Module: Introduction

Page: Introduction

CC0.1

Introduction
Please give a general description and introduction to your organization.

Australia and New Zealand Banking Group Limited (“ANZ”) is a major international banking and financial services group that is among the top 25 largest listed banks in the world. ANZ is also one of the five largest and most successful listed companies in Australia and the number one bank in New Zealand.

We are committed to building lasting partnerships with our customers, shareholders and communities across the 33 markets in which we operate. We provide a full range of banking and financial products and services to around 10 million retail, institutional and corporate customers, and employ over 50,000 people worldwide. Our Sustainability Framework, which supports our overall business strategy, incorporates a carefully considered approach to climate change. We recognise that as a financial institution we have a responsibility to minimise the direct impacts of our operations by reducing our organisational carbon footprint. Equally, we have a responsibility to support our customers, particularly our large corporate customers, to transition to a lower-carbon economy.

CC0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.
We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Mon 01 Jul 2013 - Mon 30 Jun 2014

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

AUD ($)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.

If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

The highest level of responsibility for climate change lies with ANZ’s Board of Directors. Climate change is fully integrated in ANZ’s Sustainability Framework. The Board Governance Committee has responsibility for reviewing and approving climate change-related objectives, monitoring progress in achieving targets and reporting against them. The Board Risk Committee has formal responsibility for the overview of ANZ’s management of new and emerging risks, including climate change-related risks. The Board Risk Committee reports on a quarterly basis to the Board of Directors and holds responsibility for delivery of business performance, including climate change activities.

At executive management level, the Corporate Sustainability & Diversity Committee (CSD), chaired by the CEO, is a strategic leadership body addressing a range of sustainability issues, including climate change. The CSD is composed of three members of Management Board and senior representatives from each of ANZ’s divisions. It reports to the Board Governance Committee twice a year regarding the setting of targets, performance against them and public reporting of them. The Reputation Risk Committee (RRC), chaired by the CRO, is responsible for understanding and assessing the impacts of specific transactions and broader relationships as they relate to current and emerging risks, including climate change. For example, our Sensitive Sector Energy Policy states that power generation with emissions above certain thresholds must automatically be reviewed by RRC.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Board/Executive board	Monetary reward	Other: Delivering on ANZ's Group-wide sustainability strategy	Management of incentives for delivering on ANZ's sustainability strategy are in place at the most senior levels of the organisation.
Chief Executive Officer (CEO)	Monetary reward	Efficiency project Other: Environmental & Sustainable Development targets	Climate change performance metrics contribute to a balanced scorecard which drives performance appraisal and linked remuneration for the CEO.
Chief Operating Officer (COO)	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behaviour change related indicator Other: Sustainable Development targets	Meeting organisational emission reduction targets for our direct emissions, including indirect emissions and supply chain management. Maintaining our carbon neutral status. Meeting energy, water, paper, air travel, fuel consumption and waste targets. Performance linked to remuneration through achievement of KRA's.
Corporate executive team	Monetary reward	Other: Environmental & Sustainable Development targets	Climate change metrics contribute to a balanced scorecard which drives performance appraisal and linked remuneration of the corporate executive

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
			team.
Environment/Sustainability managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behaviour change related indicator	Managing emissions profile and meeting emission reduction targets. Meeting carbon neutrality targets. Meeting energy, water, paper, air travel, fuel consumption and waste targets. Performance is linked to remuneration through the ANZ Employee Performance and Bonus processes.
Facility managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	Meeting energy usage and energy efficiency targets. Performance is linked to remuneration through the ANZ Employee Performance and Bonus processes.
Business unit managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behaviour change related indicator Other: Environmental & Sustainable Development targets	Communicating climate change issues to customer facing staff. Performance linked to remuneration through KRA's.
Other: General Manager Group Corporate Affairs	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behaviour change related indicator Other: Environmental & Sustainable Development targets	Overall responsibility for ANZ's sustainability strategy and performance and is correspondingly rewarded for delivery of our targets and performance.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Other: Head of Credit and Capital Management	Monetary reward	Other: Increase proportion of lower carbon (gas & renewables) power generation lending in our Project Finance business by 15-20 percent by 2020.	Responsible for increasing the proportion of lower-carbon (gas and renewables) power generation lending in our Project Finance business by 15-20% by 2020.
Other: Head of Social and Environmental Risk	Monetary reward	Other: Increase proportion of lower carbon (gas & renewables) power generation lending in our Project Finance business by 15-20 percent by 2020.	A senior Credit Approval Discretion (CAD) holder; reviews social and environmental considerations in relation to the credit-worthiness of customers and projects.
Other: Head of Corporate Sustainability	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behaviour change related indicator Other: Environmental & Sustainable Development targets	Delivery of sustainability and climate change targets and public reporting of progress against them is central to this role. Performance is linked to remuneration through the ANZ Employee Performance and Bonus processes.
Other: Head of Best Practice and Compliance - Group Property	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behaviour change related indicator	Representative of property leadership team with responsibility for ensuring ANZ meets its voluntary and regulatory environmental reporting obligations, public targets and objectives. Property Leadership member responsible for ensuring Energy Efficiency working group achieves its objectives. Performance is linked to remuneration through the ANZ Employee Performance and Bonus processes.
Other: Head of Environmental Sustainability	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	Responsible for managing the delivery of ANZ's energy & greenhouse gas management performance targets and ensuring that energy efficiency assessments are carried out in accordance with ANZ's assessment plan. Performance is linked to remuneration through the ANZ Employee Performance and Bonus processes.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
		Behaviour change related indicator	
Other: General Manager Group Property	Monetary reward		Responsible for development and implementation of property strategy, including energy reduction projects across ANZ's global property portfolio. Responsible for reviewing and approval of ANZ's submission under the Australian National Greenhouse and Energy Reporting Act. Performance is linked to remuneration through the ANZ Employee Performance and Bonus processes.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	ANZ considers risks and opportunities relating to climate change for all 33 markets in which we operate. This includes our core markets in Australia and New Zealand and growth markets in the Asia Pacific.	> 6 years	ANZ's Board (including Committees of the Board), has overall responsibility and oversight of strategy, risks and opportunities relating to climate change. Executive Management committees contributing to ANZ's climate change strategy include: 1. Corporate Sustainability & Diversity (CSD) Committee – responsible for overseeing ANZ's sustainability strategy which includes monitoring current and emerging climate change risks and opportunities. CSD has responsibility for tracking progress on environmental targets, including GHG and low emissions financing targets. It meets quarterly and is chaired by the CEO. 2. Reputation Risk Committee (RRC) responsible for assessing impacts of current and emerging environmental, social, business and regulatory risks, including climate change-related risks in ANZ's lending portfolio that have potential consequences for ANZ's reputation. RRC approves appropriate strategies to manage and mitigate those risks. It meets quarterly and is chaired by the CRO.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Group Level: Our most material climate change risks & opportunities result from our lending. We identify risks & opportunities using our social and environmental screening toolkit, sensitive sector policies, annual customer review process & annual materiality assessment. We monitor existing & prospective customers through the monthly Early Alert Review Committee & quarterly Reputation Risk Committee, ensuring we understand our customer's approach to managing/mitigating climate change impacts. In 2014, 263 staff from our Institutional Division (against a target of 250) completed our Sustainability Leadership Program. Delivered in partnership with WWF-Australia, the program trains our people to make more informed decisions. We also increased staff awareness of our sustainability strategy through Group—wide induction training, supporting key banking staff to engage with customers on social and environmental issues.

Asset Level: ANZ's physical assets are exposed to extreme weather events that may interrupt/restrict the provision of services. We monitor operational risk through our global Operational Risk Measurement & Management Framework which tracks risks & whether our exposure to a particular risk is increasing/ decreasing. In 2014 we set a public target to develop a weather & natural disaster property resilience strategy. Property resilience to climate and weather events is important to ensure banking services are available to communities in times of disaster, as well as to reduce costs of refurbishing impacted offices & branches. We are leveraging climate data from expert sources including Australia's CSIRO to inform our understanding of climate risk down to individual assets. Additionally, our Environmental

Management System tracks ANZ's direct environmental impact in all markets in which we operate. Results are discussed at the quarterly Environmental Sustainability Business Meeting, where risks & opportunities are also reviewed.

CC2.1c

How do you prioritize the risks and opportunities identified?

Climate change risks & opportunities are prioritised according to the level of significance of each issue to ANZ using a consistent approach. We consider the extent to which they may impact our business in its current/future state, the likelihood of the issue, significance to key stakeholders & consequences for the wider community. Sustainability priorities, including those relating to climate change, are set & reviewed annually by the Corporate Sustainability & Diversity Committee and approved by the Board Governance Committee.

Our most material risks & opportunities relating to climate change result from our lending. To help staff assess lending decisions & prioritise & manage risks, we have developed sensitive sector policies for Energy, Extractives, Forests & Forestry, Hydropower, Military Equipment & Water. These apply wherever we operate & ensure social and environmental considerations are incorporated into all lending decisions.

Opportunities, in the form of new products & services, are assessed & prioritised in accordance with our usual processes, including cost/benefit analysis & market/customer research and testing.

More immediate climate change related risks & opportunities are assessed at the quarterly Reputation Risk Committee & monthly Early Alert Review Committee. The EARC utilises a Reputational Risk Radar tool to source external allegations from the media about key sectors & controversial issues related to our business or customers. This tool helps to identify, confirm & respond to issues involving an existing or prospective customer at an early stage. The issues are prioritised internally (based on the number of reports received for each customer & the relative severity of the allegation) to determine whether the allegation warrants further investigation by ANZ. Our Sustainable Development team monitors this information & briefs relevant customer relationship managers on issues.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i) Climate change influences ANZ's business strategy in both the short & long term
Management of our material sustainability risks & opportunities, including those presented by climate change, supports ANZ's business strategy & is a key part of achieving our vision to be the best connected, most respected bank across the Asia Pacific region. In 2014, we undertook a materiality assessment, which included formal engagement with internal & external stakeholders, & qualitative & quantitative analysis across a range of issues. Both internal & external stakeholders ranked Responsible Lending as our most material issue – encompassing the impacts, both positive and negative, on society & the environment, as a result of our lending decisions. This issue aligns with one of the three priority areas in our Sustainability Framework, Sustainable Development, which incorporates our response to climate change. Each year we set public sustainability targets which are informed by our materiality assessment & which support the delivery of our business strategy. We have specific targets to address climate risks & opportunities: these lead to revenue generation & cost reduction.

Our performance against targets is reported quarterly to the Corporate Sustainability & Diversity Committee & communicated regularly to a range of management committees such as the Board Governance Committee.

ii) Several aspects of climate change have influenced ANZ's business strategy
Need for adaptation – ANZ products & services relating to the identification of energy efficiency opportunities & carbon trading support. ANZ's Energy & Emissions Trading desk assists our customers to meet their liabilities by procuring various credits on their behalf. This capability has been extended to include energy efficiency market trading in Victoria (VEETs) & NSW (ESCs).

Opportunities to develop 'green' business - ANZ is a leader in funding renewable energy projects including lending for renewable power generation & sustainable investment products (see specific examples detailed below in section (v)).

