major suppliers managed under our Operational Contract Management Framework (OCMF).

In 2022, 81% of suppliers provided an attestation of adherence to our SCOP (81% in 2021). We also seek attestations from a sample of suppliers each year in countries such as India, China, the Philippines, Vietnam and some Pacific nations. This year we also sought attestations from suppliers in Papua New Guinea. We continue to encourage suppliers to attest to the SCOP.

## Working with our suppliers

### Supplier payments

As a signatory to the Business Council of Australia's Supplier Payment Code, we are committed to paying Australian small business suppliers within a maximum of 30 days of receiving a correct invoice, unless the contract stipulates a shorter term. However, our aim is to pay as promptly as possible upon approval of the invoice and, on average, payment is made within approximately 19 days of receipt of the invoice.<sup>1</sup> In the latest Australian Government's Payment Term Reporting Scheme (June) we reported payment to 92% of all small business supplier invoices within 30 days.

We are also moving towards paying all Aboriginal and Torres Strait Islander businesses upon approval of invoice regardless of invoice size.

In New Zealand, we continued to support the New Zealand Bankers Association initiative to assist small-to-medium businesses during COVID-19 by committing to paying suppliers within 10 business days. To date, we have processed approximately 80% of payments (excluding purchasing card transactions) within the 10 business days target, with average payment made within approximately 9 days of receipt of a valid invoice.

## Supporting social enterprise

We are a member of Social Traders, an organisation helping create jobs for disadvantaged Australians by linking business and government to social enterprises. This year, we spent \$7.9 million<sup>2</sup> with social enterprises (up from \$6.0 million in 2021).

In New Zealand, we are a member of Ākina, a buyer group to access a wide range of certified social enterprise suppliers. We spent over NZ\$211,900 with social enterprises in 2022 (up from NZ\$160,000 in 2021) and influence our suppliers to also use social enterprises in their supply chain.

## Procurement with Indigenous businesses in Australia

We spent **\$12.7 million** with **32** Indigenous businesses in Australia this year – (up from \$5.5 million in 2021). We are a member of both Supply Nation and Kinaway (the Victorian Indigenous Chamber of Commerce).

\$12.7M 2022



\$5.5M 2021



\$3.2M 2020

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1. In 2022, new calculation methodology implemented in accordance with Australian Government's Payment Times Reporting Scheme for small businesses. 2. Includes sponsorship spend.



Image: Winya furniture in an ANZ Breathe branch.

Case study



## Sit now

As part of the planning and implementation of ANZ's Breathe branch design (see page 27 for more details), designers and other teams such as occupational health and safety experts worked in close collaboration with Winya to develop a bespoke range of chairs, tables and workstations, manufactured almost entirely in Australia using local materials and components.

Winya (which means "sit now" in Wiradjuri dialect) are a Supply Nation and Kinaway certified Indigenous business with a highly differentiated business model, designed to assist corporates and government meet Indigenous commitments.

Winya places and financially supports the employment and training of Indigenous trainees and staff within furniture manufacturers across Australia. Sourcing our office furniture from Winya assists them to meet their Indigenous employment and training goals. Winya recently achieved the United Nations Global Compact award for Sustainable Development Goals for the Economic Empowerment of Indigenous Peoples, the first Australian business to achieve this award.

Case study



This year we implemented a new agreement with Winc to target an increase in the proportion of spend on sustainable products (Earthsaver™) and Indigenous brands to 80% and 45% respectively by 2025. We also introduced First Nations and Earthsaver™ filters on our online ordering portal to assist our staff locate and buy these products.

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# Improving our approach to human rights

Our Human Rights Statement (Statement) outlines our approach to respecting human rights and our Grievance Mechanism (Mechanism) supports people and communities who believe their human rights have been impacted by ANZ's Institutional or Corporate lending customers.

## Our Human Rights Statement

The Statement outlines our respect for international human rights standards and includes:

- ▶ No tolerance for retaliation against individuals or communities
- ▶ Reference to climate change and associated human rights impacts
- ▶ Support for an open civic space and human rights defenders
- ▶ Scenarios where domestic laws conflict with international human rights standards
- ▶ Our process when a customer's human rights practices are inconsistent with our expectations

International standards we respect include the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, the International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights (UNGPs).

The UNGPs are the global standard for preventing and addressing the risk of adverse human rights impacts linked to business activities. They incorporate three pillars, including governments' duty to protect human rights and the responsibility of businesses to respect human rights.

Our commitments are embedded in our policies and other relevant documents available at [anz.com](http://anz.com) including:

- **Anti-Bribery and Anti-Corruption Policy** – outlining appropriate due diligence on employees, contingent workers and third parties.
- **Approach to Accessibility and Financial Inclusion** – making our products, services, workplace and culture supportive of people with disability and improving outcomes for those at risk of financial exclusion.
- **Climate Change Commitment** – responding to the social, environmental and economic challenges of climate change.
- **Diversity and Inclusion Policy** – committing to a workplace that reflects the communities in which we operate and provides opportunities to under-represented groups.

Our Statement is aligned with the UNGP second pillar, including support and respect for the human rights of our employees, customers and communities. We expect the same from everyone who works for or with us, including business customers, suppliers and partners.

The UNGP third pillar refers to the need for victims of business-related abuses to have access to remedy. We support access to remedy through our Grievance Mechanism and participation in the Organisation for Economic Co-Operation and Development (OECD) Australian National Contact Point (AusNCP) remediation processes.

- **Equal Opportunity, Bullying and Harassment Policy** – committing to a workplace free from discrimination, harassment, bullying and victimisation.
- **Modern Slavery Statement** – reporting how we identify, assess and manage modern slavery risks including forced labour, child labour and human trafficking.
- **Reconciliation Action Plan** – our commitment to social and economic participation of Aboriginal and Torres Strait Islander peoples.
- **Social and Environmental Risk Policy and Screening Tool** – social and environmental standards and due diligence for large business customers of ANZ.
- **Supplier Code Of Practice** – setting supplier standards including labour rights, safe workplace and freedom of association.
- **Complaints processes** – communication channels including a Human Rights Grievance Mechanism for communities.

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### ANZ Grievance Mechanism

Our Mechanism encourages responsible business conduct, including by our large business lending customers. In establishing this Mechanism, we sought to provide a framework through which:

- Efforts can be made to resolve complaints by affected communities about adverse human rights impacts associated with ANZ customers; and
- Feedback and recommendations aimed at strengthening our due diligence processes can be provided.

The Mechanism is designed to be informal and flexible, and we are committed to handling complaints in a way that builds confidence in its effectiveness.

At the date of this report we had not received any complaints to the Mechanism.

This year, we have further embedded our Statement and Mechanism in our governance processes, policies, staff training and disclosures. Engagement will again be sought with external stakeholders in reviews of the Mechanism in 2023 and the Statement in 2024. We will also report on complaints submitted to the Mechanism.



The Statement and details of the Grievance Mechanism are available at [anz.com](https://anz.com)

1. Serious exploitation of people through threats, coercion or deception, which undermines or deprives them of their freedom – Commonwealth Modern Slavery Act 2018, Guidance for Reporting Entities. 2. Global Estimates of Modern Slavery: Forced Labour and Forced Marriage (2022). 3. Global Estimates of Modern Slavery: Forced Labour and Forced Marriage (2022). 4. External fund managers are used for private bank customers in Australia. ANZ New Zealand Investments (a subsidiary of our New Zealand business), use external and internal fund managers. 5. [anz.com.au/about-us/esg/fair-responsible-banking/human-rights/](https://anz.com.au/about-us/esg/fair-responsible-banking/human-rights/)

### ANZ's commitment to International Standards

In addition to the key standards outlined above there are others we use to identify and manage our human rights risks across the business, including:

- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- International Finance Corporation performance standards
- Equator Principles
- United Nations Global Compact, including the Women's Empowerment Principles
- United Nations Declaration on the Rights of Indigenous Peoples
- Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises
- United Nations Standards of Conduct for Business for Tackling Discrimination against LGBTI People.

### Modern slavery

Modern slavery<sup>1</sup> is estimated to affect 50 million people<sup>2</sup> worldwide, with one in four victims being children.<sup>3</sup> An effective response to modern slavery requires the combined effort of government, law enforcement, non-government organisations (NGOs) and business.

#### Material risks and key exposures

We consider modern slavery to be higher-risk in our supply chain and our customer relationships, moderate to low-risk for investments made by our third-party fund managers<sup>4</sup>, and lower-risk with respect to our employees.

Our modern slavery program is focused on building awareness and improving policies, processes and due diligence. Our 2021 Modern Slavery Statement<sup>5</sup> identified several areas to help us improve our program and we have taken a number of actions this year, including:

- engaging with Institutional customers in our top five higher-risk countries and sectors, where the potential for modern slavery is higher, to better understand how the risk is being managed

- using financial crime analysis and algorithms to identify modern slavery or modern slavery-like practices among suppliers and customers
- applying our strengthened supplier tender process in sectors where there is potentially a higher likelihood of forced labour
- raising awareness among our employees by encouraging them to complete five training modules on modern slavery, including how to raise concerns
- conducting modern slavery awareness sessions for leadership and frontline teams in our international countries
- reviewing cases where we may be directly linked to modern slavery through our supplier and customer relationships

We comply with both the Australian Commonwealth Modern Slavery Act 2018 and the United Kingdom's Modern Slavery Act 2015. Further detail on our approach to modern slavery is provided in our 2022 Modern Slavery Statement, to be released later this year at [anz.com/cs](https://anz.com/cs).

### > Salient human rights

Our salient human rights risks have been identified according to where we could potentially cause or contribute to the most significant negative impacts. These include:

- safety and security of our people
- labour rights, including modern slavery
- privacy and consumer protection
- corruption and bribery
- environmental protection
- land access and rights

Though we are unable to avoid all these risks, we are able to reduce their likelihood and respond appropriately. Some actions to manage these risks are discussed throughout this report – identified using this symbol.



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# Employee engagement, wellbeing, learning and development



Image: ANZ Te Kaitohu Rautaki Māori Karleen Everitt.

## Strategy and culture

Our purpose drives what we do at ANZ and our strategy has evolved in response to our current operating environment.

### Culture and behaviours helping create the bank we're building

ANZ's strong and inclusive culture, built over decades, has supported our people to maintain a clear alignment to our strategy and purpose while the majority of our workforce continued to work flexibly as the impacts of the pandemic lingered in some geographies. Our culture supported team connectivity and contributed towards a high level of engagement despite a period of significant change.

To enable our purpose and strategy, and the Bank we're Building, we have evolved our culture and supporting behaviours by introducing a new framework in February 2022.

**Drawing on the expertise of the NeuroLeadership Institute, we tasked a group of senior leaders with defining the top three behaviours for our people, prioritising those that would best:**

- enable our strategy and purpose with a focus on digital and growth;
- enable high performance in a fast-evolving, hybrid world; and
- support our risk culture.

Our new behaviour framework builds on and respects our past while orienting us towards the future and creating a common anchor for everyone at ANZ.

