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 34 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 around 46,000 people.

Our Corporate 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 and support our customers, particularly our corporate customers, to transition to a low carbon economy.

In 2015 we developed our 'Bridging to a low carbon economy' framework and released ANZ's Climate Change Statement. The Statement sets out the actions we are taking to support the transition to a low carbon economy and confirms our support to limit the average global temperature rise to no more than 2 degrees celcius above pre-industrial levels. We recognise that achieving this is a shared challenge that will require net-zero emissions of greenhouse gases by the end of the century.

We committed to two of the We Mean Business initiatives in the lead up to the Paris climate summit in 2015: 1) responsible corporate engagement in climate policy and 2) report climate change information in mainstream reports as a fiduciary duty.

We have also responded to the work of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures, aimed at overcoming the inconsistencies emerging from the current range of regulatory and voluntary reporting requirements and are participating in the Portfolio Carbon Initiative, a global initiative attempting to develop guidance for banks and asset owners that would become the industry standard for reporting on ‘climate performance indicators’, including financed emissions. The Initiative is led by the United Nations Environment Programme Finance Initiative (UNEP FI) and the World Resources Institute. As part of our UNEP FI participation, we have formed the Australian Portfolio Carbon Working Group, with the three other major Australian banks, an informal, collaborative working group recognised by the Initiative.

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
Wed 01 Jul 2015 - Thu 30 Jun 2016

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, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.
If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS 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 in CC0.6.

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 Corporate Sustainability Framework. The Board Environment, Sustainability & Governance Committee (formerly the Governance Committee) has responsibility for reviewing and approving climate change related objectives, monitoring progress in achieving targets and reporting against them twice a year. 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 ANZ's risk management strategy, including climate change related risks.

At executive management level, the Responsible Business Committee (RBC) (formed in 2017, through a merging of our Corporate Sustainability and Diversity Committee and Reputation Risk Committee) is a strategic leadership body addressing a range of sustainability issues, including climate change. The RBC is comprised of several of our most senior executives and chaired by the CEO. It is responsible for leading ANZ's Group-wide Sustainability agenda providing strategic leadership on ANZ's Corporate Sustainability risks and opportunities, and monitoring progress quarterly against our targets. In addition, the RBC 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.

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 Framework and associated targets	Management incentives for delivering against ANZ's Sustainability Framework and targets are in place at the most senior levels of the organisation.
Chief Operating Officer (COO)	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target	ANZ COO holds a dual role as Deputy Chief Executive Officer (CEO) and has responsibility for ANZ's environmental sustainability targets including performance against organisational targets for our direct emissions, indirect emissions, supply chain management, our energy,

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
		Efficiency project Efficiency target Behavior change related indicator Environmental criteria included in purchases Supply chain engagement Other: Sustainable Development targets	water, paper, air travel, fuel consumption, and waste targets and maintaining our carbon neutral status. Performance linked to remuneration through achievement of 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 Behavior change related indicator Other: Environmental & Sustainable Development targets	Overall responsibility for ANZ's Sustainability Framework and performance and is correspondingly rewarded for delivery of targets and performance against our sustainability priorities.
Facility managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	Manage the day-to-day operational delivery of specific ANZ properties including the identification and implementation of energy performance improvement initiatives. Manage upgrade capital works. Performance is assessed quarterly with remuneration through annual bonus payments.
Business unit managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator Other: Environmental & Sustainable Development targets	Communicating climate change issues to customer facing staff. Performance linked to remuneration through KRA's and associated remuneration rewards.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Other: Group General Manager Property	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator Other: Environmental & Sustainable Development targets	Responsible for development and implementation of property strategy, including definition of emissions targets and energy reduction projects across ANZ's group property portfolio. Responsible for data capture, reporting and delivery of ANZ's submission under the Australian National Greenhouse and Energy Reporting Act. Review and approval of ANZ's performance against environmental targets as reported to DJSI and CDP. Performance is linked to remuneration through the ANZ Employee Performance and Bonus processes.
Other: Managing Director of Loans and Specialised Finance	Monetary reward	Other: Responsible for: - meeting ANZ's $10bn low carbon target; - growing ANZ's low carbon and sustainable solutions business; - adherence to environmental risk and credit policies.	Responsible for increasing the proportion of lower-carbon (gas and renewables) power generation lending in our Project Finance business by 15-20% by 2020. (Note that this target was met in the 2015 financial year). A new target has been introduced to fund and facilitate at least $10 billion in investment by 2020 in low carbon and sustainable solutions, including renewable energy generation, green buildings and less emissions intensive manufacturing and transport. The Managing Director of Loans and Specialised Finance has key performance indicators relating to this target, including the continued development of the Sustainable Finance Solutions business within the Institutional Division and adherence to credit policies. Performance is linked to remuneration through the ANZ Employee Performance and Bonus processes.
Other: Head of Sustainable Finance Solutions	Monetary reward	Other: Responsible for: - meeting ANZ's $10bn low carbon target; - growing ANZ's low carbon and sustainable solutions business; - adherence to environmental risk and credit policies.	Responsible for managing and monitoring of (including organisational awareness) the new target to fund and facilitate at least $10 billion in investment by 2020 in low carbon and sustainable solutions, including renewable energy generation, green buildings and less emissions intensive manufacturing and transport. Performance is linked to remuneration through the ANZ Employee Performance and Bonus processes.
Environment/Sustainability managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	Delivery of sustainability and climate change targets as well as public reporting of progress against them is central to these roles. 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
		Behavior change related indicator Other: Environmental & Sustainable Development targets	
Other: Head of PMO & Best Practice - Group Property	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator	Representative of property leadership team with responsibility for ensuring ANZ meets its voluntary and regulatory environmental reporting obligations and managing the delivery of ANZ's energy & greenhouse gas management performance targets, 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.
Other: Head of Environmental Sustainability, Group Property	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behavior change related indicator	Provides strategic guidance and direction to the Environmental Sustainability team and facilitates cross-business partnerships. Delivery of environmental targets as well as public reporting of progress against them. Performance is linked to remuneration through the ANZ Employee Performance and Bonus processes.
Other: Asset Managers, Group Property	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target	Broad oversight of the performance of specific ANZ commercial and data centre buildings including capital investment, operational expenditure and related efficiency works. Performance is assessed via ANZ Employee Performance and Bonus processes.
Other: Head of Project & Export Finance	Monetary reward	Other: Responsible for: - meeting ANZ’s $10bn low carbon target; - growing ANZ’s low carbon and sustainable solutions business; - adherence to environmental risk and credit policies.	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 34 markets in which we operate. This includes our core markets in Australia and New Zealand and markets in the Asia Pacific.	> 6 years	ANZ's Board (including Committees of the Board), has overall responsibility & oversight of strategy, risks & opportunities relating to climate change (CC). Executive Management committees contributing to ANZ's CC strategy include: 1. Environmental, Sustainability and Governance (ESG) Committee responsible for overseeing ANZ's Sustainability Framework, which includes monitoring current/emerging CC risks & opportunities. The ESG Committee has responsibility for tracking progress on environmental targets, including GHG & low emissions financing targets. It meets quarterly & is chaired by the ANZ Chairman. 2. Responsible Business Committee (RBC) is responsible for assessing impacts of current/emerging environmental, social, business & regulatory risks, including CC related risks in ANZ's lending portfolio that have potential consequences for ANZ's reputation. RSB approves appropriate strategies to manage & mitigate those risks. It meets quarterly &

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
				is chaired by the CEO.