(iii)Our short term (1-3 years) strategy has been influenced by climate change
Customer focus: Creating competitive advantage for ANZ by adapting our financial products & services to help our staff & customers transition to a lower-carbon

economy .
Opportunity Identification: Our strategy includes a focus on climate-change related opportunity identification in our Corporate & Institutional businesses. We have reviewed our sensitive sector policies to explicitly incorporate climate change considerations. Our revised Energy Policy introduces a number of specific requirements to guide our lending to the power generation sector .
Organisational focus: We continue to achieve carbon neutrality across our global operations & have been certified ‘carbon neutral’ under the Australian Government’s National Carbon Offset Standard (NCOS) for the fifth consecutive year. We also use the NCOS framework to offset carbon emissions arising directly & indirectly from our operations outside of Australia. Our primary focus is achieving a reduction in premises energy, travel & use of paper & waste.

(iv)Our long term (3+ years) strategy has been influenced by climate change
Capability Development: We continue to build capability in our people via our online Social & Environmental Risk training module & Sustainability Leadership Program, so that they are responsible, balanced decision makers who are trusted advisors to our customers. We are in the process of updating this program, and will be piloting it in 2015 with employees in China, Vietnam, Cambodia and Laos.
Target Setting: We have a public target to increase the proportion of lower-carbon (gas & renewables) power generation lending in our Project Finance book by 15-20% by 2020. Additionally, we have public targets for environmental reporting, reducing our environmental footprint, achieving carbon neutrality & improving supply chain management.

(v)Integration of climate change in our business strategy is delivering competitive advantage
- Our super regional strategy enables us to connect customers to commercial opportunities that support the transition to a lower- carbon economy. Examples in 2014 include: ANZ closed the debt portion of funding for the $450-million Burgos Wind Project (BWP) in the Philippines. BWP is expected to generate ~233GWh annually & power over 1 million households, making it the largest wind farm in Philippines. In addition we were the lead financier of Australia’s largest photovoltaic solar facility (Royalla Farm), commissioned in Sept. 2014. The 20 megawatt capacity facility has ~81,600 PV modules installed over ~50 hectares (~70 football fields) and is the first large scale solar farm to be connected to the national electricity grid. As a result of our experience in the renewables sector, we were able to assist our customer to negotiate and finalise the terms of the solar feed-in tariff with the state Government to ensure the project would be viable.
- We are differentiating our service by building capability in our staff through sustainability training programs.
- We are pursuing an organic growth strategy that has provided greater resilience to the volatility of short-term political & market developments. This strategy has seen a range of credit & relationship managers develop expertise in carbon. Demonstrating our commitment to the sector, we have now met our target to increase the proportion of lower carbon (against a 2011 baseline). As at 30 March 2015, the power generation portfolio summary for our Project Finance business is: renewables; 49.5%; gas-fired: 25.5% and coal-fired: 25%.

(vi)Some of the most significant business decisions made during the year have been influenced by the climate change driven aspects of the strategy:
- Continuing to invest in our global property portfolio to achieve reductions in energy use and associated Scope 2 emissions. We are also increasing our focus on operational efficiency, driven by our public targets which include GHG reduction & resource efficiency.
- Training more than 1,300 employees with the authority to make lending decisions through our online Social & Environmental Risk training course lending staff & 263 senior managers in our Sustainability Leadership Program.
- Increasing our total project finance commitments to renewable energy to $835 million in 2014. In the last two years, we have completed nine renewable energy generation transactions, including over $460 million committed to new renewable energy generation.
- Met our 2014 target to pilot sustainability workshops in one 'developed' (Hong Kong) & one 'emerging' (Vietnam) Asian market to better understand & support mid-size corporate customers managing social & environmental risks & opportunities.
-Continued investment in capability to provide environmental & climate change related products & services such as our Carbon Trading solutions.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.2c

Does your company use an internal price of carbon?

Yes

CC2.2d

Please provide details and examples of how your company uses an internal price of carbon

There is a risk to business and investment should the impacts of climate change not be considered. Our customers could be impacted by climate change or legislative, regulatory or policy changes such as carbon pricing. We factor these risks, such as a price on carbon, into our lending decisions primarily through an assessment of our customer's capacity to deal with climate change and any change to regulatory environments. In financing the energy sector, we support and encourage our customers to build carbon risk into their business strategies.

Investments in energy efficiency and other carbon reduction initiatives are considered in the context of our balancing of such investments with the cost of purchasing offsets to maintain our carbon neutral status. ANZ also paid for the cost of carbon in our Australian-based electricity purchases during the reporting year ($24.15 per tonne of CO2-e until the repeal of the Australian carbon pricing mechanism, effective 30 June 2014) and therefore considers how to reduce this cost in business cases for energy efficiency projects. We also undertake Recognised Energy Savings Activities that are eligible to create fungible certificates under two state-based energy savings schemes in Australia - the Victorian Energy Efficiency Target and the New South Wales Energy Savings Scheme. The revenue we generate from the sale of certificates under these schemes is factored into cost-benefit analysis of large-scale energy efficiency projects typically in our commercial office locations as it helps to reduce payback opportunities. Prices gained for these certificates in recent years have ranged between $14-$21 (per tonne of carbon dioxide equivalent).

ANZ has a Supply Chain Governance Framework in place to monitor any future price of both carbon offsets and regulatory governed electricity carbon costs.

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Clean energy generation		ANZ engages directly with governments across the region on the issue of climate change. We do so through traditional channels of engagement with governments and government departments. In Australia we have had discussions on issues such as the role of financial institutions in the Emissions Reduction Fund and the Renewable Energy Target scheme. In New Zealand, we have engaged with the government and officials on climate change, the country's emissions trading scheme and the role of financial institutions in the scheme.	We will continue to support market-based outcomes which balance the need for energy security with the need to transition to a lower-carbon economy. Legislative certainty is required to ensure that asset owners are able to manage financial risks appropriately.
Other: Future of Australia's energy framework	Support with minor exceptions	We made a submission to the Federal Government's Energy Green Paper, which set out Australia's future energy framework.	ANZ broadly supported the strategic direction and energy policy goals set out in the Green Paper. As a major financier across the energy industry, we also emphasised the need for legislative certainty to maintain stability in the market.

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Australian Bankers' Association (ABA)	Consistent	The Australian Bankers' Association (ABA) accepts the broad scientific and economic consensus that GHG emissions from human activities is contributing to changes in our climate, and that failure to reduce our emissions and stabilise the world's climate will have widespread environmental, economic, national security and public policy implications for Australia. Governments, businesses and the community all have a role in driving changes in behaviour and responding to the challenges posed by climate change.	Yes. As one of ABA's largest members, ANZ was involved in consultation on the Association's position on climate change legislation.
Australian Financial Markets Association (AFMA)	Consistent	The Australian Financial Markets Association (AFMA) Carbon Committee has been an active participant in developing the necessary infrastructure for the Clean Energy Market. AFMA does not hold an opinion on whether there should or should not be a carbon scheme. Our interest is only that any such scheme should be designed to create a sound market that will produce investor confidence and that any scheme unwind should also be done so as not to damage market participants or produce unfair or unintended consequences.	Yes. ANZ was involved in consultation on the Association's position on climate change legislation.
Business Council of Australia	Consistent	Australia's greenhouse gas emissions reduction measures should be commensurate with global action, broadly based across the economy, and achieve emissions reductions at least cost. Australia should renew its focus on research and development of technological advancements to support the lowering of emissions from all energy sources and on adaptation to manage the long-term impacts of climate change.	We actively participate in relevant working groups and provide input on policy submissions.
Green Building Council of Australia	Consistent	The Green Building Council's mission is to develop a sustainable property industry for Australia and drive the adoption of green building practices through market-based	ANZ's three main commercial office buildings in Melbourne, Sydney, and Brisbane have all achieved the highest '6-star' GreenStar Design Certification from the GBCA. Through our

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
(GBCA)		solutions. GBCA engages with regulators and government decision-makers to promote and support the industry's transition to a more sustainable built environment.	demonstrated commitment to large-scale green building and office design in recent years, we have played a key role in developing a sustainable property industry in Australia and advancing the objectives of the GBCA.

CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

Yes

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

Yes

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

ANZ maintains partnerships and memberships with a number of organizations, some of which provide public work on climate change and associated topics. ANZ International and Institutional Banking had a formal partnership with WWF Australia for a number of years (it ceased in November 2014). We use their research to provide content for training programs and information.

WWF's work assists ANZ to identify, understand and resolve environmental sustainability issues and make informed decisions for the future. To meet this objective, programs have been designed around awareness, education and information, including: providing senior management with briefings on current emerging issues, training for key Institutional staff, and utilising WWF as a resource to provide another perspective on specific environmental sustainability issues.

ANZ recently partnered with the Australian Water Association to support water management programs in SE Asia. AWA is Australia's peak water organisation for sustainable water management, with vast experience dealing with pressures and challenges arising from variable and changing climates to ensure the provision of safe, secure, sustainable and efficient water management solutions. AWA has a network of 5,200 members ranging from commercial to large scale operators.

AWA's coverage also extends into ANZ's super-regional locations across Asia including Indonesia, Vietnam, India, Thailand, Singapore, China, Malaysia, Cambodia, Hong Kong and Korea. AWA's programs focus on knowledge sharing, capacity building, trade and investment initiatives and strengthening governance arrangements in Vietnam, India and Indonesia. This includes organising outbound and inbound trade delegations of water professionals, facilitating trade exhibitions and business matching. ANZ will add expertise in infrastructure and public-private partnership (PPP) financing.

CC2.3g

Please provide details of the other engagement activities that you undertake

Method: ANZ engages on climate change issues and opportunities by working directly with national and local governments as well as through our partnerships and memberships such as those with WWF Australia & UN Environment Programme for Financial Institutions.

Topic of engagement: ANZ supports government efforts to adapt to the impacts of climate change by funding various projects such as the development of domestic energy efficiency projects.

The nature of the engagement and actions advocated: In New Zealand we participate in the Energywise scheme to fund the development of domestic energy efficiency projects. We support Energywise through the provision of streamlined, fee-free access to funding for customers' energy efficiency improvements including insulation, solar & efficient heating.ANZ Fiji is the exclusive Fund Manager for the World Bank's Sustainable Energy Financing Program (SEFP) in the Pacific. The SEFP promotes the use of solar, hydro or coconut oil fuel (diesel alternatives) for lights or electricity generation and also energy efficient equipment to reduce electricity usage. This partnership aims to bring cleaner, cheaper and more sustainable sources of energy to communities most exposed to the direct impacts of climate change. This is delivered through collaboration with the governments of Fiji, Papua New Guinea, Solomon Islands, Republic of Marshall Islands and Vanuatu. As of 2014, ANZ Fiji had lent the Fiji Development Bank (as a participating financial institution) $9.460 M under SEFP which was then extended to customers for the purchase of Pacific Island renewable energy products such as solar panels, mini hyfro-pico systems, oil switching systems and energy efficient equipment. ANZ Fiji continues to manage the SEFP Program & recently engaged with the World Bank to promote SEFP.

CC2.3h

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

The Corporate Sustainability and Diversity Committee (chaired by the CEO) supports the Management Board to oversee and advise on ANZ's approach to current and emerging trends on sustainability, including climate change. It reports to the Board Governance Committee twice a year with regards to the setting of targets, performance against them and public reporting of them. Our Sustainability Framework has been endorsed by the Corporate Sustainability and Diversity Committee and all policy activities must be in line with this approved position. Where necessary, statements and engagement activities are reviewed by the Corporate Sustainability team as well as the Government and Regulatory Affairs team to ensure group-wide consistency. There are approved spokespeople on climate related issues and all public statements on climate change must be signed off by the General Manager Group Corporate Affairs.