Our new behaviours are:

**Create opportunities** by bringing in the best ideas from inside and outside ANZ to create long-term value for our customers and the bank;



**Deliver what matters** by executing well on the things that matter most; and



**Succeed together** by engaging the right people, listening to and challenging each other.



Our ICARE values have been retained as an important foundation of our culture and, along with the ANZ Code of Conduct, define the non-negotiable requirements to meet ANZ's performance standards.

Since launch, we have embedded our behaviours in key processes including performance assessment, recruitment, leadership development and our new recognition framework. We have also created a range of resources for people leaders to build aligned, vibrant team cultures, allowing them to contextualise our behaviours for their circumstances, particularly in a hybrid working environment.

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## Measuring our culture

We measure culture by reviewing, understanding and actioning the themes identified through the following key metrics:

- **Annual risk culture assessments** governed by our Operational Risk Executive Committee and Board Risk Committee
- **Culture reviews** conducted by Internal Audit
- Data collected through our **My Voice survey** and our new 360° behaviour assessment tool (recently piloted for launch in 2023) which will provide new behaviour-framed feedback and insights for people leaders (see page 66 for details).

## Annual risk culture assessments

We have continued to make considerable progress towards promoting the importance, understanding and awareness of our risk culture using both quantitative and qualitative data which considers risk outcomes. Risk Culture assessments consider business and risk management information which provides insights on risk management outcomes and how risk is being considered in our decision making and performance reviews.

This year our people participated in two risk culture surveys – one led by the Australian Prudential Regulation Authority (APRA) and an internal ANZ risk culture survey. The APRA risk culture survey and our own Risk Culture assessments identified similar strengths and focus areas, including appropriate reward, recognition and consequences for risk management outcomes. Detailed thematic and demographic analysis of risk culture assessment outcomes has been leveraged to drive actions to strengthen risk culture across the bank. This includes developing targeted training initiatives for senior management to reinforce our target risk culture.

Results of these assessments are overseen by the Board and used by Executives, Senior Leaders and People Leaders to develop Risk Culture Action Plans. To support leaders and employees in taking action, a Risk Culture Toolkit has been developed to raise awareness and support actions to embed ANZ's target risk culture. This includes ethical scenarios that support embedding our target risk culture behaviours, risk culture self-assessment templates for use by managers, and training materials to support leaders to cascade and raise awareness of risk culture in a way that is meaningful to their people.

## Culture reviews

This year, Internal Audit completed eight culture reviews focused on identifying themes, underlying factors, root causes and actions to drive sustainable change toward the bank's cultural framework – our behaviours, underpinned by the ICARE values and Code of Conduct. Each review requires the business area to develop an action plan which is monitored, evidenced and reassessed where appropriate to understand cultural shift over time.

The reviews highlighted an enterprise-wide focus on further strengthening our culture, with senior leadership sponsorship and initiatives such as the new behaviours, enabled by employees committed to doing the right thing to achieve our purpose and strategy. The Internal Audit culture reviews are designed to support:

- the Board and management by providing independent cultural insight
- the Board in meeting regulatory requirements, e.g. Banking Executive Accountability Regime and APRA Prudential Standard CPS 220 Risk Management.

# Wellbeing and engagement

Employee wellbeing and engagement supports the future proofing of our workforce and demonstrates the way we value our people, connected to our purpose. Our proactive approach to wellbeing and engagement is an important driver of talent attraction and retention at ANZ.

## Supporting our employees' wellbeing

Wellbeing continues to be an area of focus, particularly in the context of the pandemic and a volatile external environment. Wellbeing programs such as our HealthyMe digital app showed strong and consistent engagement with more than 10,000 employees having access to the app this year, a 10% increase on last year. More than 80 webinars covering mental and physical health were held during the year for employees and people leaders.

In New Zealand, we implemented Mental Health First Aid (New Zealand accreditation) training for over 200 people leaders to support employees experiencing mental health issues. This program will be implemented in Australia in 2023. We are also refreshing our mandatory online Mental Health course for all employees and people leaders.

Our wellbeing and safety policy includes a commitment to providing a safe working environment for all employees. This includes when people are injured or ill, or have accessibility needs, and applies whether they are working at an ANZ location or at home. This commitment is supported by a bank-wide health and safety management system which encompasses local health and safety risks, legislation and standards.

In Australia, through our RecoverWell early intervention program, we have assisted 66 employees to return to work. In addition to

this, ANZ provides assistance to employees to achieve better health and recovery outcomes regardless of whether the potential injury or illness is work-related or not. In Australia, 256 employees have received assistance for non-work related illness or injury. We also continue to promote and embed our Employee Assistance Program (EAP) and work has commenced to review our current psychosocial risk controls, with this assessment to continue in 2023.

**5.5% of our Australian and 9.5% of our New Zealand employees used our EAP in 2022**

Health and safety risks vary across the business, and our wellbeing and safety plans include risk controls to account for these differences. We encourage early reporting of incidents and illness in order to effectively and proactively support the wellbeing of our employees. This year we have seen a decrease in lost-time injuries, with the most common causes of injuries that incurred a full day off work related to slips, trips and falls, manual handling and psychological injury.



Data relating to our health and safety performance in 2022 is available in our 2022 ESG data pack available at [anz.com/annualreport](https://anz.com/annualreport)

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### Transitioning back to the office

In 2022, we commenced our journey of returning our people back to the office, with the majority working in a blended mode. The amount of time our people spend in the workplace is determined at a team level with blended roles guided to spend roughly half of their time working from their ANZ workplace. This gives teams the flexibility to experiment and consider the events, ceremonies and activities that work best in the workplace. ANZ has successfully operated a distributed workforce for many years, however the scale and range of choices now associated with flexible work requires more intentional planning and management.

More than 410 employees attended a digital 'Change Fit' program, launched to help employees manage their wellbeing during this transition with training to ensure our people are familiar with the steps being taken to provide a COVID Safe workplace. We also supported our people to manage the effects of COVID-19 infection and receive COVID-19 vaccinations. Special paid leave continued to be available to employees who required time away from work this year due to COVID-19 impacts, including recovery from infection, isolation requirements and caring responsibilities.

We continue to provide psychological and ergonomic support to our workforce in all operating markets who have worked from home for the majority of the year. This included all leaders and employees completing mandatory mental health awareness learning. This has been further supported by webinars delivered by external psychologists. Despite a small number of injuries occurring in the home-based work environment, no adverse impact to overall injury, illness or claim numbers was noted.

### Engagement

Employee engagement and experience are key outcome metrics for our culture. Our Group-wide engagement survey, My Voice, continues to be one of the primary ways we hear from our people and understand their experience of working at ANZ. This information allows us to tailor solutions and interventions to ensure our people feel recognized, stay engaged and continue to feel a sense of belonging and connection to the Bank.

This year, we evolved our My Voice survey with a new, evidence-based question set and expanded employee experience metrics, such as specific wellbeing and inclusion indices, a measure of peoples' experience of ANZ, vs their expectations as well as intent to stay. In both March and August, a sense of belonging emerged as one of the most critical drivers of employee engagement.

Results from our August survey show cultural indicators have improved and remained strong in a largely post-COVID environment with engagement at 84% (new index). Most people feel their experience is meeting or exceeding their expectations (90%). We performed well against measures of wellbeing (82%) and inclusion (83%) both increasing by two percentage points since their introduction in March. For detailed information about how we are driving diversity and inclusion at ANZ see page 69.



Diversity measures for the ANZ workforce can be found in the ESG data pack available at [anz.com/annualreport](https://anz.com/annualreport)

### Speak Up culture

**As part of a continued focus on improving conduct, we are creating an environment where employees are motivated and empowered to do the right thing and challenge constructively when they see something that they believe is wrong.**

We have seen an improvement in our 'speak up' culture over the last few years following targeted and sustained efforts. We know this is fundamental to our risk culture and for us to be an innovative and inclusive organisation.

A new Speak Up index was introduced in the August survey, made up of three existing questions.

#### Overall Speak Up Index – 83%:

**86%** of people feel that in their team, it feels safe to ask questions, make mistakes, highlight problems and take social risks (85% 2022 March)

**83%** of people feel that when they speak up their ideas, opinions and concerns are heard (82% 2022 March)

**80%** of people feel they can raise issues and concerns in ANZ without fear of reprisal or negative consequences (79% 2022 March)

Additionally, we have continued to strengthen and evolve our Accountability and Consequence Framework.

#### August 2022 Survey results

Employee engagement	Wellbeing	Inclusion	Experience matches expectations
84%	84%	84%	90%
March 2022: 84%	March 2022: 80%	March 2022: 81%	March 2022: 89%

# Future proofing the workforce

Future proofing our workforce has been a key focus this year with activities and initiatives underway to attract, retain and build the right capability to enable our digital strategy and transformation.

## Attracting and retaining employees in a competitive employment market

High attrition rates are impacting all employment sectors globally. This universal trend is being driven by various external factors, particularly the impact of COVID-19 which has shifted peoples' expectations of work, while closed borders exacerbate skill shortages. Although ANZ's attrition rate<sup>1</sup> of 13.9% did not exceed the previous historic high of 15%<sup>2</sup>, we have increased our focus on retention to mitigate the impact on the workforce.

Enhanced data capture and analysis were key to understanding attrition watchpoints in certain segments, geographies, and divisions, highlighting for example challenges in our Engineering and Data capabilities. Investigation into the root causes informed a range of interventions to enhance the employee experience in terms of providing better career pathways,

enabling internal mobility, enhancing leadership capability and amending policies to reduce bureaucracy.

Since March 2022, the My Voice survey has also measured our people's intention to stay at ANZ. In August, 13% indicated that they had an intention to stay for less than 12 months which is in line with our latest attrition rates. This new metric was introduced to get a clear understanding and prediction of retention so we can act more quickly when retention risks are identified.

We are also investing in new technology such as PeopleHub to automate the ability to hear from employees at key points of the employee lifecycle. Our immediate priorities are to develop and deploy improved onboarding and exit surveying. With plans to launch in 2023, these improvements will complement our retention data and provide better, more timely data on why people join, their early experience as ANZ, as well as why they leave.



Image: ANZ Centre, Melbourne.

## Strategic workforce planning

ANZ's approach to future proofing our workforce is underpinned by new capabilities developed over the last three years to better link our understanding of external driving forces with business strategy and with our workforce strategy development. This has been achieved through investment in our people, systems and processes.

In practical terms, this has included hiring strategic workforce planning experts and data scientists to make better sense of our current workforce and build data models to improve anticipation of future trends and initiatives. Our workforce strategy and planning processes help answer questions such as: what sort of capabilities will our workforce need at different stages of our strategy execution? How will roles evolve?

How many people will we need? What locations will they work in? How much will the workforce cost? How is the labour market behaving in key geographies? How will our workforce composition reflect the customers we serve?

Forming answers to these questions allows us to construct plans with the right emphasis on building from within, knowing what capabilities in what quantities to bring in from the outside, over the next three to five years. Our focus includes investing in future capabilities such as engineering, Cloud, data, digital, customer coaching and environmental sustainability. Importantly we remain committed to the enduring fundamentals of banking, including customer relationships, credit risk, non-financial risk and delivery.