CC2.1b

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

Company Level: Our most material climate change risks & opportunities result from our lending. Our risk management framework provides for the identification & management of climate change risks & opportunities from the Board to the Business Unit level. Risks are assessed by using our social & environmental screening toolkit, Sensitive Sector Policies & annual review process. Annual reviews consider the social & environmental issues facing customers at an industry/company level. These measures ensure that we have an understanding of a customer's/potential customer's, approaches to managing & mitigating climate change impacts. We apply the same processes for the assets & projects of companies that we finance. We continually monitor customers/prospective customers through our Early Alert Review Committee that meets monthly.

Opportunities for new products & services are built into our business development processes, especially through our Sustainable Finance Solutions team.

Asset Level: Our owned & leased property portfolio is subject to varying degrees of risk associated with physical climate change impacts. In 2015 a report commissioned to map the Bank's building assets against weather data sets served to identify assets most vulnerable to physical climate change impacts. The report assists in risk assessment of site selection/relocation, capital upgrades, property fit outs & insurance.

Operational risk in our built assets is monitored via our internal environmental management system, Enablon. This system records our direct environmental impact in all the markets in which we operate. Results are reviewed quarterly in Group Property Environmental Sustainability Meetings, where risks & opportunities are identified for remediation or investment & implementation.

Collectively, this means that climate change risks & opportunities are assessed on a continuous basis.

CC2.1c

How do you prioritize the risks and opportunities identified?

Climate change risks and 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 and/or future state, the likelihood of the issue, significance to key stakeholders and consequences for the

wider community. Sustainability priorities, including those relating to climate change, are set and reviewed annually by the Responsible Business Committee (RBC) and approved by the Board Environmental, Sustainability and Governance Committee.

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

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

More immediate climate change related risks and opportunities are assessed at the quarterly RBC and monthly Early Alert Review Committee (EARC). The EARC utilises a Reputational Risk Radar tool to source external allegations from the media about key sectors and controversial issues related to our business or customers. This tool helps to identify, confirm and 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 and the relative severity of the allegation) to determine whether the allegation warrants further investigation by ANZ. Our Sustainable Development team monitors this information and 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 (CC) influences ANZ's business strategy in both the short & long term:
Management of our material sustainability risks & opportunities, including those presented by CC, supports ANZ's business strategy & ensures our approach to business aligns with our Climate Change Statement (attached). Engagement with internal & external stakeholders on the risks & opportunities associated with CC, through our materiality review, has influenced our business strategy & led to increased disclosure on our strategy. Stakeholders ranked Responsible Business Lending as one of our most material issues in 2016 – encompassing the impacts 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 Growth, which incorporates our response to CC.

Our public sustainability targets, informed by our materiality review, support the delivery of our business strategy. We have specific targets to address climate risks & opportunities including our emissions reduction targets & our lending commitments to support our customers to transition to a low carbon economy.

ii) How ANZ's business strategy has been influenced by CC:
Our Climate Change Statement confirms our support for international agreement to limit the average global temperature rise to no more than 2°C above pre-industrial levels & sets out the actions we are taking in support of this goal. In line with our commitment to manage our environmental footprint, we continue to improve the energy efficiency of our existing commercial and branch assets avoiding emissions of approx. 948 tCO2e as a result of improvements to our Australian commercial buildings.

Our sensitive sector policies factor CC into our lending decisions, supporting customers who adopt internationally accepted management practices & strive to reduce their environmental impact. For example, our Energy Policy rules out single asset financing of any new conventional coal-fired power plants that do not meet an emissions intensity threshold of 0.8tCO2/MWh.

iii) Several aspects of CC have influenced ANZ's business strategy:
'Green' business development – in 2016 we continued to develop our Sustainable Finance Solutions (SFS) team to extend capability & identify emerging opportunities across the sustainable finance sector including the clean energy, water, transport & commercial property sectors to date primarily in the Institutional Division. The SFS team is also responsible for monitoring & managing ANZ's public target to fund & facilitate at least $10 billion by 2020 in low carbon & sustainable solutions.

We continue to adapt products & services relating to the identification of renewable energy generation, new technologies, energy efficiency opportunities, climate resilience & carbon trading support. Our Energy & Emissions Trading desk assists our customers to meet their liabilities by procuring various credits on their behalf. The SFS team provides advisory services & finance in relation to resilient infrastructure.

(iv) Most important components of short term strategy that have been influenced by CC:
Customer focus: We have reviewed our Sensitive Sector Policies to ensure they incorporate CC considerations & align with our Climate Change Statement. Our revised Energy Policy rules out single asset financing of any new conventional coal-fired power plants that do not use advanced technology & higher quality coal to meet an emissions intensity threshold of 0.8tCO2/MWh.
Organisational focus: We continue to focus on reductions across our environmental footprint, setting public sustainability targets to support our reduction & improvement efforts. We also look to incorporate CC resilience via eco-efficiency design in our property portfolio. We continue to remain carbon neutral across our global operations having been certified 'carbon neutral' against the Australian Government's National Carbon Offset Standard Carbon Neutral Program since 2010. We invest in the capability of our people via our online Social & Environmental Risk training ensuring that our bankers are making lending decisions which take environmental issues, such as CC impacts, into consideration. In 2016 we delivered our updated Sustainability Leadership Program to over 270 employees across Australia, Singapore & Hong Kong.

(v) Most important components of long term strategy that have been influenced by CC
Target Setting: We have a long term public target to fund and facilitate at least $10 billion in investment by 2020 in low carbon & sustainable solutions. Additionally, we have public targets for reducing our environmental footprint, achieving carbon neutrality & improving supply chain management. We note that our current suite of environmental footprint targets are due to end June 2017 & we are developing new targets.

(vi) How the integration of CC in our business strategy is delivering competitive advantage
- Within the Institutional Division we are creating competitive advantage for ANZ by adapting our financial products & services to help our customers transition to a low carbon economy, specifically through the establishment of our SFS team. An example is our role as joint lead manager for IDBI Bank's inaugural green bond (valued at US$350 million) launched in November 2015, the proceeds of which will support GHG reductions, environmental resource management/protection & sustainable transport in India.
- 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 & sustainable financing.
- We have decoupled business growth from our emissions profile (highlighted by a reduction of 19% in annual emissions from premises energy use in AUS & NZ over the last five years despite significant growth) ensuring we remain competitive in the banking & financial services sector.

(vii) The most substantial business decisions during the year that have been influenced by the CC driven aspects of our strategy:
- Our 'Bridging to a low carbon economy framework', includes new rules on lending to coal-fired power generation & strengthened due diligence standards in relation to the coal sector.
- Maintaining our increased total project finance commitments to renewable energy in 2016 with a commitment of $875 million.
- During the first 18 months of our five year $10 billion low carbon & sustainable solutions target, we have funded & facilitated $5 billion in low carbon and sustainable solutions, such as green buildings, renewable energy, energy efficiency, water, waste and transportation.
- In 2016, we further decreased our exposure to resources including coal, oil & gas by 10%. As at 30 September 2016, the power generation portfolio summary for our Project Finance business was: renewables; 63%; gas-fired: 18% & coal-fired: 19%.