Our formalised stakeholder engagement policy applies to all employees and aims to maintain structured engagement with stakeholders through consistent communication channels, clear ownership of relationships and clear accountabilities for relationship owners. This is available to all employees on our website and intranet.

CC2.3i

Please explain why you do not engage with policy makers

CC2.4

Would your organization's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?

Yes

CC2.4a

Please describe your board's position on what an effective agreement would mean for your organization and activities that you are undertaking to help deliver this agreement at the 2015 United Nations Climate Change Conference in Paris (COP 21)

In line with our public statement on climate change, ANZ's Board acknowledges that greenhouse gas emissions must be reduced to avoid the most damaging impacts of climate change. We consider that the long-term decarbonisation of the energy sector is a shared challenge for governments, business and the community.

ANZ supports a positive outcome from the UN-led process in Paris this year. Particularly important is policy certainty, required to drive investment in lower-carbon energy generation and technologies. While ANZ is not a major emitter of greenhouse gases, many of our large corporate customers are and we are committed to supporting them to transition to a lower-carbon economy. We have already established a leading position among banks by setting a public target to increase the proportion of lower-carbon (gas and renewables) power generation lending and disclosing our financed emissions to this sector. In financing the energy sector, we also support and encourage our customers to build carbon risk into their business strategies.

Activities we are undertaking to support delivery of a Paris agreement includes advocating for the setting of targets and their explanation to society. We are developing a range of initiatives to ensure ANZ is well-placed to manage its long-term carbon risks and opportunities, including:

–New commitments to finance lower-carbon activities and technologies that support climate change mitigation
–Maintaining a balanced energy portfolio of coal, gas and renewables
–Maintaining strong carbon risk management and appropriate disclosures for our investors (such as our credit exposures to coal, oil and gas)
–Disclosure of ANZ’s financing of emissions-intensive industries such as power generation
–Commitments to manage and reduce ANZ’s carbon footprint, which has already resulted in ANZ achieving ‘carbon neutral’ status since 2010
–Increasing business customer awareness and engagement, including running sustainability workshops in our growing Asia business in 2015
–Equipping employees with relevant knowledge and training
–Measurable public targets to hold ourselves accountable and improve our performance.

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
Abs1	Scope 2	100%	3%	2013	204108	2014	This target relates to Scope 2 emissions for all 33 markets where we operate. With ANZ's growing super-regional presence and with Scope 2 emissions dominating the organizational footprint, this was deemed to be a material indicator for ANZ to track and report performance against.
Abs2	Scope 1+2+3	71%	12%	2011	249250	2014	This target relates to Scope 1+2+3 emissions in ANZ's Australian-based operations. The target was to reduce emissions in FY2014 by 12% against FY2011 levels.
Abs3	Scope 1+2+3	6%	5%	2011	20163	2014	This target relates to Scope 1+2+3 emissions in ANZ's New Zealand-based operations. The target was to reduce emissions in FY2014 by 5% against FY2011 levels.
Abs4	Scope 3: Business travel	100%	10%	2011	53218	2014	This target relates to Scope 3 emissions associated with Business Air Travel by ANZ staff. The target was to reduce air travel emissions in FY2014 by 10% against FY2011 levels.
Abs5	Scope 1+2	100%	3%	2013	207711	2017	This target of a 1-3% reduction in our Scope 1 and 2 emissions was established during the reporting year to replace our previous Scope 2 target (Abs 1) that covered our global operations. This target covers Global Scope 1 & 2 emissions associated with the energy we use across our extensive network of branches, commercial facilities and data centres i.e. electricity, natural gas and diesel use.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Abs1	100%	100%	ANZ reduced its Scope 2 emissions by 4.6% surpassing the 3% reduction target.
Abs2	100%	87%	ANZ reduced the Scope 1+2+3 emissions from its Australian operations by 10.4% against the baseline, falling just short of the 12% reduction target.
Abs3	100%	100%	ANZ reduced the Scope 1+2+3 emissions from its New Zealand operations by 13.4%, surpassing the 5% reduction target.
Abs4	100%	100%	ANZ reduced air travel emissions by 15%, surpassing the 10% reduction target.
Abs5	25%	100%	In the first year of this target, ANZ reduced Scope 1+2 emissions arising from premises energy use by 4.4% exceeding the target range of 1-3% reduction. This was largely a consequence of a 4.6% reduction in Scope 2 emissions. ANZ's target of 1-3% was set in the context of an expected continuation in the growth of electricity use at our data centres due to growth in banking products and services and customers increasingly choosing digital channels for their banking needs. We are committed to achieving absolute GHG reductions despite forecast business growth.

CC3.1e

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

No

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

CC3.3

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

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	21	8104

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
To be implemented*	10	3667
Implementation commenced*	16	1365
Implemented*	26	6703
Not to be implemented	37	3990

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Australian lighting upgrades	1102	Scope 2 Scope 3	Voluntary	153000	589000	4-10 years	11-15 years	Lighting upgrades including fixtures, fittings and controls in Australian commercial buildings
Energy efficiency: Building services	Australia HVAC upgrades	705	Scope 2 Scope 3	Voluntary	64000	120000	16-20 years	11-15 years	Improvements to air conditioning systems, controls and associated fixtures/fittings in Australian commercial buildings.
Energy	Australian data	151	Scope	Voluntary	13800	61600	4-10	11-15 years	Containment solutions in data

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
efficiency: Building services	centre energy efficiency		2 Scope 3				years		centres to reduce air conditioning energy
Energy efficiency: Building services	Australia Retail energy efficiency upgrades	2333	Scope 2 Scope 3	Voluntary	357000	90000	4-10 years	3-5 years	Improvements to lighting fixtures and fittings and HVAC settings across retail branches in Australia.
Energy efficiency: Building services	India lighting upgrade	851	Scope 2 Scope 3	Voluntary	113000	241000	1-3 years	11-15 years	Upgrade to lighting fixtures and fittings in the commercial hub in Bengaluru, India.
Energy efficiency: Building services	New Zealand lighting upgrade	40	Scope 2 Scope 3	Voluntary	74000	251000	4-10 years	11-15 years	Upgrade to lighting fixtures and fittings in commercial buildings within NZ
Energy efficiency: Building services	Reactive and preventative maintenance program	992	Scope 2 Scope 3	Voluntary	90000	0	<1 year	1-2 years	Ongoing monitoring of buildings and corrective actions to reduce energy and GHG emissions
Behavioral change	Office and customer paper reduction	306	Scope 3	Voluntary	500000	0	<1 year	1-2 years	Annual carbon emissions YOY reduction due to reductions in office and customer paper usage (as per audited figures)
Behavioral change	Employee waste reduction	222	Scope 3	Voluntary	0	0	<1 year	1-2 years	Annual carbon emissions YOY reduction due to reductions in

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
									general waste that is destined for landfill (as per audited figures)

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Under the Energy Efficiency Opportunities (EEO) Act in Australia, ANZ is categorised as a 'high energy user' and has a mandatory obligation to identify energy efficiency opportunities and report to the Federal Government on progress with implementation of these opportunities. While the EEO Act was repealed by the Australian Government in June 2014 relieving ANZ of future reporting obligations, we continue to use the EEO framework to assist with the identification and delivery of cost-effective energy efficiency opportunities. ANZ has a dedicated online reporting system (called ESP) that enables us to identify, manage and measure environmental projects globally.
Dedicated budget for energy efficiency	In 2014 ANZ had a dedicated budget of $1.26m for energy efficiency initiatives and worked closely with our strategic property and facilities management partners and energy efficiency consultants to determine the best application of this investment. This investment in energy efficiency initiatives is complementary to that undertaken as part of existing operational and capital expenditure programs that are delivering further energy savings for the bank.
Dedicated budget for low carbon product R&D	ANZ has a dedicated budget for the purchase of robust carbon offsets to achieve carbon neutrality. In FY2014 we spent over $515,000 on certified carbon offsets, helping to drive the low-carbon transition globally.
Dedicated budget for other emissions reduction activities	ANZ has a dedicated budget for other emission reduction activities including payment to Environmental Consultants for development of business cases. This budget also includes an allocation for our online reporting system ESP, that enables us

Method	Comment
	to measure and manage the emissions associated with our property portfolio, including forecasting emissions reductions.
Employee engagement	ANZ has an Environmental Sustainability Internal Communications plan that is designed to increase employee awareness and engagement. Under this plan ANZ publishes detailed environmental information on our intranet site and in newsletter communications for internal and external audiences. We also participate in Earth Hour & World Environment Day each year and integrate environmental messaging into regular Health & Safety communications.
Lower return on investment (ROI) specification	ANZ includes ROI specification in annual budget processes and calculates the ROI for all proposed energy efficiency projects. These ROIs are presented in quarterly business review meetings for consideration by management. Calculating the ROI for energy efficiency projects improves decision-making as it encourages prioritisation and allocation of resources to projects that have demonstrable payback benefits realized through reduced energy consumption. ANZ also has design guidelines that include specifications for taking into account the ROI (and lifetime cost) of energy related fixtures and fittings.
Financial optimization calculations	The capacity of our customers to adapt to regulatory changes directly impacts on their profitability & reputation. Risks to the profitability of our customers have obvious financial implications for ANZ. ANZ takes climate change-related risks into account for stress testing of our portfolios. We conduct carbon sensitivity analysis for energy sector transactions and conduct climate change sensitivity analysis to determine our exposure to industry sectors which have climate change risks. Climate change impacts & opportunities are built into social & environmental screening processes for ANZ's Institutional Division. 100% of new Institutional customers undergo social & environmental screening and arrangements, arrangements are reviewed annually. An internal Sustainable Finance Solutions team monitors the entire Project Finance portfolio, and manages risk exposure on a geographical and sector level.
Internal price of carbon	Investments in energy efficiency and other carbon reduction initiatives are considered in the context of our balancing of such investments with the cost of purchasing offsets to maintain our carbon neutral status. ANZ also paid for the cost of carbon in our Australian-based electricity purchases during the reporting year ($24.15 per tonne of CO2-e until the repeal of the Australian carbon pricing mechanism, effective 30 June 2014) and therefore considers how to reduce this cost in business cases for energy efficiency projects. We also undertake Recognised Energy Savings Activities that are eligible to create fungible certificates under two state-based energy savings schemes in Australia - the Victorian Energy Efficiency Target and the New South Wales Energy Savings Scheme. The revenue we generate from the sale of certificates under these schemes is factored into cost-benefit analysis of large-scale energy efficiency projects typically in our commercial office locations as it helps to reduce payback opportunities. Prices gained for these certificates in recent years have ranged between $14-$21 (per tonne of carbon dioxide equivalent). ANZ has a Supply Chain Governance Framework in place to monitor any future price of both carbon offsets and regulatory governed electricity carbon costs.
Internal incentives/recognition programs	Responsibility for managing climate change risk is embedded at the highest levels of the bank, with a proportion of our most senior executives' remuneration 'at risk' and dependent on effective management of economic, social and environmental risk issues.
Marginal abatement cost curve	ANZ has completed marginal abatement cost curves for our key commercial assets in Australia enabling us to determine which projects are most cost effective to pursue and maximise carbon abatement. These MAC curves have proved to be effective tools to use in prioritizing projects.
Other	We have set an explicit target to increase the proportion of lower-carbon (gas and renewables) power generation lending in our Project Finance business by 15-20% by 2020 and have publicly report on our progress against this target each year. As