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1. Voluntary turnover of employees. 2. Rolling 12-month rate in May 2017.



**Focusing on key strategic capability areas**

*Engineering, Cloud, data and security*

Our focus on engineering gained momentum in 2022 with the development of career pathways designed to attract and retain engineering talent, with a focus on engineers as they rotate into critical roles in Cloud and security. In addition to hiring 904 people into data and engineering roles, we undertook the following initiatives:

- This year we launched our **TTM+ campaigns**, an evolution of our Tech Talent Marketplace (TTM) which has been in place in Tech for more than two years. TTM+ builds internal talent pipelines to increase the employability of our people while helping meet the needs of our future workforce. Programs run for six months, upskilling employees in critical capability areas such as security, Cloud and data.
- **Data Engineers** have been given access to learning support to improve their confidence and capability in using Cloud-based platforms.
- We delivered two **Tech Learning Expos**, designed to engage and uplift capability across our Technology domain. Over 5,000 people participated in these learning events.

*Environmental sustainability*

This year we launched our Mindset 2030 Program to build the knowledge and skills of our employees, and to better understand our own and our customers' environmental sustainability risks and opportunities. Mindset 2030 includes a dedicated employee portal with information about our environmental sustainability strategy, research and publications, and how we are financing customers to shift to low carbon business models and operations that put them on a path to net zero emissions. To date, 935 people have accessed the Mindset 2030 learning program with a total of 1,955 modules completed. The portal has also been well-accessed with 999 unique portal visitors and a total of 2,775 portal log-ins.

*Aotearoa New Zealand Skills Pledge*

ANZ New Zealand is committed to building workforce capability in line with its commitment to the Aotearoa New Zealand Skills Pledge, and this year we have achieved the target of doubling our hours by 2025 (120,000). Over 121,000 hours of learning were delivered this year, a significant increase from 72,000 hours in 2021. Our focus remained on skills required for the future including digital, curiosity, adaptability, and developing our leadership capabilities. While we have achieved the Pledge target, we'll continue to invest in our employees' learning and development so they remain prepared for the future.

**Developing our leaders and their teams**

This year we continued to invest in the capability development of our people. Over 1.14 million hours of learning were delivered through our digital learning platforms including almost 572,900 hours of compliance training and more than 407,000 hours of self-directed learning. A further 52,000 hours were dedicated to continuing professional development.

Leadership capability development continues to be a focus, ensuring people leaders are equipped to help teams be job-ready and future-fit, highly motivated, engaged and able to deliver on the bank's strategy.

In May 2022 we launched our new Executive Leadership Series for senior leaders (Group 1 and 2) to develop strategic leadership skills and deepen their understanding of the bank's strategy. The program supports senior leaders to understand emerging trends and threats, better equipping them to respond to the dynamic external environment and opportunities for ANZ. Content curated by industry-leading internal and external experts takes a blended learning approach, combining live webinars, self-paced learning and local application.

In India, leadership development efforts focused on supporting female leaders build self-confidence and resilience and equipping emerging people leaders with the necessary skillset to lead effectively

in volatile, uncertain, complex and ambiguous environments. We also relaunched the Notable Women program, which focuses on increasing professional visibility and positioning female leaders as experts in their fields. See page 70 for more information about this initiative.

We continue to offer leadership development programs in other areas of our business. In Australia, we offer the Retail Leadership Learning Pathway, a blended learning pathway designed to accelerate new-to-role leaders to build a more well-rounded business and brand to strengthen the business leadership pipeline.

Our new Lead@ANZ development program (currently in pilot) is targeting people leaders at all levels across all divisions and is designed to equip people leaders with exceptional skills and confidence. The full program will be launched in early 2023 and is underpinned by:

- a deep understanding of the unique challenges our leaders face
- a focus on our purpose, strategy and culture behaviours and how leaders can bring these to life for their teams
- building inclusive leadership skills, which will help them to lead better in a hybrid world and focus on the wellbeing and engagement of their teams
- a focus on building the specific leadership capabilities to enable our leaders to create opportunities, deliver what matters and succeed together.

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# Workplace diversity and inclusion



ANZ believes our diverse workforce and inclusive culture will improve the quality of decision-making and drive innovation, making us a better bank for our customers. We are making good progress against our five diversity and inclusion strategic priorities:

1

Create an inclusive culture and improve the experience of our employees who represent all dimensions of diversity

2

Build the confidence and capability of people leaders to lead diverse and inclusive teams

3

Improve the diversity of our leadership population

4

Strengthen and empower our employee networks

5

Improve accountability and governance

## Family inclusive workplace certification

In February this year, ANZ was certified as a Family Inclusive Workplace in Australia by Family Friendly Workplaces, a joint initiative from Parents at Work and UNICEF Australia. We are committed to improving family-inclusive policies, practices and cultures to support employees to meet their work, family and wellbeing needs. This will promote productivity, engagement and wellbeing, and will enhance our ability to attract and retain talent.

The certification process involved a review of ANZ's policies and practices and stories from our people about their experience of our family inclusive culture. Obtaining certification has helped ANZ benchmark our family inclusive policies and practices against the National Work + Family Standards. Subsequently, we have developed a two-year action plan to improve family inclusive policies, practices and culture including to obtain regular feedback from employees about their parental leave experience and better supporting carers.

### Case study



## Kim

In 2018, manager Kim and her husband decided to begin in-vitro fertilisation (IVF) treatment to start a family. Kim received full support from her people leader. During this time, an opportunity for a more senior role arose. Although Kim was trying to start a family, her people leader encouraged her application and she was successful. Kim fell pregnant a few weeks into her new role and said she felt "incredibly supported by ANZ" through

## Gender affirmation leave

This year, we introduced Gender Affirmation Leave for employees in Australia, New Zealand, India, the Philippines and the Pacific with up to six weeks' paid leave and up to a total of 12 months' unpaid leave, allowing employees to preserve their sick leave for times when they are actually unwell.

There are many ways an individual may affirm their gender, including:

- **social affirmation:** adopting the dress and style of presentation that better aligns with their gender identity and expression, changing their pronouns and/or name
- **medical affirmation:** surgery, hormone therapy or both, to attend medical appointments, rest and recover from medical procedures
- **legal affirmation:** legally changing their name and/or gender marker on personal identification documents like their passport, birth certificate, driver's license or bank card

Our new Gender Affirmation Leave Policy supports people to bring their whole selves to work.



Image: Kim, her husband and their baby.

her IVF treatment, being able to use parental leave, and returned to work after nine months with no impact on her career progression.

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### A focus on gender pay equality

We continue to calculate, measure, monitor and report on our gender pay gap using a two-pronged approach incorporating the following methodologies to better understand and explain the underlying reasons for our gender pay gap:

- The 'category average' methodology which calculates average salary gaps between women and men by category, and can uncover issues such as women's access to senior and high-paying roles in an organisation; and
- the 'like-for-like' methodology which compares the pay of women and men in the same or similar roles and can highlight bias in pay decisions.

The key to closing the gender pay gap continues to be increasing the representation of women in senior and higher-paying roles. We have several initiatives underway to increase the representation of women in leadership and build the pipeline. These include the Notable Women and Return to Work programs. Return to Work was developed in Group Technology to help people (often women) return to the workforce after a career break and will run again next year with the possibility of extending the program to other areas of our business.

This year we have narrowed the gap in both average salaries and like-for-like for most categories. The like-for-like gap is now within +/- 2% across each category, with the largest improvements at the Senior Executive and Executive levels.

The category average gap for Managers has widened to 93.0% and is now our most significant pay gap. This is due to a higher

number of male appointments to more senior and higher-paying Manager roles. We recognise this is a critical issue and something we are actively considering.

While the category average gap at the Senior Executive level has improved to 94.9%, we remain focused on improving female representation at the Senior Executive and Executive levels.

We actively monitor and review our like-for-like gender pay gap, including taking positive action to adjust where necessary, particularly as part of our annual performance and remuneration review process.

### Achieving gender balance in our business

For complex reasons, including a competitive labour market, we achieved a marginal increase in the representation of Women in Leadership to 35.9% (up 0.6 ppt from 35.3% as at September 2021). Women in revenue-generating leadership roles<sup>2</sup> increased, however, by 2.4 ppt to 30.2%. Group-wide representation of women at the Senior Manager, Executive and Senior Executive levels increased by 0.1 ppt, 1.4 ppt and 3.9 ppt respectively.

Our progress is monitored regularly by the CEO and the Group Execution and Performance Committee. Sustained progress in improving representation of women in leadership requires a multi-faceted approach.

We continue to focus on growing female talent by providing employees with the critical skills and experiences required to

move into senior roles, delivering several women in leadership training programs throughout the year. We relaunched the Notable Women program, which focuses on increasing professional visibility and positioning female leaders as experts in their fields with more than 50 of our top female Senior Executive and Executives from across Australia and New Zealand participating.

Women holding Key Management Personnel (KMP<sup>3</sup>) positions has increased from 33.3% to 37.5%, however, remains below our target of at least 40% women. Importantly, however, two of our three key KMP 'line' roles with profit and loss accountability – Group Executive Australia Retail, and Group Executive and CEO New Zealand – are held by women.



Three of our nine Board members are women (33.3% female representation).

ANZ is signatory to the 40:40 Vision initiative which seeks to achieve gender balance of senior leadership at ASX200 companies by 2030.



Further detail on our gender diversity targets is available in our Corporate Governance Statement at [anz.com/corporategovernance](https://anz.com/corporategovernance). Our Diversity and Inclusion Policy is available at [anz.com/corporategovernance](https://anz.com/corporategovernance)

### Pay gap (Australia)<sup>1</sup>

Category	Av. salary – by category	YoY change	Like-for-like roles	YoY change
Senior Executives	94.9%	⬆️ 2.6%	98.8%	⬆️ 1.3%
Executives	97.7%	⬆️ 1.2%	99.4%	⬆️ 2.3%
Senior Managers	96.8%	⬆️ 0.6%	98.4%	⬆️ 0.6%
Managers	93.0%	⬇️ -0.3%	98.2%	0.0%
Non-managers	97.2%	⬆️ 1.2%	101.3%	⬇️ -0.7%

- ⬆️ Increase in Female vs Male ratio
- ⬇️ Decrease in Female vs Male ratio

<sup>1</sup>. Australia-only data. Effective date 1 July 2022. 'Senior Executives' is Group 1, 'Executives' is Group 2, 'Senior Managers' is Group 3, 'Managers' is Group 4, and 'Non-managers' are Groups 5 and 6, Excludes Executive Committee, casuals, fixed-term employees, and trainees/interns. <sup>2</sup>. Key Management Personnel roles with profit and loss accountability. <sup>3</sup>. ANZ Directors (whether executive directors or otherwise), and those personnel with a key responsibility for the strategic direction and management of the Group who have Banking Executive Accountability Regime (BEAR) accountability and who report to the CEO.

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Image: ANZ Te Kaitohu Rautaki Māori Karleen Everitt at the Tākiri-Ā-Rangi strategy launch.