CC2.2b

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

CC2.2c

Does your company use an internal price on carbon?

No, but we anticipate doing so in the next 2 years

CC2.2d

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

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	Support	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 State or Federal-based Renewable Energy Target scheme, as well as on the Australian Government's review of its climate change policies.	We support legislation that balances the need for energy security and affordability with the need to transition to a low carbon economy. While we have no strong view on the actual target set for clean energy, we support the need for legislative certainty to ensure that asset owners are able to manage financial risks appropriately and to maintain market stability.
Cap and trade	Support	In New Zealand, we have engaged with the government on reforms to the country's Emissions Trading Scheme and the role of financial institutions in the scheme.	As part of the ETS reforms, the government will phase out a subsidy that allows some businesses to pay one emissions unit for every two tonnes of pollution they emit. ANZ supports measures that create a stable, well regulated carbon market which assists the transition to a lower carbon economy.
Other: Carbon Risk Disclosure	Support	In 2016 ANZ engaged with the Australian Government's Senate Economics References committee on their inquiry into carbon risk disclosures.	We recognise that disclosure of carbon risks will play an increasingly important role in enabling stakeholders to determine both the level of risk to which a company is exposed and its ability

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
			to manage those risks. ANZ encourages the development of a practical disclosure framework that provides consistent and comparable information allowing stakeholders to undertake peer assessments. With this goal in mind, we are actively supporting the work of the Financial Stability Board's Task Force on Climate-related Financial Disclosures and will adopt the recommendations as soon as practicable. We suggested the Australian Government to look to the FSB outcomes before further developing Australian disclosure requirements.

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 ABA accepts the broad scientific and economic consensus that global warming resulting from GHG emissions from human activities is contributing to changes in our climate. The ABA believes that the following principles should guide Australia's response to the challenges of climate change: • Leadership – taking early action; • Policy – applying flexible market mechanisms and policy support; and • Practice – building knowledge and capacity. The ABA considers that the banking sector has a critical role in assisting Australians to manage their	Yes. As one of ABA's largest members, ANZ was involved in consultation on the Association's position on climate change legislation and policy frameworks in Australia.

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?
		exposure to climate change, but acknowledges that it will take Governments, other businesses and industries and the community to drive changes in behaviour, collaborate and coordinate sustainable responses to climate change.	
Australian Financial Markets Association (AFMA)	Consistent	The 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 (BCA)	Consistent	The BCA is developing a suite of integrated energy and climate change policies to meet Australia's 2030 emissions reduction target and transform the energy sector. Underpinning this work is a vision for Australia's energy future, and policy principles to realise that vision, which aim to provide a stable and predictable environment for investment and business activity and lock in energy as a comparative advantage. This requires the Australian Government's national energy policy to: • maximise Australia's competitiveness through efficient markets • drive growth in energy resources development and exports • deliver reliable, efficient and competitively-priced energy to households and business • realise growth opportunities while meeting best practice environmental standards and managing Australia's GHG emissions in line with Australia's 2030 emissions reduction target.	Yes. We actively participate in relevant working groups on climate and energy policy and provide input on policy submissions.
Carbon Market Institute of Australia (CMI)	Consistent	The CMI is the peak industry policy for carbon markets linking business, research and government. The CMI believes that market based solutions are the most efficient policy mechanism to address the challenge of climate change. Most recently, the CMI had provided submissions into the Climate Change Policy Review and the Finkel Review in Australia. In addition, our Head of Sustainable Finance Solutions is a CMI board member. We share knowledge and facilitate connections between business, policy makers and thought leaders to drive the evolution of carbon markets towards a significant and positive impact on climate change.	Yes. We actively participate in relevant working groups on climate and energy policy with CMI.

CC2.3d

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

Yes

CC2.3e

Please provide details of the other engagement activities that you undertake

ANZ engages on climate change issues and opportunities by working directly with national and local governments, as well as through our structured external engagement with NGOs, investors and other civil society partnerships and memberships.

In Australia, we have engaged in many discussions with NGOs to understand their perspective on the bank's role in the transition to a low carbon economy and to help them understand how we use our leverage to influence change. This year we asked the Climate Institute to critique our 2016 half-year carbon disclosures and comment on whether our new disclosures were useful – see https://bluenotes.anz.com/posts/2016/06/banks-financial-risk-and-our-changing-climate.

Our senior employees are asked to speak at, and participate on expert panels, at conferences and other events to share ideas on how banks can support the transition. We are also engaging regularly with our investors about our response to climate change and how we are managing the associated risks and opportunities, as well as the scope and future direction of our carbon risk disclosures.

We have engaged in discussions with the Clean Energy Finance Corporation in Australia about to the development of new financing opportunities, for example creating 'pools' of small-scale energy efficiency projects that can be aggregated to provide a more attractive investment opportunity for institutional investors .

We have continued our participation in the United Nations Environment Programme Finance Initiative - a global initiative attempting to develop guidance for banks and asset owners that would become the industry standard for reporting on 'climate performance indicators'. As part of our UNEP FI participation, we have formed the Australian Portfolio Carbon Working Group, with the three other major Australian banks, an informal, collaborative working group recognised by the Initiative.

We are members of the following:

Green Buildings Council of Australia (GBCA) - Our 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 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.

Green Cross Australia's Business Adaptation Network - a climate change adaptation and resilience network focussed on business. We are engaging on issues such as the financing of resilient infrastructure.

Energy Users Association of Australia (EUAA) - The EUAA is a non-profit organisation focused solely on energy issues. Members are business users of energy with activities across all Australian States and many sectors of the economy. EUAA advocacy activities cover National and State issues dealing with electricity and gas, as well as climate change and energy efficiency. A range of member services are available including information about energy prices, market conditions, green markets, standard electricity contract and member advisory. From time to time and when issues of pressing concern emerge EUAA facilitate member committees to

harness members' views and present them to decision makers.

Australian Water Association (AWA) – The AWA is the national peak water organisation, delivering information, expertise and collaboration for sustainable water management. The Association is committed to building Australia's water capabilities to maintain its position as a world leader in water management promoting the views of members before decision-makers, including public representatives, opinion leaders, government agencies, the media and other key stakeholders. We actively contribute to forums on water issues and policy, and have been a formal partner of the AWA since mid-2015 with the shared goal of improving the management of water resources in South East Asia.

Clean Energy Council (CEC) - The CEC is the peak body for the clean energy industry in Australia committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner. We actively participate in CEC directorates and forums, engaging with industry peers to advocate for an effective policy and market framework for clean energy.