Method	Comment
	noted earlier in this submission, as at end March 2015, this target had been met.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

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

Publication	Status	Page/Section reference	Attach the document
In mainstream financial reports but have not used the CDSB Framework	Complete	2014 Shareholder Review – Non- Financial Highlights Summary p9; Chairman's Report p10; Non-Financial Performance Overview p25, p31; Five Year Summary of Non-Financial Performance p33	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC4.1/2014-ANZ-Shareholder-Review.pdf
In mainstream financial reports but have not used the CDSB Framework	Complete	2014 Annual Report – Chairman's Report p6; Directors Report p9,26; Principal Risks and Uncertainties p202,203	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC4.1/2014-ANZ-Annual-Report.pdf
In other regulatory filings	Complete	2013-14 Greenhouse and Energy Information reported to the Australian Clean Energy Regulator under the National Greenhouse and Energy Reporting	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC4.1/NGER_Submission.xps

Publication	Status	Page/Section reference	Attach the document
		Act 2007	
In voluntary communications	Complete	2014 Corporate Responsibility Review – Chairman's Message p3; Non-Financial Highlights p4; FY2014 Sustainability Targets & Performance pp18-21; Sustainable Development p28-31; Our Environment pp69-74	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC4.1/2014 corporate-sustainability-review.pdf
In voluntary communications	Complete	ANZ Website: About us>Corporate Responsibility>Environment>targets and performance 2014	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC4.1/full-environment-report.pdf
In voluntary communications	Complete	2014 National Carbon Offset Standard Carbon Neutral Program - Public Disclosure Summary	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC4.1/anz_carbon_offset_pds.pdf
In voluntary communications	Complete	ANZ Website: About us>Corporate Responsibility>Environment>Our approach	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC4.1/anz-climate-change.pdf

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Emission reporting obligations	Within Australia, ANZ has an obligation to report its greenhouse gas emissions and energy consumption annually to the Australian Government under the National Greenhouse and Energy Reporting (NGER) Act. Non-compliance may attract financial and criminal penalties. The introduction of new reporting obligations in any of the markets in which we	Increased operational cost	1 to 3 years	Direct	More likely than not	Low	Failure to comply with our regulatory reporting obligations under the NGER Act may incur financial penalties for the company & CEO of up to AUD$340,000 plus daily penalties. We would also likely suffer reputational damage which would impact against our brand.	We have written compliance procedures in place that detail roles, responsibilities and obligations under the NGER Act. This includes procedures for managing the collection, aggregation and verification of internal and contractor data. Our annual NGER submission is signed off by our CEO. ANZ coordinates quarterly internal reporting to ensure the completeness and accuracy of our information. We also schedule briefings with internal stakeholders to ensure adequate time for review and approval. The ANZ Management Board is kept informed of the development & implementation of any	We manage compliance requirements within our existing resource base (FTE). Costs associated with the assurance of our annual Sustainability Report and NGER submission are included within business unit budgets and total approximately AUD $150,000. Licensing for our environmental reporting tool ‘Enablon’ costs around AUD$65,000 per year. Capital costs have also been invested in the implementation of smart meters and associated reporting

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	operate may lead to additional compliance costs.							issues/opportunities arising from our annual submission under the NGER Act. In the event of new reporting obligations being introduced, we would incorporate this within our current management methods.	technology.
Uncertainty surrounding new regulation	Climate change policy and regulation in Australia is subject to ongoing uncertainty. In the last year, the Renewable Energy Target scheme has been reviewed, and the carbon tax has been repealed and replaced with the Direct Action Plan, under which there are financial incentives for polluters to reduce	Other: Inability to do business	1 to 3 years	Direct	Likely	Low	This risk could decrease revenues. Our total project finance commitments to renewable energy increased to $835 million in 2014 – this type of financing could be negatively impacted in future years if policy uncertainty continues.	Regulatory uncertainty, particularly in relation to the RET scheme impacts our lending and advice to the energy sector. To manage this regulatory risk we have reduced lending activity in new renewable energy generation capacity (in Australia only). Advice to renewable sector customers has also been reduced compared to 2013.	There are no additional management costs as changes to domestic a policy/legislation is already built into our risk management processes.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	emissions through an Emissions Reduction Fund. Ongoing policy uncertainty has contributed to investment uncertainty for renewable energy projects, and a dampening of forward trading in Australia's energy market.								

CC5.1b

Please describe your inherent risks that are driven by change in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate drivers	Customers rely on us to deliver banking services to	Reduction/disruption in production capacity	Up to 1 year	Direct	Likely	Medium-high	Climate change presents a risk of physical impact to ANZ's infrastructure.	To reduce our direct risks associated with extreme weather events we: a)	Various ongoing costs have been associated with these

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	them at all times, including in the wake of natural disasters. ANZ has a large branch presence in Australia, and also Pacific island countries including Fiji, Kiribati and Vanuatu, and growing businesses across South East Asia. Many of these regions have communities that are particularly vulnerable to the effects of climate change, and over the last twelve months have experienced extreme weather events						The financial implications associated with increased cyclones & other extreme weather events primarily relate to the capital costs to repair structural damage to offices/branches as well as reduced profits as a result of an inability to do business. Of ANZ's AUD $772billion in total assets, AUD $2.2 billion is in operational premises and equipment (Sep-14).	reduce the likelihood of weather event risk impacting our operations through a climate property resilience strategy. This strategy was introduced in 2014 and informs decisions on branch location, fit-out and upgrades to make our network more resilient to weather disasters; and b) our Insurance & Business Continuity Plan (BCP). The parameters in our BCP facilitate systematic consideration of location, design, and business continuity processes across our network. An example of this is the site selection process	management processes, particularly in relation to the resources required to research the risks specific to each region and to update and review the BCP. There are also operational costs associated with site construction to protect against climatic events as well as the costs of running additional sites. For example in Vanuatu in March 2015, a Disaster recovery (DR) site was opened in the wake of Tropical Cyclone Pam as the branch, which is

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	including bushfires, cyclones, and floods. These extreme events can adversely impact on our ability to service customers in affected regions unless we are well prepared.							undertaken for our back-office processing hub in Fiji (which provides back-office services for all operations in the Pacific). In Fiji, we developed a “water-proof” branch that can easily be cleaned & made fully operational as soon as flood waters recede. In addition, ANZ has a container branch in Samoa, which is used for business continuity in the event of natural disasters in the region. ANZ has multiple BCPs per site detailing likely risks (including extreme weather events & mitigation procedures) and a Disaster Recovery Plan to ensure that	located at the center of Vanuatu’s capital of Port Vila, was severely damaged in the cyclone).

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								businesses impacted by extreme weather events are able to resume as soon as possible.	
Change in precipitation extremes and droughts	ANZ has a large presence throughout rural and regional Australia, and many regions have been impacted by severe climatic events over the past twelve months. For example, ANZ's agricultural customers face variable climatic conditions that impact on their production levels. E.g as of 1 May 2015 more than 80% of	Other: Reduction/disruption in production capacity and volatile cash flow generation	1 to 3 years	Indirect (Client)	Likely	Medium	Customers impacted by climatic events could experience a fall in revenue. This could impact on financial arrangements with ANZ and therefore negatively affect ANZ's profitability. ANZ's total exposure to Agriculture, Forestry, Fishery and Mining customers AUD $55,028m at Sep-2014. ANZ donated AUD $0.5m at Sept 2014 in response to emergency relief provided due to natural disasters.	Processes in place to manage these risks include our credit risk assessment process, underpinned by our sensitive sector policies, customer screening & other due diligence processes. All customers of our Institutional Business are screened for social and environmental risks. This process enables staff to evaluate the physical impacts of climate change on customers, particularly those in high risk sectors so we can better	Various on-going costs have been associated with these management processes, particularly in relation to the resources required to review and update policies, undertake relevant industry research, and develop new products and services to assist impacted customers.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Queensland has been drought-declared. These events can impact on our customers' ability to service debt and recover from an adverse event.							understand the indirect risks to our business through loss of profitability and interruption to their businesses. ANZ has a dedicated customer hardship team, able to offer assistance to customers facing a severe climatic event. ANZ Relationship Managers work with customers to plan ahead for difficult times. For example, in our agricultural business, this includes encouraging customers to utilise Farm Management Deposits (FMDs), a risk management tool to help farmers deal with irregular income resulting from natural disasters, climate	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								and market changes. Our Business Writing Strategy (reviewed annually) includes an assessment of regulatory risks, climatic risks and price/commodity risks.	

CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	The way in which ANZ responds to and manages the risks associated with climate change has the potential to impact on our reputation and brand. Our inclusion on sustainability	Reduced demand for goods/services	1 to 3 years	Direct	Likely	Low	Failure to apply appropriate standards to our decisions & respond effectively to stakeholder concerns about ANZ's involvement in particular	ANZ is currently undertaking the following activities to manage this risk: • Regular engagement with a range of stakeholders, including through our annual	Various on-going costs are associated with these management processes, particularly in relation to the resources required to manage the RRC

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	indices such as the CDP and DJSI, which enhance our reputation as a socially and environmentally responsible company, relies in part on how well we are managing the risks and opportunities associated with climate change. We are under scrutiny from a range of stakeholders, including NGOs, investors, our customers and employees, for our role in financing industries with high environmental impacts, such as power generation, mining and forestry. In particular, banks, including ANZ, continue to be criticised for our financial support of coal-fired energy generation, funding of coal exporters in						transactions (e.g. financing fossil fuels) can result in public criticism, and activism, potentially damaging our brand & reputation. Damage to our reputation will result in significant decreased brand value. In 2014 ANZ's brand was valued at AUD$8.6b, a 12% increase on the previous year, making ANZ the second most valuable banking brand in Australia and the 8th most valuable banking brand in Asia.	materiality assessment and sensitive sector policy reviews. • Setting public targets which focus on supporting our customers to transition to a lower-carbon economy, and minimise our direct environmental footprint (including emission reduction targets) • Ongoing monitoring of a wide range of reputation risks, including those relating to climate change, through ANZ's Reputation Risk Committee. Our risk governance framework supports staff to identify issues that could potentially impact ANZ's reputation. In some cases,	and internal emissions reporting processes, as well as capital costs associated with investing in energy efficient technology and purchasing offsets for the purposes of reducing ANZ's GHG emissions and achieving carbon neutrality.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	the region. We also have been questioned by NGOs about our support of some customers operating in countries with developing legal and governance frameworks and whether appropriate environmental standards are being applied to their activities.							where customers are unable to manage issues to our expectations, we bring existing relationships to a close or elect to not finance a prospective customer or project. • Transparent and balanced reporting of our climate change related risks and opportunities, primarily through our annual Corporate Sustainability Review.	