### Strengthening our Tākiri Ā Rangi strategy

ANZ's Te Kaitohu Rautaki Māori (Head of Te Ao Māori Strategy) Karleen Everitt was welcomed to the bank in 2021 and this year oversaw the launch of ANZ's Tākiri-Ā-Rangi strategy framework. Having a Te Ao Māori Strategy in place is critical to future organisational performance.

Tākiri-Ā-Rangi is guided by several aims including a commitment to developing strong relationships with Māori, hapū and iwi across the country, improving the financial wellbeing and sustainability of those customers and enhancing our own understanding of Te Ao Māori as our company grows.

*Kia hanga i te ao, e ora ai, e tupu ai te tangata me te kainga*

(To shape a world where people and communities thrive)

The launch of the strategy during Matariki (Māori New Year) marked an important step in development for the bank, setting out a work plan and framework to be implemented over the next 18 years.

ANZ New Zealand has begun Te Reo Māori (Māori language) courses for staff, aiming to help them increase their proficiency and confidence in understanding and using Te Reo. Cultural competency courses are also being developed and processes are being reviewed to recruit, retain and advance more Māori staff. These shorter-term goals, based on an expected 2024 completion date, will be followed by numerous initiatives over coming decades.

### Employee networks: creating an inclusive culture

Our employee networks – which include Abilities, Mental Health and Wellbeing, Cultural Diversity and Inclusion, ForWARD Gender Equity, Faith, and Pride – are well supported and recognised for the critical role they play in our inclusive culture.

We continue to celebrate important dates on the diversity and inclusion calendar including International Day of People with Disability, International Women's Day, A Taste of Harmony, Pride Month, International Non-Binary People's Day, NAIDOC Week and more.

#### Case study



### PACE mentoring program

Since 2013, ANZ has been a principal partner for the Australian Network on Disability's 'Positive Action towards Career Engagement' (PACE) Mentoring program.

The program matches jobseekers and students with disability with experienced professionals who help their mentee identify and reach their career development goals and build their confidence in a workplace environment. The program also provides ANZ staff with a valuable opportunity to broaden their understanding of disability and provide one-to-one coaching to increase employability for up to 100 people with disability annually.

Earlier this year, Marley Howell secured a permanent job with ANZ as a Banking Consultant after being mentored by Greg Waddell an Associate Director in ANZ's Transaction Banking team.

Marley participated in the program during his final semester of study at Murdoch University and was looking to collaborate with a mentor who could help him secure a graduate role. Greg and Marley met each fortnight at ANZ's Perth office to work through practical tips focused on how to deliver articulate messaging in a resume and job interview. As a PACE mentor, Greg has now successfully secured full-time roles for four University Graduates.

"I'm grateful to have the opportunity to contribute to our bank's great purpose by participating in this rewarding program," says Greg. "In addition to helping great people secure their first full-time role I've broadened my professional network, learned how to be more inclusive and developed wonderful friendships like [the one I have with] Marley."

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**Strengthening diversity and inclusion focus within recruitment process**

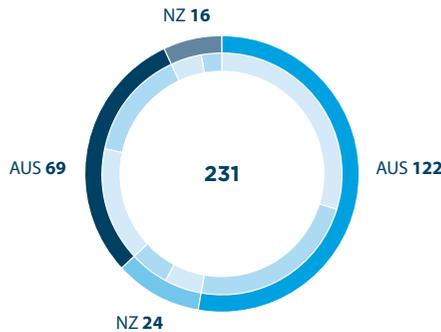
We have continued to develop recruitment capabilities to create inclusive and accessible processes for women, people with disability, Aboriginal and Torres Strait Islander people, Māori and Pasifika people, people from different cultural and religious backgrounds, and people from the LGBTIQ+ community.

We are committed to ensuring our recruitment and selection processes are barrier-free and accessible. We provide information on how potential candidates with accessibility needs can apply for roles and connect with our Talent and Culture team on adjustments they may need. We continue to ask all candidates (both internal and external) about their accessibility requirements and provide ongoing professional development to recruiters to help develop their disability-confidence.

**Virtual Workplace Preparation Program**

Launched on Global Accessibility Awareness Day, we introduced a virtual intern experience to encourage people with disabilities to see themselves represented in a professional work environment like ANZ and apply for roles. We received 954 enrolments with 131 participants completing the program in 2022.

**Summer internships and graduate program participants in 2022**



**AUSTRALIA**

- **Graduates**
  - Female 69
  - Male 53
- **Interns**
  - Female 35
  - Male 34

**NEW ZEALAND**

- **Graduates**
  - Female 12
  - Male 12
- **Interns**
  - Female 10
  - Male 6

**Participation of under-represented groups in our workforce**

Promoting the participation of under-represented groups in our workforce contributes to our goal of creating a diverse and inclusive workforce. We are also focused on engagement, retention, career progression and development opportunities for people across all our diverse groups.

**We continue to run a range of programs designed to encourage greater diversity and inclusion in our workforce, including:**

Indigenous school-based and full-time traineeships and direct hires	76 participants in 2022
TupuToa, summer internships for Māori and Pasifika students	6 participants in 2022
Given the Chance, six to twelve-month work placements for refugees and asylum seekers	55 participants in 2022
Spectrum, employment opportunities for autistic people	3 participants in 2022
Return to Work	89% of participants retained from 2021 cohort
Summer internships and graduate programs	231 participants in 2022
Victorian Government Digital Jobs Program (Strategic Partnership)	12 out of 30 placements gained permanent roles



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## TupuToa Partnership

We hosted six Māori & Pasifika interns through our partnership with TupuToa (an increase from five in 2021 including three who were sourced through the TupuToa partnership). Of these, two were successful in securing positions on our graduate program.

### Case study



## Go Girl, Go for IT

In August 2022, ANZ hosted over 1,700 female students at Go Girl, Go for IT – a fun, free, one day technology conference for girls in years 5–12 across Australia. ANZ has supported the program for several years and is a diamond sponsor. The event focuses on inspiring students with role model speakers, showcasing future technologies and challenging preconceptions of what a career in technology might look like.

**“It’s important for our economy and our community that we inspire young women to consider careers in STEM. This aligns to ANZ’s purpose while building a pipeline of future talent for our Technology division.”**

**Carina Parisella**  
ANZ Head of Technology Workforce



Image: ANZ Head of Technology Workforce Carina Parisella (left) at the Go Girl, Go for IT conference.

## Given the Chance

Since 2007 we have worked with the Brotherhood of St Laurence to assist refugees and asylum seekers with opportunities to enter the Australian workforce through the Given the Chance program.

The program supports job seekers into six- to 12-month work placement opportunities, providing them with invaluable work experience to enter the local workforce. We have accommodated over 350 participants across the bank in Victoria, New South Wales and Tasmania since the program commenced.

Given the Chance participants are highly engaged, skilled and motivated, and they make a positive contribution to their team, the bank and their community.

### Case study



To keep pace with customer demand and build home loan application assessment capacity, we recruited, onboarded and trained additional employees.

Changes in our assessment processes separated administrative tasks from credit decisions which broadened the potential recruitment pool to include skilled professionals who may not have worked in banking before.

This year saw the highest number of recruits in the program’s history, with 55 participants hired and 14 of those gaining permanent employment.

## A Chance For All

In 2022 we strengthened our partnership with Brotherhood of St Laurence by piloting a new employment program A Chance for All to offer six- to 12-month placement opportunities for individuals with a disability.

Launched in late May, eight participants have been placed across retail, customer service operations and digital roles. The pilot will be reviewed towards the end of 2022 with an aim to add it to core offerings, advocating for and providing job opportunities for individuals with disabilities.

Resource Optimisation Manager Daniel O’Keeffe shared that recruiting through the Given the Chance program effectively showcased the talent, education and experience of candidates directly relevant for operational roles.

“Until now, these credentials may not have been recognised by employers such as customer relationship managers in their home countries or mathematics and linguistic teachers at universities,” Daniel explained “These candidates bring a breadth of customer servicing, life experience and learning skills into our teams.”

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## Supporting Indigenous Australians

This year we launched our 2021–2024 Stretch Reconciliation Action Plan (RAP), ANZ's fifth RAP, focused on four key areas:

- Improve the financial wellbeing of individuals to develop financial resilience
- Provide employment and career progression opportunities to enable economic participation
- Support the growth of Indigenous businesses and organisations to enable economic participation
- Improve our understanding of Aboriginal and Torres Strait Islander cultures to create culturally safe and supportive spaces, show respect and combat racism

Our RAP governance structure has been strengthened and formalised to support our ability to deliver on our objectives. We have also embedded a voice representing Aboriginal and Torres Strait Islander employees and an external point of view in our RAP Steering Committee and Working Group to challenge and guide our thinking.



Further detail on our progress against RAP commitments is provided in our 2022 RAP Progress Report to be released later this year at [anz.com/reconciliation](https://anz.com/reconciliation)

We have made good progress against the 17 actions in our RAP, delivering 99% commitments that fell due this year.

- We launched a refreshed MoneyBusiness program – updating content, resources and training approach based on feedback received from facilitators and participants (refer to page 34 for further information)
- 1.98% of external hires identified as Aboriginal or Torres Strait Islander against our target of 2% by 2024
- We spent \$12.7 million with 32 Aboriginal and Torres Strait Islander businesses this year, exceeding our commitments of \$6 million by 2024 and 15 Aboriginal and Torres Strait Islander businesses in 2022 (refer page 60 for more information)
- Nearly 600 Australia-based employees have taken part in BlackCard face-to-face cultural capability training, exceeding our target of 300 employees by 2024
- We partially met our commitment to provide at least six MoneyBusiness facilitator training sessions to community workers and financial counsellors working in remote communities each year. A pause in training due to the MoneyBusiness refresh and COVID impacting supply chains and materials production meant that five sessions were provided throughout the year with the sixth, initially scheduled for September, postponed due to low participant numbers.



### From the Heart

Our CEO Shayne Elliott accepted on behalf of ANZ's employees, the invitation of the Uluru Statement from the Heart to walk together for a better future in March this year.

By accepting the invitation, ANZ supports the establishment of a First Nations Voice to parliament enshrined in the Constitution and a Makarrata Commission to supervise a process of agreement-making between governments and First Nations, and truth telling.

A First Nations Voice to parliament is a body enshrined in the Constitution that would enable Aboriginal and Torres Strait Islander people to provide advice to the Parliament on policies and projects that impact their lives. It would give the Australian Government the opportunity to make policies with Aboriginal and Torres Strait Islander people, rather than for Aboriginal and Torres Strait Islander people.

We have partnered with the From the Heart campaign to develop educational opportunities for our staff and customers to learn about the Uluru Statement, its history and objectives.