CC2.3f

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

ANZ's Statement on Climate Change is approved by our Board and Executive Committee. It sets out our group-wide position on climate change and guides the way we do business. ANZ's Credit function provides strategic and tactical directives through policy, processes and procedures which ensure Group-wide consistency in lending decisions. This includes setting our 'risk-appetite' to take account of social and environmental considerations; this then flows through to divisional business writing policies. Proposals with significant environmental impacts are reviewed by the Responsible Business Committee for consistency with our sensitive sector policies and position on climate change. In addition to our Statement on Climate Change, our Corporate Sustainability Framework has been endorsed by the Environmental, Sustainability and Governance Committee and Responsible Business Committee, and all policy activities must be in line with these approved positions. 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. Our annual Corporate Sustainability Review provides detailed information on our stakeholder engagement activities, outlining who we engaged with, how we engaged and the issues that were raised.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Attachments

https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC2.Strategy/ANZ Climate Change Statement.pdf

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction or renewable energy consumption or production 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 covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1+2 (location-based)	100%	3%	2013	207711	2017	No, but we anticipate setting one in the next 2 years	ANZ aimed to achieve a 1-3% reduction in Scope 1 and 2 emissions from premises energy by 2017 (against a 2013 baseline). 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 covered by target	Target year	Is this a science-based target?	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

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment

CC3.1e

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

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	67%	100%	In the second year of this target, ANZ reduced Scope 1+2 emissions arising from premises energy use by 12% relative to our 2013 baseline. This exceeds the target range of a 1-3% reduction. Annual emissions from the energy we use in our Australian and New Zealand building portfolio alone has reduced by more than 19% over the last five years. There has also been a marked shift in where our energy in used. At the end of September 2011, ANZ's Australia and New Zealand energy-related emissions profile was split across the commercial, retail and datacentre building stock as 43%, 25%; and less than 33% respectively. Comparing this to our current profile, data centres are now responsible for 39% of energy usage while commercial offices have reduced to 30% and retail remains relatively stable. Slower uptake of data centre expansion has occurred due to the introduction of energy & operational efficiencies. The changing profile illustrates the significant structural shift that has occurred across the banking sector over the last five years to satisfy our customers' online banking needs and expectations. With the majority of our customers located in Australia and New Zealand this has necessitated significant expansion in local data centre capacity. Over the same time, we managed to drive major reductions in our energy-related footprint across data centres as well as our commercial and retail portfolios. This can be partly attributable to the consolidation of our building portfolio in response to changing business needs and ANZ's enablement of flexible working practices. We remain focused on improving the energy efficiency of our building portfolio and shifting to low carbon energy sources. This includes the operation of a tri-generation plant at our Melbourne headquarters that generates around 20% of the building's energy needs and has reduced our reliance on carbon-intensive grid electricity. The main challenge for us going forward will be to contain the growth in energy use at our data centres and to continue to shift to lower carbon sources of energy to power our building portfolio.

CC3.1f

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

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Product	ANZ's 5 year fixed rate A$600 million green bond, launched in 2015, finances a portfolio of loans that directly contribute to developing lower carbon industries, technologies and	Low carbon product	Climate Bonds Taxonomy		Less than or equal to 10%	Assets in the bond, the largest climate related bond by an Australian issuer, comprise loans to renewable energy generation projects and 'Green Star' rated commercial

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
	practices. Proceeds will also be allocated for investment in future 'green' projects.					property buildings in Australia, New Zealand and parts of Asia. The bond has been certified by the Climate Bonds Initiative – a not-for-profit organisation promoting large-scale investments contributing towards the transition to a lower carbon economy. See attachment added below for further information.
Group of products	- ANZ's Environmental Loan, available in New Zealand, is a lower-interest product helping agribusiness customers invest in environmental systems to improve the sustainability of their farms or meet local council environmental by-laws. - ANZ Consumer Finance provides loans to consumers purchasing energy efficiency equipment for the home. - ANZ supports the New Zealand Government's Energywise scheme through the provision of fee-free loan 'top ups' (on an existing mortgage) for sustainability improvements to the property.	Avoided emissions	Other: IPCC Guidelines for National Greenhouse Gas Inventories, 2006 or ISO 14040 - Life Cycle Assessment depending on products invested in by customers.		Less than or equal to 10%	Customers have used these products to invest in: • Water quality initiatives • Dairy effluent management • Energy conservation projects • Solar photovoltaic panels, batteries and ancillary fittings • Electric vehicles • Insulation improvements • Efficient heating systems

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	3	
To be implemented*	4	1938
Implementation commenced*	0	0
Implemented*	53	947.59
Not to be implemented	1005	206.62

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	Areas for Improvement - ESPA Reports	63	Scope 2 (location-based) Scope 3	Voluntary	6739	0	<1 year	1-2 years	Include investments in both 100QS and 55CSM .Improvements to air conditioning systems, controls and associated fixtures/fittings in Australian commercial buildings.
Energy efficiency: Building services	CO2 Control of Outside Air	65	Scope 2 (location-based) Scope 3	Voluntary	6513	155000	4-10 years	6-10 years	Improvements to air conditioning systems, controls and associated fixtures/fittings in Australian commercial buildings.
Energy efficiency: Building services	Dali Software Upgrade	0.16	Scope 2 (location-based) Scope 3	Voluntary	17	15000	4-10 years	6-10 years	Improvements to air conditioning systems, controls and associated fixtures/fittings in Australian commercial buildings.
Energy efficiency: Building services	HVAC Operation	15	Scope 2 (location-based) Scope 3	Voluntary	2335	0	4-10 years	6-10 years	Improvements to air conditioning systems, controls and associated fixtures/fittings in Australian commercial buildings.
Energy efficiency: Building services	L18 CRAC unit Optimisation	13	Scope 2 (location-based) Scope 3	Voluntary	4066	0	4-10 years	6-10 years	Improvements to air conditioning systems, controls and associated fixtures/fittings in Australian commercial buildings.
Energy efficiency: Building services	Replacement of 2x 2000kW Chillers	667	Scope 2 (location-based) Scope 3	Voluntary	66501	3691576	4-10 years	21-30 years	Improvements to air conditioning systems, controls and associated fixtures/fittings in Australian commercial

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
									buildings (100 Queen street).
Energy efficiency: Building services	Retail Light Upgrade Phase 2	103	Scope 2 (location-based) Scope 3	Voluntary	23828	418031	4-10 years	6-10 years	Lighting upgrades including fixtures, fittings and controls in Australian commercial buildings.
Energy efficiency: Building services	Separate A/C time clock from Main Timeclock	6	Scope 2 (location-based) Scope 3	Voluntary	677	1000	4-10 years	6-10 years	Improvements to air conditioning systems, controls and associated fixtures/fittings in Australian commercial buildings.
Energy efficiency: Building services	Sub-Metering Connection	11	Scope 2 (location-based) Scope 3	Voluntary	2030	10000	4-10 years	6-10 years	Improvements to air conditioning systems, controls and associated fixtures/fittings in Australian commercial buildings.