CC5.1d

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to inherent risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	Emission trading schemes provide revenue opportunities for ANZ with both existing customers and in new market developments. We are active within the NZ ETS (e.g. through the provision of carbon trading services to customers) and have also traded Certified Emissions Reductions certificates under the Kyoto Protocol.	Increased demand for existing products/services	1 to 3 years	Direct	Very likely	High	The carbon pricing schemes in New Zealand & Australia (prior to its repeal) created a number of revenue opportunities for ANZ, particularly in relation to demand for services relating to energy efficiency opportunity identification and carbon trading support.	We have developed one of Asia-Pacific's leading carbon trading services desks. ANZ'S Energy and Carbon Trading desk assists our clients to meet their liabilities by procuring various credits on their behalf e.g. New Zealand units, Australian Small Scale Technology Certificates, Certified Emission Reduction (CER) Units & Renewable Energy Certificates (RECs).This capability has been extended to include Victorian Energy Efficiency Certificates and New South	Various ongoing costs have been associated with these actions, particularly in relation to the resources required to establish new services, including IT infrastructure, staff training, marketing of new products and FTE allocation.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								Wales Energy Saving Certificates. ANZ will continue to closely monitor policy developments in this space; the implementation of the Emissions Reduction Fund (ERF) including the recent release of the first auction results, and the Australian Federal Government is due to announce its post 2020 climate commitments ahead of the Paris climate negotiations.	
Emission reporting obligations	Our obligation to report under the NGER Act (and repealed Energy Efficiency	Reduced operational costs	Up to 1 year	Direct	Virtually certain	Low	ANZ is required to comply with the NGER Act in Australia.	Meeting our compliance obligations under the NGER Act has led to improved	Various on-going costs are associated with these actions, the majority of

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Opportunity (EEO) Act) in Australia has led to significant improvements in our energy and greenhouse gas data management that we have now rolled out across our global operations. This improved oversight has allowed ANZ to set targets relating to the identification and implementation of cost-effective avenues to reduce energy use and carbon emissions, leading to significant savings in 2014 that will be extended into future years.						Failure to comply can result in fines of up to $340,000 plus daily penalties. In 2014, ANZ invested more than $1.2M in carbon reduction initiatives globally which will deliver more than $500k in savings p.a.	oversight and management of our global GHG emissions profile. Our on-line database ‘Enablon’ provides baseline information on travel and energy use across the countries in which we operate and we have a separate database to track energy saving opportunities on a monthly basis. ANZ's global GHG emissions received independent 'reasonable' assurance in 2014.	which are covered within our existing resource base (FTE). Independent verification of our reported environmental performance is included within our annual reporting costs (~$150,000). The licensing fee for our reporting tool Enablon costs about $AUD65,000 per year.

CC6.1b

Please describe the inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate opportunities	Climate impacts, such as increasing temperatures, rising sea levels, changing weather patterns, and more frequent or intense droughts, floods, and storms, can pose challenges for ANZ's facilities, supply chain, employees, current and potential customers, and the communities in which we operate. We have the opportunity to provide specialised financial advice and banking services by working collaboratively	New products/business services	Up to 1 year	Direct	More likely than not	Low	The opportunity to develop innovative products and services has increased revenue. We have partnered with the World Bank to help bring cleaner, cheaper & more sustainable sources of energy to Pacific Island countries exposed to the direct impacts of climate change through administering World Bank funding. ANZ Fiji is the exclusive Fund Manager for World Bank's Sustainable Energy Financing Program	To maximise the opportunities presented to ANZ as a result of the physical impacts of climate change, we undertake market research to understand the needs of current and future customers. Through this we are expanding our knowledge and capabilities and developing new and improved financial services. For example, there are a range of financial tools available to our customers to assist in managing the risks posed by weather, including	Various on-going costs are associated with management of these opportunities, particularly in relation to the resources required to develop and market new financial services and products.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	with our customers to manage and reduce the risks that extreme weather events may have on their business.						(SEFP) to promote the use of solar, hydro or coconut oil fuel (diesel alternatives) for lights or electricity generation & also energy efficient equipment to reduce electricity usage. As at the end of 2014, ANZ Fiji has lent the Fiji Development Bank (as a participating financial institution) $9.46M under SEFP which was then extended to customers. ANZ Fiji continues to manage the SEFP Program & recently engaged with the World Bank to promote the program further.	catastrophe bonds, insurance products and the supply of hedging instruments. ANZ's Your Say online customer panel involves customers in product and service co-creation and quality improvements.	

CC6.1c

Please describe the inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behaviour	Opportunities arising from climate change include increasing revenue by providing new financial products and service to our customers in the Asia Pacific region. In particular, there are opportunities in consumer finance for residential roof-top solar and batteries (installation of which continues to grow in Australia), structured asset finance for lighting upgrades and alternative fuels such as hydrogen fuel cells. Clean	New products/business services	Up to 1 year	Direct	Virtually certain	Medium	The opportunity to develop and market innovative products and services as a result of an increase in consumer demand for environmentally responsible products will increase. As the green bond market expands due to changing customer behaviour (from US$414 million in 2008 to US$36.6 billion in 2014) this provides opportunities for the development of products that directly finance developing low carbon industries, technologies and practices.	Our Sustainable Finance Solutions (SFS) team works closely with key relationships and product partners including Project Finance, Utilities and Infrastructure, Client Insights and Corporate advisory. The SFS team was established within the Global Loans business and has since been supplemented with banking expertise to facilitate solutions in the lower-carbon space across a range of industry sectors within the Asia-Pacific region in	Various ongoing costs have been associated with these actions, particularly in relation to the resources required to develop and market new financial products and services.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	energy revenue opportunities span all sizes of customers (Institutional, Corporate and Retail customers) across a wide cross-section of industry sectors (Energy, Property, Food & Manufacturing, Agriculture, Utilities and Infrastructure and Government). ANZ provides finance to these customers for large-scale renewables projects, distributed generation (e.g. Solar photovoltaic (PV) and tri-generation) and energy efficiency projects/ assets through its existing							which we operate.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	products and services. The most significant revenue opportunities resulting from climate change-related opportunities in 2014 for ANZ was from financing large-scale renewables and provision of advisory services to the renewable energy sector.								
Reputation	Effective management of climate change opportunities is a key part of our license to operate, enhancing our reputation with customers and employees. It leads to increased brand value, helping us attract and retain customers and employees	Increased demand for existing products/services	1 to 3 years	Direct	Likely	Low	Our environmental sustainability strategy drives cost reductions, captures revenue opportunities and enhances ANZ's reputation. Reduced operation costs include ~$15M in savings p.a. associated with a 15% reduction in GHG emissions from travel	Our environmental sustainability strategy contains a commitment to deliver best practice in environmental footprint monitoring, compliance, reporting and decision making. This is managed through our	ANZ spent $516,000 purchasing certified carbon offsets in FY2014. Our online environmental monitoring system costs about $AUD65,000 in annual licensing fees. More than $1M was spent on environmental

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	which translates into increased revenue generation opportunities and lower operating costs. ANZ is committed to managing the direct environmental impacts arising from our operations. Furthermore, we are committed to carbon neutrality – offsetting our entire Global Scope 1, 2 & 3 emissions through certified carbon offsets.						(compared to our FY11 baseline year). In addition, our Fuel, Light & Power spend was down ~$1.8M across Australia and NZ in 2014 (compared to prior year) due to focused efforts to move into more efficient buildings and implement energy efficiency initiatives.	Environmental Sustainability team through an Environmental Management Framework of objectives, targets, management actions and an online monitoring system that covers all 33 markets in which ANZ operates. ANZ has a stated position to maintain carbon neutrality across our global operations. ANZ's Carbon Neutral certification under the Australian Government's National Carbon Offset Standard continues to be maintained following independent	management costs (including staff, consultants & energy efficiency initiatives). Further costs are associated with the independent verification of our public environmental reports (total costs approximately $150,000) that include claims about our environmental sustainability performance.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								certification. Progress against public environmental sustainability targets are reported to the Corporate Sustainability & Diversity Committee (chaired by the CEO) who also endorse the annual carbon offset purchase.	

CC6.1d

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to inherent opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Fri 01 Oct 2010 - Fri 30 Sep 2011	15645
Scope 2	Fri 01 Oct 2010 - Fri 30 Sep 2011	208270

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
Australia - National Greenhouse and Energy Reporting Act
Defra Voluntary Reporting Guidelines
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
New Zealand - Guidance for Voluntary, Corporate Greenhouse Gas Reporting
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Other

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

1) New Zealand Ministry of Business Innovation and Employment – Quarterly electricity and liquid fuel emissions data tables (The source of Scope 2 Emission factors for ANZ's New Zealand-based operations); 2) International Energy Agency – CO2 Emissions from Fuel Combustion – 2013 Edition (The source of Scope 2 Emission Factors for 29 out of ANZ's 33 operating countries) 3) US eGRID2014 9th edition . Version 1.0. (The source of the Scope 2 Emission Factor for ANZ's New York-based office)

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
HFCs	IPCC Second Assessment Report (SAR - 100 year)
PFCs	IPCC Second Assessment Report (SAR - 100 year)
SF6	IPCC Second Assessment Report (SAR - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference

Further Information

Attachments

https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/ClimateChange2015/CC7.EmissionsMethodology/worksheet-for-question-cc7.4.xlsx

Page: CC8. Emissions Data - (1 Jul 2013 - 30 Jun 2014)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

17611

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

194666

CC8.4

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

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Leakage of hydrofluorocarbon refrigerants (Scope 1)	Emissions are not relevant	No emissions from this source	Data on refrigerant re-charging or the capacity of commercial chiller units is not centrally collated to allow an estimation of emissions from this source. This source of emissions is expected to represent <1% of ANZ's global Scope 1 and 2 emissions.

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Assumptions Metering/ Measurement Constraints	The largest source of uncertainty for ANZ's Scope 1 emissions is associated with a contractor-operated bus fleet used in Bengaluru, India for employee commuting and ANZ's use of rental vehicles. Fuel usage in these vehicles is estimated. In the case of rental vehicles used in Australia and New Zealand, fuel use quantities are estimated by multiplying the known number of kilometres driven by the assumed fuel economy of the vehicle driven. For the bus-fleet that is operated in Bengaluru, India for employee commuting, the number of kilometres driven is based on contracted daily amounts for each bus which is then multiplied by an assumed fuel economy factor to estimate the total volume of diesel oil used.
Scope 2	More than 2% but less than or equal to 5%	Data Gaps Assumptions Extrapolation	ANZ operates in 33 markets globally and occupies a significant property portfolio comprised of branches, commercial facilities and data centres. We also operate several thousand Automatic Teller Machines (ATMs) not connected to an ANZ branch that consume electricity and which are typically not metered in isolation from the premises that they are situated. While ANZ makes every attempt to gather electricity usage data for every single property and asset coming under our operational control, gaps in this data require us to make extrapolations or other assumptions to maximise the completeness and accuracy of our electricity use data and associated Scope 2 assertions. In recent years, ANZ has significantly improved its systems and processes for capturing electricity usage data from our major markets which has lessened the uncertainty around our reported Scope 2 emissions. Other sources of uncertainty in our Scope 2 emissions

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
			sources are associated with the accuracy of emissions factors. ANZ chooses emissions factors that are specific to the locale, region, state or country in which our premises are located and which are as close as possible to the actual reporting year.