**"The power of ANZs support is twofold: by directly contributing to the campaign ANZ are supporting a grassroots movement for a successful referendum on the Voice; and just as important is the organisation's ability to engage its people and customers on this nationally significant issue. The strength of our campaign comes from the involvement of Australians from all walks of life and ANZ is playing a major role in making this happen."**

**Dean Parkin**

Director of From the Heart



"On behalf of the employees of ANZ, I accept the generous invitation of the Uluru Statement from the Heart to walk together for a better future. We support the establishment of a First Nations Voice to parliament enshrined in the Constitution and a Makarrata Commission to supervise a process of agreement-making and truth telling. This is a fair, practical and unifying reform."

**Shayne Elliott**  
March 2022

# UN SDG alignment with ESG targets

In 2022, progress against our public ESG targets contributed to the following United Nations Sustainable Development Goal targets.

## Financial wellbeing

Improving the financial wellbeing of our people, customers and communities by helping them make the most of their money throughout their lives.

Targets	Relevant United Nations Sustainable Development Goal target <sup>1</sup>
Support 1.3 million customers to save regularly, by end 2022. (Australia and New Zealand)	 <b>10.2</b> – Promote universal social, economic and political inclusion
Publish Adult Financial Wellbeing Research to inform our product design and financial literacy program delivery, by end 2022.	 <b>17.16</b> – Enhance the global partnership for sustainable development
Establish seven new partnerships to expand the reach and improve impact of MoneyMinded for disadvantaged communities, by end 2023.	 <b>1.4</b> – Equal rights to ownership, basic services, technology and economic resources
	 <b>8.3</b> – Promote policies to support job creation and growing enterprises
	 <b>10.2</b> – Promote universal social, economic and political inclusion
	 <b>17.16</b> – Enhance the global partnership for sustainable development

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1. We have used the abbreviated titles for each target – refer to [sdgs.un.org/goals](https://sdgs.un.org/goals) for full targets.

## Environmental sustainability

Supporting household, business and financial practices that improve environmental sustainability.

### Targets

Fund and facilitate at least AU\$50 billion by end 2025 towards sustainable solutions for our customers, including initiatives that help improve environmental sustainability, support disaster resilience, increase access to affordable housing and promote financial wellbeing.

### Relevant United Nations Sustainable Development Goal target<sup>2</sup>



- 1.4 – Equal rights to ownership, basic services, technology and economic resources
- 1.5 – Build resilience to environmental, economic and social disasters



- 5.1 – End discrimination against women and girls
- 5.5 – Ensure full participation in leadership and decision-making



- 6.1 – Safe and affordable drinking water
- 6.2 – End open defecation and provide access to sanitation and hygiene
- 6.3 – Improve water quality, wastewater treatment and safe reuse
- 6.4 – Increase water-use efficiency and ensure freshwater supplies
- 6.5 – Implement integrated water resources management
- 6.6 – Protect and restore water-related ecosystems



- 7.1 – Universal access to modern energy
- 7.2 – Increase global percentage of renewable energy
- 7.3 – Double the improvement in energy efficiency



- 8.2 – Achieve higher levels of economic productivity through diversification, technological upgrading and innovation
- 8.3 – Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises
- 8.5 – Full employment and decent work with equal pay



- 9.1 – Develop sustainable, resilient and inclusive infrastructures
- 9.4 – Upgrade all industries and infrastructures for sustainability
- 9.5 – Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries
- 9.A – Facilitate sustainable infrastructure development for developing countries

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2. We have used the abbreviated titles for each target – refer to [sdgs.un.org/goals](https://sdgs.un.org/goals) for full targets.

## Environmental sustainability

Supporting household, business and financial practices that improve environmental sustainability.

Targets	Relevant United Nations Sustainable Development Goal target <sup>2</sup>	
Continued	 <p><b>10.2</b> – Promote universal social, economic and political inclusion</p>	
	 <p><b>11.1</b> – Safe and affordable housing  <b>11.2</b> – Affordable and sustainable transport systems  <b>11.3</b> – Inclusive and sustainable urbanisation  <b>11.6</b> – Reduce the environmental impact of cities</p>	
	 <p><b>12.2</b> – Sustainable management and use of natural resources  <b>12.4</b> – Achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, and significantly reduce their release to air, water and soil  <b>12.5</b> – Substantially reduce waste generation  <b>12.8</b> – Promote universal understanding of sustainable lifestyles</p>	
	 <p><b>13.1</b> – Strengthen resilience and adaptive capacity to climate-related disasters  <b>13.3</b> – Build knowledge and capacity to meet climate change</p>	
	 <p><b>12.6</b> – Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	
	 <p><b>13.1</b> – Strengthen resilience and adaptive capacity to climate-related disasters</p>	
	 <p><b>15.3</b> – End desertification and restore degraded land  <b>15.5</b> – Protect biodiversity and natural habitats</p>	
	Engage with 100 of our largest emitting business customers to encourage them to, by end 2024:	
	<ul style="list-style-type: none"> <li>strengthen their low carbon transition plans so that more customers achieve a ‘well developed’ or ‘advanced’ rating; and</li> <li>enhance their efforts to protect biodiversity.</li> </ul>	

2. We have used the abbreviated titles for each target – refer to [sdgs.un.org/goals](https://sdgs.un.org/goals) for full targets.

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## Environmental sustainability

Supporting household, business and financial practices that improve environmental sustainability.

Targets	Relevant United Nations Sustainable Development Goal target <sup>2</sup>
Develop an enhanced climate risk management framework that strengthens our governance and is responsive to climate change, by end 2022.	 <p><b>13.1</b> – Strengthen resilience and adaptive capacity to climate-related disasters</p> <p><b>13.3</b> – Build knowledge and capacity to meet climate change</p>
Reduce the direct impact of our business activities on the environment by:	 <p><b>6.4</b> – Increase water-use efficiency and ensure freshwater supplies</p>
<ul style="list-style-type: none"> <li>reducing Scope 1 and 2 emissions by 24% by 2025 and by 35% by 2030 (against a 2015 baseline)</li> <li>increasing renewable energy use to 100% by 2025</li> </ul>	 <p><b>7.3</b> – Double the improvement in energy efficiency</p>
<ul style="list-style-type: none"> <li>reducing potable water consumption by 25% by 2025 (against a 2017 baseline)</li> <li>reducing waste to landfill by 30% by 2025 (against a 2017 baseline)</li> </ul>	 <p><b>12.5</b> – Substantially reduce waste generation</p>
<ul style="list-style-type: none"> <li>reducing paper consumption (office and customer paper use only) by 60% by 2025 (against 2015 baseline).</li> </ul>	 <p><b>13.3</b> – Build knowledge and capacity to meet climate change</p>

2. We have used the abbreviated titles for each target – refer to [sdgs.un.org/goals](https://sdgs.un.org/goals) for full targets.

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## Housing

Improving the availability of suitable and affordable housing options for all Australians and New Zealanders.

Targets	Relevant United Nations Sustainable Development Goal target <sup>3</sup>
Fund and facilitate AU\$10 billion of investment by end 2030 to deliver more affordable, accessible and sustainable homes to buy and rent. (Australia /New Zealand)	 <b>9.1</b> – Develop sustainable, resilient and inclusive infrastructures
	 <b>10.2</b> – Promote universal social, economic and political inclusion
	 <b>11.1</b> – Safe and affordable housing
Support more customers into healthier homes with our Healthy Home Loan Package and Interest-free Insulation Loans – through a 25% increase of funds under management and a 46% increase in customer numbers by 2025. (New Zealand)	 <b>9.4</b> – Upgrade all industries and infrastructures for sustainability
	 <b>11.1</b> – Safe and affordable housing

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3. We have used the abbreviated titles for each target – refer to [sdgs.un.org/goals](https://sdgs.un.org/goals) for full targets.

## Fair and responsible banking

Keeping pace with the expectations of our customers, employees and the community, behaving fairly and responsibly and maintaining high standards of conduct.

Targets	Relevant United Nations Sustainable Development Goal target <sup>4</sup>
Implement ANZ's new Customer Extra Care Framework, including enhanced training of 5,000 employees to build their capabilities with respect to identifying, supporting and referring customers who are in need of extra care, by end 2022. (Australia)	 <p><b>1.4</b> – Equal rights to ownership, basic services, technology and economic resources</p>
Implement ANZ's new human rights grievance mechanism, and publicly report on complaints received under the mechanism, by end 2022.	 <p><b>8.7</b> – End modern slavery, trafficking and child labour <b>8.8</b> – Protect labour rights and promote safe working environments</p>
Achieve the 17 actions in our Reconciliation Action Plan, by end 2024. (Australia)	 <p><b>1.4</b> – Equal rights to ownership, basic services, technology and economic resources</p>
	 <p><b>8.3</b> – Promote policies to support job creation and growing enterprises <b>8.5</b> – Full employment and decent work with equal pay</p>
	 <p><b>10.2</b> – Promote universal social, economic and political inclusion</p>
	 <p><b>17.16</b> – Enhance the global partnership for sustainable development</p>

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4. We have used the abbreviated titles for each target – refer to [sdgs.un.org/goals](https://sdgs.un.org/goals) for full targets.

# UN Principles for Responsible Banking Self-assessment

## Reporting and Self-assessment requirements

## High-level summary of bank's response (limited assurance required for responses to highlighted items)

## Reference(s)/Link(s) to bank's full response/relevant information

### PRINCIPLE 1: ALIGNMENT

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

**1.1** Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.

ANZ is among the top four banks in Australia, the largest banking group in New Zealand and the Pacific, and among the top 50 banks in the world by market capitalisation.

Our history dates back over 185 years, and we operate in 32 markets globally with representation in Australia, New Zealand, Asia, Pacific, the Middle East, Europe, and America.

We provide a range of banking and financial products and services to around 8.5 million Retail, Commercial and Institutional customers, and we employ around 40,000 people worldwide.

[About ANZ](#)  
[Our Purpose and Strategy](#)  
[2022 Annual Report](#)  
pages 12–13

**1.2** Describe how your bank has aligned and/or is planning to align its strategy to be consistent with, and contribute to, society's goals as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Our strategy is to improve the financial wellbeing and sustainability of our customers. We will do this by providing excellent services, tools and insights that engage and retain customers and help positively change their behaviour.

In particular, we want to help customers:

- Save for, buy and own a sustainable, liveable and affordable home
- Start or buy and sustainably grow their business
- Move capital and goods around the region and sustainably grow their business.

We are focused on integrating our purpose and ESG approach into our business strategy. Our ESG approach focuses on three key areas:

**Financial wellbeing** – improving the financial wellbeing of our people, customers and the community by helping them make the most of their money throughout their lives

**Environmental sustainability** – supporting household, business and financial practices that improve environmental sustainability

**Housing** – improving the availability of suitable and affordable housing options for all Australians and New Zealanders

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[Our Purpose and Strategy](#)  
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Climate-related Financial Disclosures, to be released prior to our Annual General Meeting and made available on [anz.com/annualreport](https://anz.com/annualreport)

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1.2 Continued

Fundamental to our approach is a commitment to fair and responsible banking – keeping pace with the expectations of our customers, employees and the community, behaving fairly and responsibly and maintaining high standards of conduct, as well as addressing issues identified through our annual materiality assessment.