CC3.3c

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

Method	Comment
Dedicated budget for energy	In 2016 ANZ Australia implemented energy efficiency initiatives with a combined project cost of $4.2M AUD. ANZ works

Method	Comment
efficiency	closely with outsourced facilities management to identify the best application of our investment in energy efficiency initiatives that are undertaken in conjunction with other operational and capital expenditure programs. No property project is undertaken without the consideration of further energy savings for the bank.
Dedicated budget for other emissions reduction activities	ANZ has a dedicated budget for the purchase of robust carbon offsets to achieve carbon neutrality. In FY16 we spent over $477,448.80 on certified carbon offsets, helping to drive the low-carbon transition globally. ANZ has a dedicated budget for other emission reduction activities including payment to Environmental Consultants for insight into best practice, identification of opportunities and development of business cases for projects. This budget also includes an allocation for an online reporting system ESP, that enables measurement and management of emissions associated with our property portfolio, including forecasting emissions reductions.
Employee engagement	We are encouraging our employees to reduce air travel, and associated emissions, through the use of technology, such as video-conferencing and SKYPE for business. Over recent years, we have also consolidated our employees into fewer, and more efficient, office buildings, made possible by the Bank's wider adoption of flexible working policies.
Lower return on investment (ROI) specification	ANZ specifies ROI 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. 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 change 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 customer social & environmental screening processes. 100% of new Institutional customers undergo social & environmental screening and arrangements, arrangements are reviewed annually. An internal team monitors the Project Finance portfolio, and manages risk exposure on a geographical and sector level.
Internal price on 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. Our average cost of carbon in 2016 was $1.15 per tonne of CO2. 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 from these certificates range from $14 - $21 (per tonne of carbon dioxide equivalent).
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 (MAC) Curves for our key commercial assets in Australia enabling us to determine which projects are most cost effective to pursue and maximise carbon abatement.
Other	We 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 reported on our progress against this target each year. This

Method	Comment
	target was exceeded in FY15. A new target has been introduced to fund and facilitate at least $10 billion in investment by 2020 in low carbon and sustainable solutions, including renewable energy generation, green buildings and less emissions intensive manufacturing and transport.

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	Comment
In mainstream reports (including an integrated report) in accordance with the CDSB Framework	Complete	3, 13	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC4.1/2016 Shareholder Review.pdf	2016 Shareholder Review - Sustainability Highlights p3; Supporting the transition to a low-carbon economy p13
In other regulatory filings	Complete	ALL	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC4.1/2015-16 Greenhouse and Energy Information reported under	2015/16 Assurance Statement for Greenhouse and Energy Information reported to the Australian Clean Energy Regulator under the

Publication	Status	Page/Section reference	Attach the document	Comment
			NGER 2007.pdf	National Greenhouse and Energy Reporting Act 2007. Available for download from https://www.anz.com/about-us/corporate-sustainability/reporting-performance/sustainability-reporting/
In voluntary communications	Complete	5, 15, 54-64, 69-70	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC4.1/2016 Corporate Sustainability Review.pdf	2016 Corporate Sustainability Review– Chairman's Message p.2; Sustainability Highlights p.5; Stakeholder Engagement - Industry Associations & Non Government Organisations p. 15; Sustainable Growth p. 54 – 64; Environmental Performance p.69-70.
In voluntary communications	Complete	121-124	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC4.1/2016 Results Presentation and Investor Discussion Pack.pdf	2016 Results Presentation and Investor Discussion Pack, Resources Sector Exposures p. 65; Corporate Sustainability p. 121 – 124.
In voluntary communications	Complete	ALL	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC4.1/Public Disclosure Summary 2015-2016.pdf	2016 National Carbon Offset Standard Carbon Neutral Program - Public Disclosure Summary available for download from https://www.anz.com/about-us/corporate-sustainability/environmental-sustainability/footprint/carbon-neutral/
In voluntary communications	Complete	ALL	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC4.1/Climate change _ ANZ.pdf	https://www.anz.com/about-us/corporate-sustainability/governance-risk/climate-change/
In voluntary communications	Complete	ALL	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC4.1/Environmental sustainability _ ANZ.pdf	https://www.anz.com/about-us/corporate-sustainability/environmental-sustainability/
In voluntary communications	Complete	ALL	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC4.1/September 2016 ebulletin content - Investing for the climate in Asia.pdf	Sustainability e-newsletter story discussing highlights of our work with the Asia Investor Group on Climate Change (AIGCC), to help identify lower carbon opportunities in Asia (part of our response to climate change.
In voluntary communications	Complete	ALL	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC4.1/ANZ Climate Change Statement.pdf	ANZ Climate Change Statement outlines our response to climate change - available for download from https://www.anz.com/about-us/corporate-sustainability/governance-

Publication	Status	Page/Section reference	Attach the document	Comment
				risk/climate-change/
In voluntary communications	Complete	2, 7-10	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC4.1/2016 Half Year Corporate Sustainability Update.pdf	2016 half Year Corporate Sustainability Update - Update on Sustainable Development Targets p. 2; Update on Environment targets p. 7; Supporting the transition to a low carbon economy p. 8; Business lending and total carbon emissions of key industry sectors in Australia p. 9; Case Studies p. 10.

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
Uncertainty surrounding new regulation	Regulatory uncertainty beyond 2020 in Australia has impacted our lending and advice to the energy sector. Ongoing regulatory uncertainty is driving higher risk profiles for large scale greenfield renewable energy developments (for example increased merchant risk across the electricity sector).	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 of $875 million in 2016 – this and associated revenues could be negatively impacted in future years if policy uncertainty continues.	To manage this regulatory risk we have actively managed our lending activity in new renewable energy generation capacity in Australia. Despite the higher risk profiles, we have observed significant appetite for renewables funding in Australia, resulting in aggressive bidding for deals. Due to the combination of lower returns and higher risk, ANZ has been more selective in its participation in these transactions	There are no additional management costs as changes to domestic a policy/legislation is already built into our risk management processes.

CC5.1b

Please describe your inherent risks that are driven by changes 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	ANZ operates across Australia, New Zealand and Asia Pacific. Countries in these regions are particularly vulnerable to climate change impacts including increased frequency of extreme weather events and natural disasters. When our customers are impacted by climate change events we share their financial exposure. Resilience to climate and weather events is important to ensure	Reduction/disruption in production capacity	1 to 3 years	Direct	Likely	Medium-high	This risk could decrease revenues. Climate change presents a risk of physical impact to ANZ's infrastructure. 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 $915billion in total assets, AUD $2.21 billion is in operational premises and equipment (Sep-16).	We have a public target to develop a weather & natural disaster resilience strategy for our property portfolio to manage this risk. In 2015 we identified the most vulnerable sites across our property portfolio based on weather data & predictions from the IPCC, CSIRO & NASA. In 2016 we instigated post disaster operational procedures as well as increasing the resilience of 'at risk' sites particularly in the Pacific. By considering resilience in the planning & operation of our physical assets, we can better prepare for extreme weather events to ensure a faster return to	Various ongoing costs have been associated with these 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 as part of the BCP following a natural disaster. For example, our Nandi branch in Fiji and main retail site in