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance complete

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC8.6a/14 ANZ GHG Inventory Opinion - 29 October 2014 V2.pdf	Page 1, 'Our Conclusions', 'a) Annual Global GHG Emissions (Scope 1 and 2) - Reasonable Assurance'; Page 2, 'KPMG's responsibilities'	ISAE3000	100
Reasonable	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared	Page 1, 'Our Conclusions', 'a) Annual	ISAE	100

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
assurance	Documents/Attachments/CC8.6a/14 ANZ GHG Inventory Opinion - 29 October 2014 V2.pdf	Global GHG Emissions (Scope 1 and 2) - Reasonable Assurance'; Page 2, 'KPMG's responsibilities'	3410	

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

Third party verification or assurance complete

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC8.7a/14 ANZ GHG Inventory Opinion - 29 October 2014 V2.pdf	Page 1, 'Our Conclusions', 'a) Annual Global GHG Emissions (Scope 1 and 2) - Reasonable Assurance'; Page 2, 'KPMG's responsibilities'	ISAE3000	100
Reasonable assurance	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC8.7a/14 ANZ GHG Inventory Opinion - 29 October 2014 V2.pdf	Page 1, 'Our Conclusions', 'a) Annual Global GHG Emissions (Scope 1 and 2) - Reasonable Assurance'; Page 2, 'KPMG's responsibilities'	ISAE 3410	100

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
Year on year change in emissions (Scope 1 and 2)	ANZ’s auditors KPMG have undertaken a limited level of assurance over ANZ’s entire 2014 Corporate Sustainability Review. Contained within this report are 5 years of emissions figures for our global operations (Scope 1 and Scope 2, p79) that provides transparency over year on year changes in emissions.
Progress against emission reduction target	ANZ’s auditors KPMG have undertaken a limited level of assurance over ANZ’s entire 2014 Corporate Sustainability Review. Contained within this report are details of ANZ’s progress in meeting absolute GHG reduction targets established for its Australian and New Zealand operations (Scopes 1,2 & 3), Global premises energy emissions (Scope 2), NZ vehicle emissions (Scope 1 and global air travel (p71-72).
Emissions reduction activities	ANZ’s auditors KPMG have undertaken a limited level of assurance over ANZ’s entire 2014 Corporate Sustainability Review. Contained within this report are details of various emissions reduction activities that ANZ has undertaken over the reporting year across our global operations (Pages 71-74)
Other: Carbon Neutral Operations	KPMG have also verified that ANZ has purchased the requisite number of credible carbon offsets to neutralize the emissions arising from our global operations in the period July 1 2013 – June 30 2014. We have also been officially certified under the Australian

Additional data points verified	Comment
	Government’s National Carbon Offset Scheme as ‘carbon neutral’ with assurance provided by KPMG.

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

Yes

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

28

Further Information

Ethanol-blended fuel is purchased for use in ANZ's 'tool-of-trade' vehicles in Australia. This fuel contains up to 10% ethanol by volume with the remaining amount comprised of gasoline. The amount stated above is the expected carbon dioxide emissions that have resulted from the combustion of the ethanol component of the blended fuel.

Page: CC9. Scope 1 Emissions Breakdown - (1 Jul 2013 - 30 Jun 2014)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Australia	8376
New Zealand	4833
India	3506
Cambodia	323
Germany	16
Hong Kong	29
Malaysia	8
Papua New Guinea	397
Philippines	16
Singapore	23
Taiwan	40
Thailand	22
Vietnam	22

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By GHG type
By activity
By legal structure

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	17368
CH4	29
N2O	214

GHG type	Scope 1 emissions (metric tonnes CO2e)
HFCs	0
PFCs	0
SF6	0

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
Tool-of-trade vehicles	9837
Employee Commuting Buses	3444
Rental Cars	200
Stationary Energy - Diesel	386
Stationary Energy - Natural Gas	3599
Onsite Wastewater Treatment Plant	152

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)
Parent company and subsidiaries under financial control including leased assets treated as assets of the consolidated group for financial accounting purposes, Part 1	0
Joint ventures, Part 1	0

Legal structure	Scope 1 emissions (metric tonnes CO2e)
Associates, Part 2	0
Emissions from operationally controlled and/or other entities/activities/facilities, Part 2	17611

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jul 2013 - 30 Jun 2014)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for in CC8.3 (MWh)
Australia	146546	141499	33
New Zealand	5175	43072	0
American Samoa	165	539	0
Cambodia	2178	2729	0
China	2365	3091	0
Cook Islands	55	180	0
Fiji	1201	3929	0

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for in CC8.3 (MWh)
Germany	26	57	0
Guam	130	427	0
Hong Kong	2177	2920	0
India	12510	14310	0
Indonesia	6817	9303	0
Japan	271	594	0
Kiribati	80	261	0
South Korea	191	355	0
Laos, People s Democratic Republic of	193	631	0
Malaysia	9	12	0
Myanmar	2	10	0
Papua New Guinea	905	2967	0
Philippines	1625	3339	0
Samoa	203	665	0
Singapore	5525	11055	0
Solomon Islands	180	589	0
Taiwan	4054	6610	0
Thailand	9	18	0
Timor Leste	54	173	0
Tonga	66	217	0
United Arab Emirates	14	24	0
United Kingdom	562	1195	0
United States of America	206	728	0
Vanuatu	162	529	0
Vietnam	1010	2346	0

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By legal structure

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)
Parent company and subsidiaries under financial control including leased assets treated as assets of the consolidated group for financial accounting purposes, Part 1	0
Joint ventures, Part 1	0
Associates, Part 2	0
Emissions from operationally controlled and/or other entities/activities/facilities, Part 2	194666

Further Information

Scope 2 Emissions arising from ANZ's operations in New Caledonia are reported under Vanuatu.

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

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

CC11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	74142
Electricity	254375
Heat	0
Steam	0
Cooling	0

CC11.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Biogasoline	120
Town gas or city gas	19361
Motor gasoline	53117
Diesel/Gas oil	1544

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
Non-grid connected low carbon electricity generation owned by company, no instruments created	33	Incorporates the generation of electricity from photovoltaic solar cells located on two of ANZ’s buildings in Australia, including its corporate headquarters in Melbourne. All electricity generated is used within the same facility.

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	4.0	Decrease	In 2014, reductions in absolute emissions (Scope 1 and 2 combined) have been achieved through a range of different activities. We continue to improve the energy efficiency of our existing commercial and branch assets and consolidating our building portfolio in response to changing business needs. ANZ is also implementing a policy to improve the efficiency of our vehicle fleet in Australia and New Zealand by preferencing 4-cylinder vehicles over 6 cylinder vehicles. The combined net savings of these emissions reduction activities was 8696 tonnes CO2-e. Our total Scope 1 and Scope 2 emissions in the previous year was 220145 t CO2-e, therefore we arrived at 4.0% through (8696/220145)*100= 4.0%.

Reason	Emissions value (percentage)	Direction of change	Comment
Divestment	0	No change	ANZ did not undertake any divestment activities in the reporting period
Acquisitions	0	No change	ANZ did not undertake any acquisition activities in the reporting period
Mergers	0	No change	ANZ was not involved in any mergers in the reporting period
Change in output	1.3	Increase	Continued expansion of our data centres in Australia, New Zealand and Singapore to accommodate rapid uptake in online platforms and services by our customers and to facilitate upgrades to ANZ’s technology systems and centralisation of processing led to an increase in Scope 2 emissions of 2800 tonnes on the previous year. This represents a 1.3% increase of the combined Scope 1 and 2 emissions of the previous year.
Change in methodology	1.6	Decrease	ANZ operates in 33 countries globally and there are large variations in the emissions intensity of the electricity grids from which we source electricity. There can also be annual fluctuations in the emissions factors for electricity grids that reflect changes in the mix of fuels used to generate electricity in the countries/states in which ANZ operates from year to year. While ANZ’s purchase of electricity decreased by 3.1% from the previous year, our overall Scope 2 emissions decreased by 4.6%. The impact of these reduced Scope 2 emissions factors helped to reduce our combined Scope 1 and 2 emissions by 1.6% from the previous year.
Change in boundary	0.7	Increase	ANZ has an operating lease over a fleet of buses that are used in Bengaluru, India for employee commuting purposes. These buses operate around the clock. While in previous years we have included the Scope 1 emissions arising from the buses operating on the 8am-5pm general shift, this was expanded in 2014 to include the buses operating outside these hours. This has resulted in improved completeness and accuracy of our Corporate Greenhouse Gas Inventory and a 0.7% increase on our combined Scope 1 & 2 emissions from the previous year.
Change in physical operating conditions	0	No change	There were no changes in ANZ’s physical operating conditions that resulted in a variation to our emissions in the reporting period.
Unidentified	0	No change	There were no unidentified reasons that contributed to the 3.6% decrease in ANZ's Scope 1 and 2 emissions from the previous year.
Other	0	No change	There were no other reasons that contributed to the 3.6% decrease in ANZ's Scope 1 and 2 emissions from the previous year.

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
10.59	metric tonnes CO2e	unit total revenue	10.9	Decrease	Global Scope 1 and 2 emissions decreased by 3.6% from the previous year as a result of various voluntary emission reduction activities. The most significant saving in emissions was brought about by the implementation of programs aimed at improving the energy efficiency of our existing commercial and branch assets and consolidating our building portfolio in response to changing business needs. ANZ is also implementing a policy to improve the efficiency of our vehicle fleet by preferencing 4-cylinder vehicles over 6 cylinder vehicles which achieved further savings in Scope 1 emissions in both Australia and New Zealand. Meanwhile ANZ's Operating Income increased by 8%. These two factors have combined to achieve a 10.9% reduction in the metric of CO2 emissions per $million operating income.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
4.41	metric tonnes	FTE employee	4.2	Decrease	Despite a 0.7% increase in global FTE numbers from the previous year, ANZ was able to reduce its global Scope 1 and 2 emissions by 3.6%. The largest source of growth in

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
	CO2e				ANZ's emissions is due to growth in data centre electricity usage to meet rapidly growing customer demand for electronic banking and financial services. This is a structural shift being experienced across the global banking industry. However, given that this is largely a customer (rather than FTE) driven phenomenon, the 4.2% reduction in this indicator from the previous year highlights the effectiveness of ANZ’s Emission Reduction Activities that have been implemented across our global property portfolio.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.646	metric tonnes CO2e	megawatt hour (MWh)	2.6	Decrease	A 1.6% reduction in the carbon intensity of our electricity use is the primary reason for the declining overall carbon intensity of our energy consumption. The continued operation of a gas-fired trigeneration plant at our corporate headquarters in Melbourne has also played an important emission-reducing role. This plant has reduced our reliance on carbon-intensive electricity sourced from the grid which is generated mostly from the burning of coal. Overall, global Scope 1 and 2 emissions decreased by 3.6% from the previous year as a result of various voluntary emission reduction activities.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit Purchase	Wind	4 MW Kirloskar Wind Farms in Maharashtra	VCS (Verified Carbon Standard)	12722	0	Yes	Voluntary Offsetting
Credit Purchase	Wind	Bundled wind power project in Harshnath managed by Enercon (India)	VCS (Verified Carbon Standard)	26797	0	Yes	Voluntary Offsetting
Credit Purchase	Wind	Bundled Wind Power Project in Tamil Nadu managed by Enercon India Limited-I	VCS (Verified Carbon Standard)	42115	0	Yes	Voluntary Offsetting
Credit Purchase	Wind	Bundled Wind Power project in Tamil Nadu managed by Enercon India Limited - II	VCS (Verified Carbon Standard)	52022	0	Yes	Voluntary Offsetting
Credit Purchase	Wind	Grid connected bundled wind power project in Gujarat managed by Enercon (India) Limited	VCS (Verified Carbon Standard)	54497	0	Yes	Voluntary Offsetting
Credit Purchase	Wind	MRF wind power project in Tamilnadu managed by Enercon India Limited	VCS (Verified Carbon Standard)	71847	0	Yes	Voluntary Offsetting
Credit Purchase	Biomass energy	Siam Quality Starch Wastewater Treatment and Energy Generation Project in Chaiyaphum, Thailand	VCS (Verified Carbon Standard)	40000	0	Yes	Voluntary Offsetting
Credit	Energy	Commercial lighting	Other: New South	4983	0	Not	Other: Recognised Energy Savings

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Origination	efficiency: service	upgrade - 347 Kent St Sydney	Wales Energy Savings Scheme - Recognised Energy Savings Activity			relevant	Activities for creation of Energy Savings Certificates that are required to be obtained and surrendered by Scheme Participants liable under the NSW Energy Efficiency Savings Scheme. Each unit represents 1 tonne of carbon dioxide equivalent.