We support the Paris Agreement's goal of transitioning to net zero emissions by 2050. Our Climate Change Commitment, updated in November 2021, summarises our climate change approach and respective targets, including our response across four key areas:

1. Supporting our customers and industries to transition
2. Aligning our lending decisions to the Paris Agreement goals
3. Reducing emissions from our operations
4. Engaging constructively and transparently with stakeholders

In October 2021, ANZ joined the UN Environment Programme Finance Initiative's (UNEP FI) Net-Zero Banking Alliance (NZBA) – signalling our commitment to align our lending portfolio with the goal of achieving net zero emissions by 2050.

We are committed to the UN Sustainable Development Goals (SDGs), with our ESG targets supporting 12 of the 17 SDGs. Refer to pages 11–15 for detail on our performance against our ESG Targets.

Our Human Rights Statement (Statement) outlines our respect for international human rights standards and includes:

- No tolerance for retaliation against individuals or communities
- Reference to climate change and associated human rights impacts
- Support for open civic space and human rights defenders
- Scenarios where domestic laws conflict with international human rights standards
- Our process when a customer or business relationship's human rights practices are inconsistent with our expectations

Our Grievance Mechanism (Mechanism) supports people and communities who believe their human rights have been impacted by ANZ's Institutional or Corporate lending customers. In establishing the Mechanism, we sought to provide a framework through which efforts can be made to resolve complaints by affected communities about adverse human rights impacts associated with ANZ customers, and feedback and recommendations aimed at strengthening our due diligence processes can be provided.

In 2022, we will publish our third Modern Slavery Statement in line with the *Modern Slavery Act 2018*.

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**PRINCIPLE 2: IMPACT AND TARGET SETTING**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

**2.1 Impact Analysis:** *Show* that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements:

**a. Scope:** The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.

**b. Scale of Exposure:** In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.

**c. Context and Relevance:** Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.

**d. Scale and intensity/salience of impact:** In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)).

**Scope:**

In conducting our Impact Analysis work this year, we have identified our most significant impact areas using aspects of the UNEP FI Principles for Responsible Banking – Impact Identification Tool.

In analysing our impact, we considered our Retail, Commercial and Institutional businesses across our main markets of operation, Australia and New Zealand. We considered all material sectors financed across each business area.

Through our analysis we identified our most significant (potential) positive impact areas as:

- Inclusive, healthy economies
- Housing

Through our analysis we identified our most significant (potential) negative impact areas as:

- Climate change
- Resource efficiency/security
- Inclusive, healthy economies

We also conducted our annual materiality assessment, engaging with key external and internal stakeholders to ensure our targets and commitments reflect the most significant ESG risks and opportunities facing our business and the communities in which we operate.

**Scale of exposure:**

Our main markets of operation are Australia and New Zealand, where we provide Retail, Commercial and Institutional products. We will seek to expand our assessment to cover our 32 markets of operation and will look to refine our portfolio-level and sectoral analysis. Information on our lending profile and exposures can be found in our Full Year Results Investor Discussion Pack available at [anz.com/shareholder/centre/reporting/results-announcement/](https://anz.com/shareholder/centre/reporting/results-announcement/) and our ESG data pack available at [anz.com/annualreport](https://anz.com/annualreport). In addition, within our Climate-related Financial Disclosures report, which will be released prior to our Annual General Meeting.

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**2.1** Continued

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts/reduction of negative impacts

**Context and relevance:**

ANZ's purpose focuses on three key areas:

**Financial wellbeing** – improving the financial wellbeing of our people, customers and the community by helping them make the most of their money throughout their lives

**Environmental sustainability** – supporting household, business and financial practices that improve environmental sustainability

**Housing** – improving the availability of suitable and affordable housing options for all Australians and New Zealanders

Fundamental to our approach is a commitment to fair and responsible banking – keeping pace with the expectations of our customers, employees and the community, behaving fairly and responsibly and maintaining high standards of conduct, as well as addressing issues identified through our annual materiality assessment.

Our 2022 materiality assessment incorporated views from external and internal stakeholders, including institutional investors, consumer and environment NGOs and our community partners. The top five material issues ranked by stakeholders were:

- Climate change
- Information security
- Innovation and technology
- Customer experience
- Employee capability and wellbeing

We also considered our Key Material Risks, our strategy, values and Code of Conduct, media analysis, recent regulatory developments, peer review, industry trends such as the Sustainability Accounting Standards Board Materiality Map and sustainability frameworks such as the UN Sustainable Development Goals.

**Scale and intensity/salience of impact:**

We consider the scale and intensity/salience of our impacts through our engagement with governments, NGOs, industry associations, shareholders, customers and employees.

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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

*We have identified our most significant (potential) impact areas for our Retail, Commercial and Institutional businesses across our main markets of operation, Australia and New Zealand in line with the Principle's requirements. In 2022 we will look to expand our analysis to include other geographies in which we operate.*

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**2.2 Target Setting**

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.

Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/ society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.

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ANZ sets public targets annually which reflect our purpose, our ESG focus areas (financial wellbeing, environmental sustainability, housing; and fair and responsible banking) and respond to our most material ESG issues.

When setting our suite of ESG targets, we consider potential impacts, both positive and negative, (informed by the impact analysis work described under requirement 2.1) and our materiality assessment.

Our progress against our public ESG targets is reviewed by the executive Ethics and Responsible Business Committee (ERBC) quarterly and twice a year by the Board Ethics, Environment, Social and Governance Committee (EESG). We publicly report our progress against these targets twice yearly in Results briefings, in our annual reporting suite (including our ESG Supplement, ESG Data Pack, Climate-related Financial Disclosures report) and our ESG Investor Briefings.

Following our impact analysis, we consider the below impact areas to be the areas of most significant impact for ANZ, as they align with a number of Sustainable Development Goals and also with ANZ’s ESG focus areas which we have S.M.A.R.T targets for:

**Impact area 1 – Environmental sustainability**

We have set a number of environmental sustainability targets to help reduce our potential negative and positive impact on climate change.

**Target 1 – Sustainable Finance:**

“To fund and facilitate at least \$50 billion by 2025 towards sustainable solutions for our customers, including initiatives that help improve environmental sustainability, support disaster resilience, increase access to affordable housing and promote financial wellbeing”.

**Specific:** to fund and facilitate \$50 billion in sustainable solutions

**Measurable:** target amount \$50 billion

**Achievable:** we are on track to achieve this target

**Relevant:** it aligns with our ESG focus area of environmental sustainability, as well as financial wellbeing and housing

**Time bound:** by 2025

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2.2 Continued

Accordingly, the target aligns to the following SDGs: 1 No Poverty, 5 Gender Equality, 6 Clean Water and Sanitation, 7 Affordable and Clean Energy, 8 Decent Work and Economic Growth, 9 Industry, Innovation and Infrastructure, 10 Reduced Inequalities, 11 Sustainable Cities and Communities, 12 Responsible Consumption and Production and 13 Climate Action.

**Target 2 – Targets for power generation and commercial real estate:**

ANZ was the first Australian bank to sign up to the Net-Zero Banking Alliance (NZBA) and we are committed to aligning our lending portfolio with the goal of net zero emissions by 2050. In 2021, we set the below sector targets for power generation and commercial real estate. We will progressively expand our coverage of key sectors up to 2024, in line with our NZBA commitment and the evolution of globally recognised standards and methodologies.

Power Generation

We are committed to supporting the clean electrification of the world's energy supply, setting a target to reduce the emissions intensity of our power generation portfolio by 50% on 2020 levels by 2030.

Commercial real estate

In 2021, we set the target to reduce the emissions intensity of our Australian large-scale commercial real estate portfolio by 60% on 2019 levels by 2030.

**Specific:** to reduce emissions intensity

**Measurable:** target to reduce emissions intensity of our power generation portfolio by 50% on 2020 levels by 2030 and reduce the emissions intensity of our Australian large-scale commercial real estate portfolio by 60% on 2019 levels by 2030

**Achievable:** we are on track to achieve these targets

**Relevant:** it aligns with our ESG focus area of environmental sustainability

**Time bound:** by 2030

Our performance against the above power generation and commercial real estate targets is reported in our Full Year Results Investor Discussion Pack. Further detail will be made available in our 2022 Climate-related Financial Disclosures report which will provide further detail on our customer engagement program during 2022 and will be available at [anz.com/annualreport](https://anz.com/annualreport) prior to our Annual General Meeting.

These targets align with SDG 13 Climate Action.

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2.2 Continued

**Impact area 2 – Inclusive, healthy economies**

Inclusive, healthy economies was identified as an area ANZ has the potential to have both a positive and negative impact on. Financial wellbeing is an ESG focus area for us, with a number of targets being set in this area.

ANZ recognises the importance of financial wellbeing across the whole population in sustaining a healthy and inclusive economy. Beyond providing core banking services, we play a key role in leading research into what is influencing financial wellbeing in Australia and New Zealand. Insights from our research are shared publicly so they can be used by government, community and corporate sectors to inform their work, and we use these insights to inform our products and services, as well as our financial education programs, Saver Plus and MoneyMinded. These programs involve close collaboration with partners from the community and government sectors.

Refer to pages 28–36 for detail on how we are contributing towards financial wellbeing.

**Target 1 – MoneyMinded partnerships:**

“To establish seven new partnerships to expand the reach and improve impact of MoneyMinded for disadvantaged communities, by end 2023” – which has a focus on positive impacts for disadvantaged communities.

**Specific:** to establish seven new partnerships to expand the reach and improve impact of MoneyMinded for disadvantaged communities

**Measurable:** target set to achieve seven partnerships

**Achievable:** we are on track to achieve this target

**Relevant:** it aligns with our ESG focus area of financial wellbeing

**Time bound:** by 2023

This target aligns with the following SDGs: 1 No Poverty, 8 Decent Work and Economic Growth, 10 Reduce Inequalities and 17 Partnerships for the Goals.

**Target 2 – Supporting customers to save regularly**

“Support 1.3 million customers to save regularly, by end 2022. (Australia and New Zealand)”

This target aligns with SDG 10 Reduced Inequalities.

For our full suite of 2022 ESG targets – which support 12 of the 17 United Nations Sustainable Development Goals – and which are approved by the Board EESG Committee, please see pages 11–15 of this document.

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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

We expanded our suite of ESG targets this year, with the addition of two new S.M.A.R.T targets in the areas of environmental sustainability and one in the area of financial wellbeing. These targets are still current and are in line with this Principle's requirements.

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**2.3 Plans for Target Implementation and Monitoring**

Show that your bank has defined actions and milestones to meet the set targets.

Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.

Progress against our ESG targets is monitored and reported quarterly to the ERBC, and twice-yearly to the Board EESG Committee.

Each target has a 'Subject Matter Expert' responsible for reporting against the target and this is overseen by the relevant Executive.

Updates on our targets are provided twice a year at our Results briefing; in our annual reporting suite (including our Annual Report, ESG Supplement and Climate-related Financial Disclosures report (which will be released prior to our Annual General Meeting, available at [anz.com/annualreport](https://anz.com/annualreport))) and at our annual ESG investor briefings. These updates are published on [anz.com](https://anz.com); and on ANZ's bluenotes and news sites.