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	essential banking services are available to communities in times of disaster, as well as to mitigate the associated costs of refurbishing impacted offices/ branches.							operations for our customers. In addition, our Insurance & Business Continuity Plan (BCP) provide for alternative arrangements when extreme weather events impact our operations. The parameters in our BCP facilitate systematic consideration of location, design, & business continuity processes across our network. ANZ has multiple BCPs per site, based on business criticality, detailing likely risks (including extreme weather events & mitigation procedures) & a Disaster Recovery Plan to ensure that businesses	Vanuatu were both refurbished in 2016 to increase their resilience and durability to better respond to cyclones and climatic flooding.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								impacted by extreme weather events are able to resume as soon as possible. For example, recovery procedures were actioned to help re-establish banking services following Cyclone Debbie in Queensland & Northern NSW in early 2017.	
Change in precipitation extremes and droughts	ANZ has a large presence throughout rural and regional Australia and New Zealand, and many regions have been impacted by severe climatic events over the past twelve months. For example, ANZ's	Other: Reduction/disruption in production capacity and volatile cash flow generation	Up to 1 year	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 $50.6B at Sep-	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	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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	agricultural customers face variable climatic conditions that impact on their production levels. E.g as of June 2017 the majority of Queensland has been drought-declared. These events can impact on our customers' ability to service debt and recover from an adverse event.						2016. ANZ donated AUD $0.1m at Sept 2016 in response to emergency relief provided due to natural disasters.	process enables staff to evaluate the physical impacts of climate change on customers, particularly those in high risk sectors so we can better 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	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
								utilise Farm Management Deposits (FMDs), a risk management tool to help farmers deal with irregular income resulting from natural disasters, climate 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 indices such as the CDP and DJSI, which enhance our reputation as a socially and environmentally responsible	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 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 2016, ANZ's brand was valued at $10.2b, a 25% increase on the previous year, making ANZ the most valuable banking brand in Australia and the 9th most valuable banking brand in Asia (http://www.campaignbrief.com/2016/04/04/Brand%20Finance%20Australia%20100%202016.pdf)	ANZ is currently undertaking the following activities to manage this risk: • Transparent & balanced reporting of: - Average emissions intensity of electricity generation financed (tCO2-e/MWh generated) & how this compares to the emissions intensity of grid	Various on-going costs are associated with these management processes, particularly in relation to the resources required to manage the RRC and internal emissions reporting processes, as well as capital costs associated with investing in energy efficient

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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							electricity generation in applicable countries; - The % share of our energy portfolio for lower-carbon power generation & coal-fired generation; - Our climate change related risks & opportunities; - Our business lending exposure for major sectors in Australia with total GHG	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
	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 and funding of coal miners/exporters in the region. We also have been questioned by NGOs about our support of some customers operating in							emissions reported by each sector. • Regular engagement with a range of stakeholders including annual materiality reviews & sensitive sector policy reviews • Setting public targets focusing on customer transition to a low carbon economy & minimising our direct	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	developing countries and whether appropriate environmental standards are being applied to their activities.							environmental footprint • Conducting carbon sensitivity analysis for energy sector transactions & climate change sensitivity analysis to determine our exposure to industry sectors which have climate change risks. Climate change impacts &	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								opportunities are built into social and environmental screening processes for ANZ's Institutional businesses. All new Institutional clients undergo social and environmental screening and these are assessed annually through our annual review processe	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								S.	

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 changes in 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
Renewable energy regulation	In June 2015 The Australian Senate passed amended legislation to implement the Government's reforms to the Renewable Energy Target (RET). The RET provides for 23.5% of Australia's electricity	Increased demand for existing products/services	1 to 3 years	Direct	Very likely	High	The revised RET in Australia created a number of revenue opportunities for ANZ, particularly in relation to demand for services relating to construction of large-scale	ANZ is working to capture these through our Sustainable Finance Solutions (SFS) team, which has been set up specifically to engage primarily with our Institutional	Various on-going costs have been associated with these actions, primarily in relation to the resources required to establish new services, FTE allocation. including IT infrastructure,

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	(33,000 GWh) to be derived from renewable sources by 2020. This revised RET provided a more stable long-term environment for investment and revenue opportunities for ANZ with both existing customers and in new market developments.						renewable energy projects (such as solar and wind). Within Australia the revised RET is expected to create more than $40.4 billion of investment, 30-50 major projects are likely to be built in the next five years, along with hundreds of medium-scale solar projects. We have made a commitment to facilitate at least $10 billion in investment by 2020 in low carbon and sustainable solutions, including renewable energy generation, green	customer base in this regard. SFS is building its business around key 'clean tech' sectors, including renewable energy generation, energy efficiency, green buildings, less emissions intensive manufacturing and transport, agriculture, water and information technology. Increasingly, the SFS team is also reaching into ANZ's Australia division, identifying opportunities across commercial and retail banking.	staff training and marketing of new product/s.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							buildings and less emissions intensive manufacturing and transport.		
Emission reporting obligations	Our obligation to report under the NGER Act in Australia has led to improvements in our energy and greenhouse gas data management which have been implemented across our global operations. This improved oversight has allowed ANZ to set targets relating to the identification and implementation of cost-effective initiatives to reduce energy use and carbon emissions. This	Reduced operational costs	Up to 1 year	Direct	Virtually certain	Low	In 2016, ANZ invested $4.2M in energy efficiency initiatives globally which will continue to deliver more than $600k in savings p.a. ANZ is required to comply with the NGER Act in Australia. Failure to comply can result in fines of up to $360,000 plus daily penalties.	Meeting our compliance obligations under the NGER Act has led to improved oversight and management of our global GHG emissions profile. Our on-line database 'Enablon' provides baseline information on travel and energy use across the 34 countries in which we operate and we have a separate database to track energy saving opportunities	Various on-going costs are associated with these actions, the majority of 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 $AUD 65,000 per year.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	has led to significant cost savings in recent years that will be extended into the future.							on a monthly basis. ANZ's global GHG emissions (scope 1 & 2) and ANZ's Global (scope 3) received independent 'reasonable' and 'limited' assurance respectively in 2016.	
Other regulatory drivers	The UK Government established the Energy Savings Opportunity Scheme (ESOS) to implement Article 8 (4 to 6) of the EU Energy Efficiency Directive (2012/27/EU). As a UK registered company with more than UK employees ANZ are required to	Reduced operational costs	1 to 3 years	Direct	Virtually certain	Medium	Following the initial energy audit, several small efficiency improvements were identified that result in energy savings of 57,786 kWh/year, a cost saving of approximately £6000 GBP (just over $10,000 AUD) per year.	In order to meet our compliance obligations under the ESOS Regulations 2014, ANZ has commissioned on-ground expertise to manage the ESOS audits.	Energy efficiency improvements cost £15847 (approximately $26000 AUD) to implement. There are also ongoing costs associated with the engagement of the lead auditor to ensure compliance with the ESOS Regulations 2014.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	undertake energy audits on a four year cycle. Audits are carried out or reviewed by an approved assessor, who analyses energy consumption and energy efficiency, and identifies reasonably practicable and cost effective ways to improve energy efficiency which will have flow-on effects in the form of reduced operational costs.								