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	5854	ANZ calculates the upstream emissions associated with the production and transportation of paper that is used for office-based purposes and in customer communications. Emissions from this source are estimated by multiplying the tonnage of paper by emission factors that reflect the 'cradle-to-gate' emissions associated with the production and transport of one tonne of paper. The choice of emission factor is dependent on whether the fibre used to produce the paper is sourced from virgin or post-consumer recycled material and whether the paper is produced in Australia or imported. These emission factors have been derived from research commissioned by EPA Victoria, a statutory authority in Australia. ANZ also purchases 'carbon neutral' paper for some of its office paper needs in Australia and New Zealand. This paper that is certified under the Australian Government's National Carbon Offset Scheme is counted as having zero emissions. Office paper usage by ANZ's APE&A operations are estimated by extrapolating average staff paper use in ANZ's Australian, New Zealand and Bangalore (India) operations.		Paper-based emissions are a material source of emissions for ANZ to track given that paper-based materials have traditionally been the most common medium by which we communicate with customers. ANZ is actively working to reduce our reliance on paper-based communication by providing our customers with the option to shift to digital channels. We have also been active in shifting several of our key commercial locations to managed print solutions that has helped to deliver large reductions in office paper use/emissions. In the last year ANZ has reduced emissions from paper use by 306 tonnes CO2e.
Capital goods	Not relevant, explanation provided				ANZ recognizes that there are embedded emissions in capital goods used by the organization in providing banking and financial services to its customers. However it has been

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					deemed not to represent a material source of Scope 3 emissions for the following reasons: Firstly, ANZ has a limited ability to influence emissions reductions activities of the producers of materials that make up the finished capital goods that we purchase each year. Secondly the emissions embedded in capital goods do not make a material contribution to ANZ's risk exposure and as such have not been deemed critical by our key stakeholders. Thirdly, most of the computers and office machines in our branches and commercial offices across 33 countries are leased with our suppliers responsible for end-of-life processing and recycling. Notwithstanding, ANZ does incorporate sustainability criteria in the competitive tender processes for goods such as computers, office furniture and office fittings and gives active consideration to these criteria when selecting winning tenders for the provision of these goods.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	37703	ANZ calculates the following upstream fuel and energy related emissions for inclusion in its global Scope 3 inventory: 1) Extraction, production and transportation of liquid and gaseous fuels consumed by ANZ; 2) Extraction, production and transportation of fuels consumed in the generation of electricity used by ANZ; and 3) Generation of electricity that is lost in		When Scope 3 emissions from fuel and energy related activities are added to those covered in Scope 1 and Scope 2, they represent over 78% of ANZ’s total global carbon emissions. It is for this reason why reducing our consumption of fuels and electricity is the main focus of our emissions reduction activities.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			transmission and distribution. Emissions from these sources are estimated based on multiplying fuel and electricity consumption figures by emissions factors that are relevant for geographical areas in which ANZ operates. For Australia, these factors are sourced from the Australian National Greenhouse Accounts (NGA) Factors that are updated annually. For New Zealand the factors are sourced from the Guidance for Voluntary Corporate Greenhouse Gas Reporting (2012) produced by the NZ Ministry for the Environment. For regions outside of Australia and NZ, ANZ has relied on data contained in the UK Government conversion factors for Company Reporting produced by DEFRA/DECC and the IEA CO2 Emissions from Fuel Combustion publication.		
Upstream transportation and distribution	Not relevant, explanation provided				As a provider of banking and financial services, ANZ is not a significant purchaser or producer of physical products that require transportation and distribution. For those physical products that ANZ does purchase eg paper, these are accounted for under the Scope 3 category ‘Purchased products and services’.
Waste generated in operations	Relevant, calculated	1967	ANZ undertakes bi-annual audits of its general waste stream that is destined for landfill. These audits are undertaken for a period of 2 weeks each at key commercial facilities in Australia and New Zealand. The results of these waste audits		ANZ has not attempted to calculate emissions associated with recycling or waste water treatment as it is non-material (<1% of emissions) and not relevent given ANZ’s operations do not involve any processes that

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			are used to estimate daily waste generation per staff member which is then extrapolated across ANZ's global workforce to arrive at an estimated annual figure for the tonnage of waste landfilled. Annual figures are then multiplied by emissions factors outlined in the NZ Guidance for Voluntary, Corporate Greenhouse Gas Reporting (2012) for New Zealand premises. All other waste tonnage figures are multiplied by the factor for 'commercial and industrial waste' appearing in the Australian NGA Factors document .		involve generation of industrial or commercial wastewater. Nitrous oxide emissions arising from the on-site treatment of 'blackwater' at ANZ's corporate headquarters in Melbourne are accounted for under Scope 1 emissions.
Business travel	Relevant, calculated	58122	This incorporates emissions from the following sources: 1) Air travel in commercial and privately chartered aircraft; 2) Hotel accommodation; 3) Business Travel in private vehicles; and 4) Taxi Travel. Air travel distances between the flight origin and destination are multiplied by an uplift factor of 1.09 to account for additional flying due to non-direct routes, delays and circling. Emissions factors are then applied differentiated by the class of travel and distance flown (domestic, short haul and long haul) (Source UK DEFRA/DECC). Hotel emissions are calculated by multiplying the number of room nights by emissions factors covering the proportional Scope 1 and Scope 2 emissions of the hotel and average occupancy rates. Emission factors that are relevant for the region/state/ nation that the		ANZ does not currently incorporate emissions that are associated with business travel on public transport (eg buses, trams & trains) into its global GHG inventory. It is estimated they make a small contribution to the business travel emissions of ANZ.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			hotel is situated are used to calculate hotel electricity related emissions. Emissions from private vehicle business-related travel are estimated based on reimbursement claims submitted by staff. Assumptions on the type of car driven by staff are then used to calculate the emissions. Taxi emissions are estimated based on assumptions on the average amount of kilometers travelled per $AUD of expenditure and then multiplying the total kilometers travelled by an emissions factor appropriate for a typical taxi vehicle. In NZ, taxi related emissions are calculated based on standard factors from the NZ Guidance for Voluntary, Corporate Greenhouse Gas Reporting (2012). Hotel and air travel emissions from staff located in the Pacific are calculated by extrapolating the per person emissions from ANZ's Asian-based business.		
Employee commuting	Relevant, calculated	17120	ANZ has calculated for the first time the commuting emissions from over 12,000 employees at our 10 main commercial buildings in Australia. Five of these buildings were in Melbourne, two in Sydney, and one building in each of Adelaide, Brisbane and Perth. ANZ monitors the total number of unique employees, visitors and contractors entering these buildings each day. The calculation incorporates the emissions associated with normal weekday commuting excluding public holidays. Data on		ANZ recognizes that the commuting emissions attributable to almost 50,000 staff worldwide represents a material source of Scope 3 emissions. This is ANZ's first attempt at estimating emissions from this source, and covers the commuting emissions from our top 10 Australian commercial buildings, accommodating more than12,000 employees. ANZ is focused on ensuring that its employees have the ability to choose less carbon-intensive modes of transport for their commute into work. Key commercial

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			the main method of travel to work was obtained from the 2011 Australian Census data (available from the Australian Bureau of Statistics). Conservative assumptions were used to estimate the distance travelled on each mode of transport. Emissions were then calculated using factors appropriate for different modes of passenger travel obtained from the UK DEFRA/DECC Conversion factors for Company Reporting.		office locations (which is where the majority of ANZ's employees work) are carefully chosen to be in close proximity to public transport including trains, trams, buses and cycleways. ANZ's corporate headquarters in Melbourne also provides 560 bicycle racks, change-rooms, showering facilities and lockers. The number of car parking spaces allocated to the ANZ tenancy is also 94 per cent lower than the maximum allowed under local planning standards. ANZ also actively supports flexible working arrangements for its staff that includes provisions for them to 'work from home' which further assists to reduce emissions from staff commuting. The emissions figure reported here has not been subject to external assurance.
Upstream leased assets	Relevant, calculated	6896	ANZ has estimated emissions associated with the energy use in the following leased assets in Australia that do not come under ANZ's operational control: 1) Outsourced data centres; and 2) Base-building energy use in key commercial buildings Electricity use from ANZ operated equipment situated in outsourced data centres was estimated by multiplying the electrical demand of the installed equipment by the number of hours that the equipment was installed during the reporting year. An uplift factor of 1.7 was applied to account for the additional cooling demand of the data centre.		ANZ has calculated the base-building emissions from leased commercial assets in Australia where it is not a sole tenant. This is likely to represent the bulk of ANZ's global emissions from this source. Similar information is not currently available for base building emissions in other countries where we operate.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			The usage was then multiplied by the relevant electricity emission factor based on the data centre location. Emissions arising from ANZ's base building energy use were calculated from publicly available information on GHG emissions from buildings where ANZ was a tenant for the entire or part year, multiplied by the percentage of ANZ's net lettable area.		
Downstream transportation and distribution	Not relevant, explanation provided				As a provider of banking and financial services, ANZ does not produce physical products that require downstream transportation and distribution. It has therefore been determined that this is not a relevant Scope 3 category for ANZ.
Processing of sold products	Not relevant, explanation provided				As a provider of banking and financial services, ANZ does not sell physical products that require downstream processing. It has therefore been determined that this is not a relevant Scope 3 category for ANZ.
Use of sold products	Not relevant, explanation provided				ANZ offers both internet and mobile banking platforms to our customers. It is recognised that the provision of these platforms results in indirect consumption of energy that is associated with the electricity used to operate/recharge the devices that customers use to access these platforms. While there are millions of transactions performed by our customers on these platforms each year, this is deemed to be a minor source of Scope 3 emissions due to the