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2022 Climate-related Financial Disclosure report which will be released prior to our Annual General Meeting will be available at [anz.com/annualreport](https://anz.com/annualreport).

**ESG Reporting**

**ANZ bluenotes**

**ANZ News**

**ESG Presentations**

**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.**

*Through the disclosed accountabilities our Board and Executive Committees have for monitoring and reporting on our ESG targets, we fulfil the requirements under this principle.*

**2.4 Progress on Implementing Targets**

For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target.

**Or explain** why actions could not be implemented/needed to be changed and how your bank is adapting its plan to meet its set target.

Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)

We publicly report our progress against our ESG targets twice-yearly, at our Results briefings and through our annual reporting disclosures.

We are on track to meet our sustainable solutions target to fund and facilitate at least \$50 billion by 2025. Since October 2019, we have funded and facilitated \$40.04 billion towards the target.

We are on track to meet our sector targets for power generation and commercial real estate. Our performance against the power generation and commercial real estate targets is reported in our Full Year Results Investor Discussion Pack.

Our financial wellbeing target to establish seven new partnerships is on track, with six new partnerships formed since October 2020.

Our financial wellbeing target to support customers to save regularly has been achieved in 2022.

Details on progress of our other ESG targets are included in our 2022 ESG Supplement.

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2022 Climate-related Financial Disclosure report which will be released prior to our Annual General Meeting will be available at [anz.com/annualreport](https://anz.com/annualreport).

**ESG Reporting on our Shareholder Centre Full Year Results Investor Discussion Pack**

**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets.**

*We have fulfilled the requirements under this principle through our processes to evaluate and report on our progress against our ESG targets.*

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**PRINCIPLE 3: CLIENTS AND CUSTOMERS**

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

**3.1** Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.

We consider relationships with our customers essential to our success and ability to create long-term value. How we engage with our customers is embedded in our group-wide policies, processes and operations. This is underpinned by our employee Code of Conduct which sets expected standards of behaviours and guides employees in applying the Bank's values.

We work to maintain high standards of conduct and continue to improve our culture, governance and accountability mechanisms to help improve customer outcomes.

Specifically, our purpose and our ESG focus areas are key to how we seek to engage and support customers.

Underpinning our key ESG focus areas is a commitment to 'fair and responsible banking' – keeping pace with the expectations of our customers, employees and the community, behaving fairly and responsibly and maintaining high standards of conduct.

Within the area of fair and responsible banking we have set targets to:

- Implement ANZ's new Customer Extra Care Framework, including enhanced training of 5,000 employees to build their capabilities with respect to identifying, supporting and referring impacted customers, by end 2022. (Australia)
- Implement ANZ's new human rights grievance mechanism, and publicly report on complaints received under the mechanism, by end 2022.
- Achieve the 17 actions in our Reconciliation Action Plan, by end 2024. (Australia)

Refer to progress of our ESG targets at pages 11–15. The detailed progress against the 17 actions in our annual Reconciliation Action Plan, will be published in December 2022.

To better support customers in need of extra care, we have a gambling block tool for Visa credit and debit cards – blocking gambling transactions from being made in person, on the phone or online. The self-exclusion tool was designed in consultation with experts and community organisations and includes a 48-hour switch-off delay. Over 33,600 blocks were enabled by customers this year. We also provide gambling support content on anz.com and provide training and resources for our employees to facilitate customer conversations about our gambling controls, financial assistance and referrals to external support services.

Our Human Rights Statement (Statement) outlines our approach to respecting human rights and our Grievance Mechanism (Mechanism) supports people and communities who believe their human rights have been impacted by ANZ's Institutional or Corporate lending customers. At the date of this report, we had not received any complaints to the Mechanism.

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**3.2** Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.

**High-level summary of bank's response  
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ANZ's Climate Change Commitment, updated in November 2021, outlines our commitment to support a net zero transition and help our customers and industry to do this. Our Commitment is centred on four key areas:

1. Supporting our customers and industries to transition
2. Aligning our lending decisions to the Paris Agreement goals
3. Reducing emissions from our operations
4. Engaging constructively and transparently with stakeholders

One of our ESG targets is to fund and facilitate at least AU\$50 billion by 2025 towards sustainable solutions for our customers, including initiatives that help improve environmental sustainability, support disaster resilience, increase access to affordable housing and promote financial wellbeing. Key to this are our sustainable finance products and service. In 2022 we continued to see growth in this business, participating in 140 transactions, in comparison to 81 transactions in 2021. Since October 2019, we have funded and facilitated \$40.04 billion towards the target.

Another ESG target is to engage with 100 of our largest emitting business customers to encourage them to, by end 2024:

- Strengthen their low carbon transition plans so that more customers achieve a 'well developed' or 'advanced' rating; and
- Enhance their efforts to protect biodiversity.

Further details around implementation and progress on this target will be in the Climate-related Financial Disclosures report, to be released prior to our Annual General Meeting and made available at [anz.com/annualreport](https://anz.com/annualreport).

Another important focus for ANZ is supporting household, business and financial practices that improve environmental sustainability.

ANZ continues to support New Zealanders to improve the environmental sustainability of their homes by offering:

- **Healthy Home Loan Package** – which offers discounts on home loan interest rates and other benefits for energy efficient homes. Customers can apply for the package if they are buying, building, renovating or already own a home with a 6 Homestar rating or higher.
- **Good Energy Home Loan** – a top up product that was launched this year, providing a low-interest home loan rate for customers wanting to increase the energy efficiency of their home. It allows customers to borrow up to NZ\$80,000 at a 3-year fixed rate of 1% per annum to upgrade homes with solar panels, heating and insulation, double glazing, ventilation systems and rainwater tanks. It can also be used for electric and hybrid vehicles, and EV chargers.

**Reference(s)/Link(s) to bank's full  
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**PRINCIPLE 4: STAKEHOLDERS**

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

**4.1** Describe which stakeholders (or groups/ types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.

Stakeholder engagement is embedded in our policies, processes and operations.

Through our materiality assessment, we engage and consult with internal and external stakeholders to inform our identification of ESG risks and opportunities. External views were sought from institutional investors, consumer and environment NGOs, and our community partners. The results of these interviews inform our strategy, ESG targets, Group Performance Framework and external reporting.

This year's materiality assessment identified the top 5 material issues ranked by stakeholders as:

1. Climate change
2. Information Security
3. Innovation and technology
4. Customer experience
5. Employee capability and wellbeing

These issues complement our purpose which focuses on three key areas of:

**Financial wellbeing** – improving the financial wellbeing of our people, customers and the community by helping them make the most of their money throughout their lives

**Environmental sustainability** – supporting household, business and financial practices that improve environmental sustainability

**Housing** – improving the availability of suitable and affordable housing options for all Australians and New Zealanders

Fundamental to our approach is a commitment to fair and responsible banking – keeping pace with the expectations of our customers, employees and the community, behaving fairly and responsibly and maintaining high standards of conduct, as well as addressing issues identified through our materiality assessment.

In addition, we take a collaborative and proactive approach to engaging with a broad range of other stakeholders throughout the year to create long-term value and deliver on our business strategy. These stakeholders include government, regulators, customers, shareholders, NGOs and industry associations. Refer to pages 9–10 for further details.

Our Human Rights Statement and Grievance Mechanism was informed by an external multi-stakeholder working group, including civil society organisations, academics, business representatives and customers in 2021. Engagement will again be sought with external stakeholders in reviews of the Mechanism in 2023 and the Statement in 2024.

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**PRINCIPLE 5: GOVERNANCE AND CULTURE**

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

**5.1** Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.

Our governance framework provides the structure for effective and responsible decision-making within the organisation, ensuring we meet our ESG objectives.

Our Board EESG Committee, led by ANZ's Chairman, is responsible for oversight, review and/or approval of matters relating to our ESG focus areas, including performance against targets. The Committee meets four times a year.

Our Board EESG Committee endorsed ANZ becoming a signatory to the Principles for Responsible Banking. We report on our progress to align with the Principles to this Committee at least once a year and also to our executive ERBC, together with our quarterly ESG target updates.

In addition, our risk management framework and policies, internal audit function and other established systems and procedures help us effectively mitigate ESG risks.

**2022 Corporate Governance Statement**

2022 ESG Supplement  
page 5

**2022 Annual Report**  
pages 26–35

**Governance and Risk Management  
Reporting and Performance**

**5.2** Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.

We are developing the culture, capabilities and behaviours we need to live our purpose, values and deliver on our strategy.

This is underpinned by our employee Code of Conduct which sets expected standards of behaviours and guides employees in applying the Bank's values. Our Code explicitly requires all employees and contractors to be ethical and professional, act with integrity, protect competition and the competitive process, treat everyone with dignity and respect, manage conflicts of interest, protect privacy and confidentiality, and also call out unacceptable behaviour and stand up for what is right. Our Code requires all employees and contractors to comply with the law as well as all of our policies and procedures.

The Code of Conduct is supported by a suite of policies that are reviewed regularly to ensure they reflect any legislative changes and remain fit for purpose. Code of Conduct training is mandatory for all ANZ employees and contractors.

Pages 12–13 of our Annual Report outlines ANZ's strategy and the work we are undertaking to build a better bank. Key to this work is a clear linkage between purpose and strategy. We have a suite of people, customer and reputation metrics in our Group Performance Framework, with internal and external targets. Refer to our Remuneration Report within our Annual Report.

**Our culture and conduct**

**Employee wellbeing and engagement**

2022 ESG Supplement  
pages 45–46 and 64–74

**2022 Annual Report**  
pages 12–13 and 15

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**5.3 Governance Structure for  
Implementation of the Principles**

Show that your bank has a governance structure in place for the implementation of the PRB, including:

- a. target-setting and actions to achieve targets set
- b. remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.

**High-level summary of bank's response  
(limited assurance required for responses to highlighted items)**

Our public ESG targets are approved and reviewed twice a year by the Board Ethics, Environment, Social and Governance Committee (EESG) and are reviewed by the executive Ethics and Responsible Business Committee (ERBC).

The ERBC comprises Senior Executives from business divisions and Group functions and is a leadership and decision-making body, holding the bank accountable for its ESG work. It governs 'who we bank' and 'how we bank', seeking to align our lending decisions and products, services and processes with our purpose. The ERBC is accountable to the Board EESG Committee in the effective discharge of its responsibilities. It operationalises Board objectives and makes decisions on issues and policies.

As mentioned above, the Board EESG Committee meets four times a year, and is responsible for the oversight, review and/or approval of matters relating to our ESG focus areas, including performance against targets.

We publicly report our progress against these targets twice yearly in Results briefings, in our annual reporting suite (ESG Supplement, ESG Data Pack, Climate-related Financial Disclosures report) and our ESG Investor Briefings.

Management incentives for delivering our strategy and purpose are in place at the most senior levels of the organisation including our Group Executive Committee and senior leaders. Our Group Performance Framework incorporates whether we have strengthened our position as a leading Sustainability bank in the region, and our performance against the S&P corporate sustainability assessment. Refer to the Remuneration Review from page 62 of the Annual Report.