CC6.1b

Please describe your 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 with our customers to manage and reduce the risks that extreme weather events	New products/business services	Up to 1 year	Direct	More likely than not	Low	The opportunity to develop innovative products and services has increased revenues through the identification of funding and advisory opportunities arising from renewable energy generation, green buildings and less emissions intensive manufacturing and transport.	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 green bonds, catastrophe bonds, insurance products and the	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
	may have on their business. We have continued our partnership 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 runs the Sustainable Energy Financing Project (SEFP) in partnership with the World Bank and the local regulator, Department of Energy Fiji. The SEFP promotes the use of solar, hydro or coconut oil fuel (diesel alternatives) for lights or							supply of hedging instruments. In New Zealand, ANZ's Environment loan is a low-interest loan designed to help farmers invest in environmental systems to improve the environmental sustainability of their farms. ANZ's Pasture and Performance loan is a low-interest loan designed to help livestock farmers improve climatic resilience and increase productivity and profit.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	electricity generation and also energy efficient equipment to reduce electricity usage. Since 2016, as SEFP financing manager, ANZ had provided more than $6M various funding which was extended to customers.								

CC6.1c

Please describe your 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 behavior	Significant opportunity resulting from climate change is for ANZ to support its customers with	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	We are working to capture these through our Sustainable Finance Solutions (SFS) team, which has	Various ongoing costs have been associated with these actions, particularly in relation to the

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	funding needs arising from the transition to a low carbon economy. This is evidenced by our public target, announced at end FY15 to fund and facilitate at least $10 billion in investment by 2020 in low carbon and sustainable solutions. Clean 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						increase in consumer demand for environmentally responsible products will increase.	been set up specifically to engage primarily with our Institutional customer base in this regard. SFS is building its business around key 'clean tech' sectors, including renewable energy generation, energy efficiency, green buildings, less emissions intensive manufacturing and transport, agriculture, water and information technology. Increasingly, the SFS team is also reaching into ANZ's Australia division, identifying opportunities across commercial and	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
	Government). ANZ provides finance to these customers for large-scale renewables projects, distributed generation (e.g. solar photovoltaic (PV) and tri-generation), including consumer finance to fund the purchase of solar panels, and energy efficiency projects/ assets through its existing products and services. Due to outcomes at COP21, we expect large-scale renewable finance opportunities will increase in coming years in many of the markets in which we operate.							retail banking.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
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 which translates into increased revenue generation opportunities and lower operating costs. ANZ's Climate Change Statement sets out the actions we are taking to support our customers to transition to a low carbon economy and manage direct environmental impacts arising	Increased demand for existing products/services	1 to 3 years	Direct	Likely	Low	Our environmental sustainability framework drives cost reductions, captures revenue opportunities and enhances ANZ's reputation. Our Fuel, Light & Power spend was down ~$2.25M from the previous year across our global operations due to focused efforts to move into more efficient buildings and implement energy efficiency initiatives.	Our environmental sustainability framework contains a commitment to deliver best practice in environmental footprint monitoring, compliance, reporting and decision making. This is managed through our Environmental Sustainability team through an Environmental Management Framework of objectives, targets, management actions and an online monitoring system that covers all 34 markets in which ANZ operates. ANZ has a stated position to	ANZ spent $477,449 purchasing certified carbon offsets in FY2016. Our online environmental monitoring system costs approximately $AUD 65,000 in annual licensing fees. Approximately $2M was spent on environmental 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 is aimed at

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	from our operations including maintaining carbon neutrality by offsetting our total Global Scope 1, 2 & 3 emissions through certified carbon offsets.							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 certification. Progress against public environmental sustainability targets are reported to the Responsible Business Committee (chaired by the CEO).	enhancing the transparency, accuracy, completeness and comparability of our reporting for our stakeholders.

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 changes in 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 (location-based)	Fri 01 Oct 2010 - Fri 30 Sep 2011	208270
Scope 2 (market-based)	Tue 01 Jul 2014 - Tue 30 Jun 2015	147209

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 – 2014 Edition (The source of Scope 2 Emission Factors for 30 out of ANZ's 34 operating countries)
3) US eGRID2012 (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 Fifth Assessment Report (AR5 - 100 year)
CH4	IPCC Fifth Assessment Report (AR5 - 100 year)
N2O	IPCC Fifth Assessment Report (AR5 - 100 year)
HFCs	IPCC Fifth Assessment Report (AR5 - 100 year)
PFCs	IPCC Fifth Assessment Report (AR5 - 100 year)
SF6	IPCC Fifth Assessment Report (AR5 - 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/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC7.EmissionsMethodology/CC7.4_Emissions Facotors_and_Origin_final.xlsx

Page: CC8. Emissions Data - (1 Jul 2015 - 30 Jun 2016)

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

21122

CC8.3

Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We are reporting a Scope 2, market-based figure	During the 2015-16 reporting period, ANZ had a direct contract with an electricity retailer to match a specific proportion of our Australian-based electricity consumption with the generation and dispatch of 100% renewable energy into the same electricity grid from which these facilities were drawing electricity from. Our auditors KPMG confirmed that the conferred emissions attribute of zero attached to these contracted electricity purchases met the Scope 2 Quality Criteria outlined in the 'GHG Protocol Scope 2 Guidance'. In the absence of residual emissions factors for other parts of our operations, ANZ calculated the remainder of our 'Market-based' Scope 2 emissions using emission factors calculated in accordance with the location-based method. This aligns with the guidance contained in the 'GHG Protocol Scope 2 Guidance'.

CC8.3a

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

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
172447	136124.06	

CC8.4

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

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 location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded
Leakage of hydrofluorocarbon refrigerants (Scope 1)	Emissions are not relevant	No emissions from this source	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. Diesel oil usage in these vehicles is estimated based on the contracted daily km driven for each bus which is then multiplied by an assumed fuel economy factor. 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.
Scope 2	More than 2% but	Data Gaps	ANZ operates in 34 markets globally and occupies a significant property portfolio comprised of

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
(location-based)	less than or equal to 5%	Assumptions Extrapolation	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 in which 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 reduced the uncertainty around our reported Scope 2 emissions. Other sources of uncertainty in our Scope 2 emissions sources are associated with the accuracy of emissions factors. ANZ applies emissions factors that are specific to the locale, region, State or country in which our premises are located and which are most relevant to the reporting year.
Scope 2 (market-based)	More than 2% but less than or equal to 5%	Data Gaps	ANZ was not able to identify any emissions factors that take account of the residual emissions of electricity grids once contractual instruments are excluded. Accordingly, ANZ has instead relied on emissions factors used for the location-based method to account for the residual emissions of electricity grids. ANZ recognises that this would result in the reporting of slightly lower emissions totals for the market-based method than what would otherwise be the case if actual residual emissions factors were available.