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					small amounts of electricity required to charge modern-day smartphones and tablets and the fact that these devices are used for a multitude of purposes beyond banking.
End of life treatment of sold products	Not relevant, explanation provided				As a provider of banking and financial services, ANZ does not sell physical products that require end-of-life treatment or disposal. It has therefore been determined that this is not a relevant Scope 3 category for ANZ.
Downstream leased assets	Not relevant, explanation provided				ANZ did not lease any assets to any third party entities where the emissions from the operation of those assets were not already calculated in ANZ's Scope 1 or 2 emissions inventory. It has therefore been determined that this is not a relevant Scope 3 category for ANZ.
Franchises	Not relevant, explanation provided				ANZ does not operate any franchises in providing banking and financial services. It has therefore been determined that this is not a relevant Scope 3 category for ANZ.
Investments	Relevant, calculated	0.69	ANZ calculates the average emissions intensity of electricity generation assets funded through our project finance portfolio. For each electricity generator financed by ANZ, the quantity of annual electricity generation allocated to ANZ is based on ANZ's proportional holding of the total syndicate debt limit plus equity for that generator (Assumed to be a 70/30 debt/equity ratio). ANZ's holding was based on the Class 1 Debt Limit . Emissions were calculated by multiplying		In Australia, the average emissions intensity of generation financed by ANZ is around 0.69 tonnes of CO2 per megawatt hour of electricity generated (tCO2/MWh) (this figure was calculated using emission data from three sources: (1) 2014 Australian Energy Market Operator (AEMO), (2) 2013 National Greenhouse and Energy Reporting Scheme (NGERS), (3) an estimate by ANZ for remaining generators. Overall, AEMO and NGERS

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			ANZ’s proportion of the total annual generation amount (MWh) by an emissions intensity of generation factor (t CO2-e/MWh) applicable for the financed asset. For example if ANZ’s Class 1 debt limit for a gas fired power station represents 40% of the total syndicate debt limit plus equity, this would mean that ANZ is allocated 40% of the annual emissions arising from electricity generation at the power station. If the annual generation figure was 1 million megawatt hours this would mean that 400,000 MWh of generation would be attributable to ANZ. If the power station generates electricity at an emissions intensity of 0.42t CO2-e per megawatt hour then then the emissions attributable to ANZ’s financing of this asset throughout the financial year would be 168,000t CO2-e (400,000MWh x 0.42 t CO2-e/MWh). Where debt was provided to more than one electricity generation facility as part of a single transaction, emissions were allocated to ANZ on the basis of the generation-weighted average emissions intensity across the generators in the transaction. The average emissions intensity of generation reported by ANZ is calculated by dividing the sum of allocated emissions by the sum of allocated generation.		emissions data was available for 98% of electricity generation from projects financed by ANZ. This is 20 per cent lower than the Australian average emissions intensity of 0.86tCO2/MWh (the Australian average emissions intensity of generation is the weighted average emissions intensity of the National Electricity Market, the South-West Integrated System and the Northern Territory for 2014). Outside Australia, the average emissions intensity of generation financed by ANZ is around 0.24tCO2/MWh (this figure was calculated using emissions data from CARMA database maintained by the Center for Global Development). This is around 17 per cent below the average emissions intensity of generation in those countries (outside Australia, the average emissions intensity of generation has been calculated based on ANZ's weighted contribution to energy in that country taken from Econometrica). We will continue to track and report our progress towards reducing the emissions intensity of this portfolio. We will also consider expanding our assessment in the event a globally accepted industry standard is developed.
Other (upstream)	Not relevant, explanation				ANZ does not have any other relevant upstream emissions.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
	provided				
Other (downstream)	Not relevant, explanation provided				ANZ does not have any other relevant downstream emissions.

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance complete

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC14.2a/14 ANZ GHG Inventory Opinion - 29 October 2014 V2.pdf	'Our Conclusions, b) Annual Global GHG Emissions (Scope 3) - Limited Assurance (Page 1); 'KPMG's Responsibilities' (Page 2)	ISAE3000	87
Limited assurance	https://www.cdp.net/sites/2015/87/1187/Climate Change 2015/Shared Documents/Attachments/CC14.2a/14 ANZ GHG Inventory Opinion - 29 October 2014 V2.pdf	'Our Conclusions, b) Annual Global GHG Emissions (Scope 3) - Limited Assurance (Page 1); 'KPMG's Responsibilities' (Page 2)	ISAE 3410	87

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods &	Other: Reduced	5.0	Decrease	The 5% reduction in emissions from this category results from absolute reductions in

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
services	Paper Purchases			office and customer paper purchases and purchase of carbon neutral office paper that has been certified under the Australian Government's National Carbon Offset Standard (NCOS). Reductions in office paper consumption have occurred due to the continued roll-out of technologies that have helped reduce superfluous printing and by setting all of ANZ's printers to default 'duplex'. ANZ is also shifting more of our customer communications from paper-based communication to digital channels. This 5% reduction comes on top of the 6% reduction we achieved the previous year.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in methodology	0.6	Increase	While there was a 1.0% decrease in global fuel and electricity purchases from the previous year, there was a 0.6% increase in Scope 3 emissions from fuel and energy related emissions. The main source of this increase was associated with changes to emission factors across ANZ's APE&A region to reflect upstream transmission and distribution losses associated with electricity use. Scope 3 factors were sourced from the DEFRA/DECC UK Government Conversion Factors for Company Reporting document; the Australian Government's NGA Factors; and the NZ Government's Guidance for Voluntary Corporate Greenhouse Gas Reporting (2012) document.
Waste generated in operations	Emissions reduction activities	10.1	Decrease	Continued improvements in the availability of office recycling systems and reductions in office printing in Australia and New Zealand have had the biggest impact in reducing the amount of waste sent to landfill during the reporting year.
Business travel	Other: Increased air travel	2.1	Increase	Increased air travel has a flow-on effect to emissions from hotel stays and taxi travel which were also up from the previous year.
Upstream leased assets	Change in boundary	1.4	Increase	The increase in emissions from this source was largely due to ANZ occupying its new office building in Sydney for a full twelve month period (where we are co-tenants). We had sole tenancy of the building we moved out of (thereby having operational control of the base-building infrastructure), our new co-tenancy arrangements mean that emissions from this source have increased. Relocating equipment from data centres operated by a third-party into ANZ operated data centres has helped to decrease emissions from this source.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

SUPPLIERS
ANZ's Sustainable Sourcing Framework defines GHG criteria as a key issue for all purchasing and supply decisions. ANZ uses a risk-based approach to identify categories of supplier spend with higher risk (using the ANZ 'Sustainability Risk Assessment Tool (RAT) and an impact and likelihood assessment matrix). ANZ uses the following methods to engage with suppliers on GHG emissions and environmental management issues:

1. Supplier Code of Practice– We require 100% of suppliers to comply with this Code. The Code requires suppliers to a) Have an Environmental Management System b) Embed environmental management principles within business operations; and c) Continuously seek ways to maximise the efficient use of environmental resources. Suppliers are routinely assessed for their level of compliance with the SCOP. Suppliers with low levels of compliance are reviewed for the level of risk they represent and may be required to self-assess their compliance against the SCOP and, where necessary, to develop remediation plans through ANZ's Operational Contract Management framework.

2. Targets - ANZ sets annual public targets. The three targets were successfully met in FY14; 1) Screen our most material suppliers as identified by our spend and suppliers' potential risk 2) Evaluate the screening findings and suppliers' stated compliance with our Supplier Code of Practice; and 3) Where our screening and its evaluation identifies suppliers not operating in line with the Code, we will enable suppliers reasonable time to develop credible remediation plans prior to reviewing the relationship and report on our progress.

3. Supplier Engagement – Sharing our category plans with suppliers in meetings and during tendering processes enables ANZ to build shared supply objectives. In FY14, our Request for Proposal questions were updated to introduce a minimum mandatory weighting of five percent for Corporate Responsibility. Since its introduction in July 2014, 12 tenders have included this weighting. We also work closely with our Australian property Facilities Management supplier to set KPIs on GHG emissions and energy. Outcomes of this effort include: a) 15% reduction in electricity use for commercial assets; b) 4% reduction in electricity use for bank branches c) increased pipeline of sustainability projects to more than 20,000 tonnes of potential GHG savings

PARTNERSHIPS
ANZ's strategy for engaging with partners is based on an assessment of their alignment with ANZ's vision and strategic objectives that incorporates our ambition of reducing energy use and GHG emissions. Key partnerships are reviewed on a regular basis to ensure ongoing alignment. A partner is:
• World Wildlife Fund (WWF) – ANZ has a formal partnership with WWF with the objective of increasing the banks awareness and understanding of environmental issues that impact our customers, and the geographies we operate in. It improves the ability of ANZ to identify, understand and resolve environmental issues and make informed decisions. In 2014, 263 employees (against a target of 250) completed the Sustainability Leadership Program through the partnership.

CUSTOMERS
ANZ engages directly with customers to reduce GHG emissions through investment in efficiency and renewables projects. We have dedicated resources that work

with customers on financing GHG reduction programs. ANZ’s strategy for prioritising engagement with customers is to formally assess and define customer segments with higher environmental (and social) impacts. We have Sensitive Sector Policies that guide decision making for each of these sectors. ANZ has also become a leader in funding renewable energy projects. Evaluation of success in 2014 include:
- ANZ Fiji is the exclusive Fund Manager for World Bank’s Sustainable Energy Financing Program (SEFP) to promote the use of solar, hydro or coconut oil fuel (diesel alternatives) for lights or electricity generation & also energy efficient equipment to reduce electricity usage. As of 2014, ANZ Fiji had lent the Fiji Development Bank (as a participating financial institution) $9.46M under SEFP which was then extended to customers.

- ANZ closed the debt portion of funding for the $450-million Burgos Wind Project (BWP) in Philippines. BWP is expected to generate ~233GWh annually & power over 1 million households, making it the largest wind farm in Philippines.

- In New Zealand, ANZ Environmental Loans provide low-interest loans designed to help farmers improve their environmental systems to improve the environmental sustainability of their farm or to meet environmental by-laws. These loans will fund projects like effluent management, water & water quality management, or, water and energy conservation projects.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
15000	100%	We require 100% of suppliers to comply with our Supplier Code of Practice. The Code requires suppliers to a) Have an Environmental Management System b) Embed environmental management principles within business operations; and to c) Continuously seek ways to maximise the efficient use of environmental resources. Suppliers are routinely assessed for their level of compliance with the SCOP. Suppliers with low levels of compliance are reviewed for the level of risk they represent and may be required to self-assess their compliance against the SCOP and, where necessary, to develop remediation plans through ANZ’s Operational Contract Management framework.

CC14.4c

If you have data on your suppliers’ GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Identifying GHG sources to prioritize for reduction actions	ANZ measures and reports on material GHG sources in our supply chain. This assists us to identify and prioritise GHG reduction projects. ANZ prioritises GHG reduction initiatives in our value chain by giving consideration to the size and cost of the impact and the innovation opportunities. Accurate and complete supply chain reporting assists with this process. For example we have accelerated our implementation of LED lighting into ANZ offices, data centres and branches after analysis of supplier reporting and trials demonstrated it is possible to achieve a Return On Investment within 2-5 years. In addition, our managed print services provider works with us to minimise the number of print devices we need in commercial offices based on detailed utilisation reports. We also receive GHG-related data from a number of our suppliers including those responsible for flights and accommodation, fleet and paper.
Managing the impact of regulation in the supply chain	ANZ measures and reports on material GHG sources in our supply chain, to ensure transparency of our impacts and improve management discussions. Incorrect or missing information on emissions arising from our supply chain could have significant impacts on our brand and reputation. It also enhances our understanding of how we may be financially impacted through the introduction of carbon pricing mechanisms in jurisdictions where we operate. For the reasons outlined, ANZ has supply agreements with our Air Travel, Accommodation, Paper, Print and Fleet category providers that have embedded clauses to ensure the accuracy and completeness of information supplied for greenhouse gas accounting purposes.

CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Gerard Brown	Group General Manager Corporate Affairs	Public affairs manager

Further Information