**Reference(s)/Link(s) to bank's full  
response/relevant information**

Governance and Risk Management  
Reporting and Performance  
ESG Governance

2022 ESG Supplement  
page 5

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**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.**

*We have fulfilled the requirements under this principle through our existing governance structures, specifically our executive ERBC and Board EESG Committee. Both of these Committees are updated on the implementation of our ESG targets and alignment to the Principles.*

**PRINCIPLE 6: TRANSPARENCY AND ACCOUNTABILITY**

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

**6.1 Progress on Implementing the  
Principles for Responsible Banking**

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1–2.4).

In 2019, ANZ became a founding signatory to the UN Principles for Responsible Banking. We publish our alignment with the Principles for Responsible Banking annually, and full details of progress against our ESG focus areas and targets can be found throughout this report.

Below is a summary of work we have completed in the last 12 months:

**Alignment**

- Our full range of ESG targets, against our ESG focus areas, support 12 of the 17 United Nations Sustainable Development Goals
- ANZ was the first Australian bank to sign up to the Net-Zero Banking Alliance (NZBA)

2022 ESG Supplement pages 11–15

2022 Annual Report  
pages 18–25

**Reporting and  
Self-assessment requirements**

**6.1** Continued

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

**High-level summary of bank's response  
(limited assurance required for responses to highlighted items)**

We report against the UN Global Compact Communication on Progress, Equator Principles, Taskforce of Climate-related Financial Disclosures, as well as a stand-alone Modern Slavery Report. We also joined the Taskforce on Nature-related Financial Disclosures Forum to support their work.

**Impact and Target Setting**

- Used the UNEPFI's Impact Analysis Tool to help inform our impact analysis; conducted our materiality assessment that also informed our analysis and target setting
- In November 2021, we set the sector targets for power generation and commercial real estate. We will progressively expand our coverage of key sectors up to 2024, in line with our NZBA commitment and the evolution of globally recognised standards and methodologies

**Clients and Customers**

- Three targets against our focus area of fair and responsible banking
- Released our new Reconciliation Action Plan

**Stakeholders**

- One of the ways we help create long-term value and deliver on our business strategy is through a collaborative and proactive approach to building and maintaining relationships with stakeholders. Pages 9–10 outlines in detail our stakeholder engagement during the year including our regular program of CEO and Senior Executive meetings with civil society leaders

**Governance and Culture**

- Part of our Bank we're Building approach is a clearer alignment between purpose and strategy, reflected in our Group Performance Framework that contains metrics relating to people, customer and reputation including whether we have strengthened our position as a leading sustainability bank in the region, and our performance against the S&P corporate sustainability assessment. Refer to the Remuneration Review from page 62 of the Annual Report.

**Reference(s)/Link(s) to bank's full  
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking.

*This is our third year of reporting against the Principles for Responsible Banking. We consider we have fulfilled the majority of the requirements of the Principles and will continue to build on our commitment in the coming year.*

## Target to fund and facilitate \$50 billion in sustainable solutions by 2025 (the \$50 billion target).

'Sustainable solutions' are defined as the products and services provided to our customers across the markets in which we operate, to the extent they are related to the defined activities below.

The \$50 billion target is reported as at 30 September 2022 and is a six-year Group-wide target, from 2020 to 2025 inclusive. It includes all eligible financing either funded or facilitated by ANZ through its products and services, including, but not limited to, loans, guarantees and bonds, markets products and advisory services. It also includes labelled sustainable finance products including green/social/sustainability/sustainability-linked (GSSS) bonds, green/social/sustainability loans, sustainability-linked loans (SLLs), sustainability-linked derivatives, green/sustainability-linked trade products, and labelled transition bonds/loans.

Our approach to our \$50 billion target:

- draws on the Climate Bonds Initiative (CBI) criteria (available on [climatebonds.net/standard](https://climatebonds.net/standard)) and the expertise of our internal specialist teams to guide which activities qualify for inclusion. The CBI criteria is designed to be consistent with the latest climate science including research from the Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA) and is intended for broad guidance only;
- aligns to the United Nations Sustainable Development Goals (SDGs), specifically SDG 1 No Poverty, 5 Gender Equality, 6 Clean Water and Sanitation, 7 Affordable and Clean Energy, 8 Decent Work and Economic Growth, 9 Industry, Innovation and Infrastructure, 10 Reduced Inequalities,

11 Sustainable Cities and Communities, 12 Responsible Consumption and Production, and 13 Climate Action;

- takes into account the nature of a customer's business such that, where only part of a customer's operations or activities meet the criteria, we will determine what proportion of general purposes financing provided to that customer is included. (General purposes financing is financing provided for application to a customer's general expenditure requirements and not specifically identified projects for example, capital or operational expenditure); and
- includes conducting an annual review of activities and methodologies used to guide activities that qualify for the \$50 billion target. This may result in the inclusion of new activities and any material changes will be transparently disclosed. Changes in methodology will not be applied retrospectively.

The \$50 billion target activities specifically include, but are not limited to:

- low-emissions transport, transport infrastructure;
- green buildings – demonstrating 5-star National Australian Built Environment Rating System ('NABERS') equivalent and 4-star NABERS rating for retrofits with minimum 2-star upgrade;
- re-forestation, sustainable forestry and agricultural practices;
- renewable energy, battery storage;
- pollution reduction and waste management;
- emerging smart technologies and industrial processes that support resource efficiency;
- climate change adaptation measures;
- water recycling, procurement, treatment and efficiency;

- Corporate loans for businesses in environmental/carbon project development which facilitate the transition to net zero or create nature positive outcomes;
- Networks, management and communication tools which facilitate the transition to net zero
- labelled sustainable finance transactions that link financial outcomes to borrowers material ESG performance
- social and affordable housing – construction of, or investment in, housing supply that supports positive market change; and
- financial wellbeing transactions that advance the financial wellbeing for our people, customers and communities. This includes activities and transactions that support the improvement of financial access and financial fitness within the community.

The target includes products and services (including refinancing) that have been provided since 1 October 2019 above a threshold of \$1 million.

## Target to fund and facilitate \$10 billion in affordable, secure and sustainable housing by 2030 across Australia and New Zealand.

'Affordable, secure and sustainable housing' is defined as the products and services provided to our customers in Australia to the extent they are related to the defined activities below.

The \$10 billion target is reported as at 30 September 2022 and is a twelve-year Australia and New Zealand target, from 2018 to 2030. It includes all financing either funded or facilitated by ANZ through its products and services, including, but not limited to, loans, guarantees and bonds, markets products and

advisory services. It also includes certain labelled sustainable finance products such as social/sustainability bonds and sustainability-linked loans (SLLs).

Our approach to our \$10 billion target:

- aligns to United Nations Sustainable Development Goals (SDGs), specifically SDG 9 Industry, Innovation and Infrastructure and 11 Sustainable Cities and Communities; and
- commits to conducting an annual review of activities and methodologies used to guide activities that qualify for the \$10 billion target. This may result in the inclusion of new activities and any material changes will be transparently disclosed. The inclusion of new activities will not be applied retrospectively.

The \$10 billion target activities specifically include the construction of, or investment in, Australian and New Zealand housing supply that supports positive market change, including the following aims:

- supporting social housing for vulnerable communities;
- expanding the availability of affordable housing for rental or purchase;
- increasing the availability of accessible housing that provides better design to support disability and aged persons;
- delivering security of tenure for rental and/or including the opportunity to purchase; and
- improving housing sustainability via design and features above minimum standards.

The target includes products and services that have been provided since 1 October 2018 above a threshold of \$1 million. This target contributes to the \$50 billion target from 1 October 2019.

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# Independent Limited Assurance Report to the Directors of Australia and New Zealand Banking Group Limited



## Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the ESG Reporting, which has been prepared by ANZ in accordance with the GRI Standards and ANZ's basis of reporting for the year ended 30 September 2022.

## Information subject to assurance

Australia and New Zealand Banking Group Limited (ANZ) engaged KPMG to perform a limited assurance engagement in relation to the ANZ 2022 ESG Supplement and 2022 ESG Supplement Data Pack ("ESG Reporting"). KPMG's scope of work comprises limited assurance over all material text and data claims presented in pages 1 to 80 of the ANZ 2022 ESG Supplement, and all material 2022 data points presented in the 2022 ESG Supplement Data Pack. The ANZ 2022 ESG Supplement is attached to this assurance report, and the 2022 ESG Supplement Data Pack is available at [anz.com/annualreport](https://anz.com/annualreport).

The ESG Reporting covers ANZ's global operations for year ended 30 September 2022 unless otherwise indicated.

## Criteria

The ESG Reporting is prepared in accordance with the GRI Standards published by the Global Reporting Initiative (GRI), version dated 2016 and management's basis of reporting, a summary of which is included in the Explanatory Notes section in the ANZ 2022 ESG Supplement.

## Basis of our conclusion

We conducted our work in accordance with International Standard on Assurance Engagements ISAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the ESG Reporting, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

## Summary of procedures performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- Enquiries with management to understand ANZ's process for determining material ESG issues; and implementation of these across the business;
- Interviews with relevant staff responsible for developing the content (text and data) within the ESG Reporting to understand the approach for management, monitoring, collation and reporting of such information and the accuracy, completeness and existence of reported text and data within the ESG Reporting;
- Comparing text and data (on a sample basis) presented to underlying sources. This included considering whether all material matters had been included or excluded;
- Identifying and testing assumptions supporting the calculations;
- Undertaking analytical review procedures to support the reasonableness of the data;
- Assessment of whether information reported was in accordance with the GRI Standards Comprehensive level of disclosures; and
- Reviewing other ANZ reporting including the Annual Report, Annual Review, UN Principles for Responsible Banking Self-Assessment, explanatory notes of the ANZ 2022 ESG Supplement and GRI Navigator in its entirety to ensure it is consistent with our knowledge obtained through our assurance engagement.

### How the Standard Defines Limited Assurance and Material Misstatement

A limited assurance engagement is restricted primarily to enquiries and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The Standard requires our report to be worded around what we have not found, rather than what we have found.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of ANZ.

### Use of this Assurance Report

This report has been prepared for the Directors of ANZ Banking Group Limited for the purpose of providing an assurance conclusion on the ESG Reporting and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of ANZ, or for any other purpose than that for which it was prepared.

### ANZ's responsibility

- determining that the criteria is appropriate to meet their needs;
- preparing and presenting the ESG Reporting and other ESG related information in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the ESG Reporting that is free from material misstatement, whether due to fraud or error.

### Our responsibility

Our responsibility is to perform a limited assurance engagement in relation to the ESG Reporting for the year ended 30 September 2022, and to issue an assurance report that includes our conclusion.

### Our independence and quality control

We have complied with our independence and other relevant ethical requirements of the Code of Ethics for Professional Accountants (including Independence Standards) issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control. We have also complied with ANZ's Stakeholder Engagement Model for Relationship with External Auditor (available on [anz.com](http://anz.com)).

KPMG

Adrian King  
Partner

KPMG Melbourne  
26 October 2022

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