CC8.6

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

Third party verification or assurance process in place

CC8.6a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC8.6a/ANZ FINAL - GHG Inventory Opinion_8.6a_8.7a.pdf	Page 1. 'Our Conclusions' 'a) Annual Global GHG Emissions (Scope 1 and 2) – Reasonable assurance'; Page 1. 'KPMG's responsibilities'	ISAE3000	100
Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC8.6a/ANZ FINAL - GHG Inventory Opinion_8.6a_8.7a.pdf	Page 1. 'Our Conclusions' 'a) Annual Global GHG Emissions (Scope 1 and 2) – Reasonable assurance'; Page 1. 'KPMG's responsibilities'	ISAE 3410	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emission 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 at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

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

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC8.7a/ANZ FINAL - GHG Inventory Opinion_8.6a_8.7a.pdf	Page 1. 'Our Conclusions' 'a) Annual Global GHG Emissions (Scope 1 and 2) – Reasonable assurance'; Page 1. 'KPMG's responsibilities'	ISAE3000	100
Location-based	Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC8.7a/ANZ FINAL - GHG Inventory Opinion_8.6a_8.7a.pdf	Page 1. 'Our Conclusions' 'a) Annual Global GHG Emissions (Scope 1 and 2) – Reasonable assurance'; Page 1. 'KPMG's responsibilities'	ISAE 3410	100
Market-based	Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC8.7a/ANZ FINAL - GHG Inventory Opinion_8.6a_8.7a.pdf	Page 1. 'Our Conclusions' 'a) Annual Global GHG Emissions (Scope 1 and 2) – Reasonable assurance'; Page 1. 'KPMG's	ISAE3000	100

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
					responsibilities'		

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 auditor, KPMG, has undertaken a limited level of assurance over ANZ's entire 2016 Corporate Sustainability Review. Contained within this report are 5 years of emissions figures for our global operations (Scope 1 and Scope 2, p69) that provides transparency over year on year changes in emissions broken down by key geographical locations.
Progress against emissions reduction target	ANZ's auditor, KPMG, has undertaken a limited level of assurance over ANZ's entire 2016 Corporate Sustainability Review. Contained within this report are details of ANZ's progress in meeting absolute GHG reduction targets established for its global operations (Scopes 1 & 2, p62).
Emissions reduction activities	ANZ's auditor, KPMG, has undertaken a limited level of assurance over ANZ's entire 2016 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 (p62-64)
Other: Carbon Neutral Operations	KPMG has undertaken a limited level of assurance 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 2015 – June 30 2016. We have also been officially certified under the Australian Government's National Carbon Offset Standard (NCOS) Carbon Neutral program for the carbon neutral status of our Australian operations. NCOS requires participants undergo assurance of their carbon neutral certification every second year. As ANZ achieved this assurance for FY15 by KPMG, we are scheduled to again seek assurance in FY17. KPMG has been engaged to provide this assurance, in accordance with NCOS requirements.
Year on year change in emissions (Scope 3)	ANZ's auditor, KPMG has undertaken a limited level of assurance over ANZ's entire 2016 Corporate Sustainability Review. Contained within this report are 2 years of emissions figures for ANZ's financing of electricity generation assets within our Project Finance portfolio. These emissions fall under the category of Scope - Investments (p60 & p67). We have also reported year-on-year changes in our emissions arising from business-related air travel (p64 & p69).

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

17

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 2015 - 30 Jun 2016)

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	8298
New Zealand	4155
India	7816
Cambodia	305
Germany	15
Hong Kong	32
Malaysia	1
Papua New Guinea	395
Philippines	10
Singapore	15
Taiwan	37
Thailand	23
Vietnam	20

CC9.2

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

By GHG type
By activity

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	20886
CH4	30
N2O	206
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	9370
Employee Commuting Buses	7804
Rental Cars	116
Stationary Energy - Diesel	583
Stationary Energy - Natural Gas	3105
Onsite Wastewater Treatment Plant	144

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jul 2015 - 30 Jun 2016)

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, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Australia	128456	92134	161877	33154
New Zealand	3755	3755	3974	0
American Samoa	359	359	1131	0
Cambodia	1134	1134	2501	0
China	2506	2506	3503	0
Cook Islands	87	87	302	0
Fiji	1274	1274	3913	0
France	4	4	101	0
Germany	23	23	83	0
Guam	265	265	837	0
Hong Kong	1949	1949	2570	0
India	11194	11194	12671	0
Indonesia	6205	6205	7936	0
Japan	384	384	721	0
Kiribati	109	109	367	0
South Korea	276	276	549	0
Laos, People s Democratic Republic of	251	251	802	0
Malaysia	8	8	48	0
Myanmar	28	28	170	0
Papua New Guinea	1389	1389	4254	0
Philippines	2291	2291	4279	0
Samoa	428	428	1340	0
Singapore	4945	4945	10695	0
Solomon Islands	181	181	586	0
Taiwan	2867	2867	4946	0
Thailand	40	40	115	0
Timor Leste	98	98	333	0
Tonga	114	114	381	0
United Arab Emirates	7	7	48	0

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United Kingdom	578	578	1356	0
United States of America	256	256	844	0
Vanuatu	172	172	562	0
Vietnam	811	811	2341	0

CC10.2

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

CC10.2a

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

Business division	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)

CC10.2b

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

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)

CC10.2c

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

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)

Further Information

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 heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Heat	0
Steam	0
Cooling	0

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

86699

CC11.3a

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

Fuels	MWh
Biogasoline	75
Town gas or city gas	16650
Motor gasoline	30579
Diesel/Gas oil	39396

CC11.4

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

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
Direct procurement contract with a grid-connected generator or Power Purchase Agreement (PPA), supported by energy attribute certificates	36322		During FY16, ANZ had a direct procurement contract with an electricity retailer to match a specific proportion of our Australian-based electricity consumption with the generation and dispatch of unaccredited hydro-generation renewable energy into the same electricity grid from which these facilities were drawing electricity. from. Our auditors KPMG confirmed that the conferred emissions attribute of zero attached to these contracted electricity purchases met the Scope 2 Quality Criteria outlined in the 'GHG Protocol Scope 2 Guidance'.

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
236144	233165	2626	157	157	ANZ consumed a total of 236144MWh of electricity across the 34 markets that we operated in during 2015-16. Almost 99% of this consumed electricity was purchased from local electricity grids in which we operate. ANZ also produced and consumed a

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
					total of 2626MWh of electricity during 2015-16 with 157MWh of this power coming from solar photovoltaic arrays located on the roofs of two of ANZ's buildings in Australia, including our Melbourne-based global headquarters. The remainder of electricity produced came from a gas-fired tri-generation asset located at our global headquarters that produces lower carbon intensive electricity than the local electricity grid. All electricity produced by ANZ was 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	Please explain and include calculation
Emissions reduction activities	1.2	Decrease	In 2015-16, 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 have further consolidated our building portfolio in response to changing business needs. ANZ continues to realise further improvements in the efficiency of our vehicle fleet in Australia and New Zealand through the continued phase-out of 6 cylinder vehicles in preference for 4-cylinder vehicles. The combined net savings of these emissions reduction activities was 2578 (948 from site improvement activities, 1630 from vehicle fleet improvements) tonnes CO2-e. Our total Scope 1 and Scope 2 emissions in the previous year was 209532 t CO2-e, therefore we arrived at 1.2% through (2578/209532)*100= 1.2%.
Divestment	0	No change	ANZ divested Esanda Dealer Finance assets to Macquarie Group Limited during March 2016.
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	0.6		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 the centralisation of processing led to an increase in Scope 2 emissions of 1340 tonnes CO2-e on the previous year. This represents a 0.6% increase of the combined Scope 1 and 2 emissions of the previous year, i.e. (1340/209532)*100 = 0.6%, but is less than half the growth of the same period.
Change in methodology	0	No change	There were no changes in ANZ's calculation methodology that resulted in a variation to our emissions in the reporting period.
Change in boundary	0	No change	While ANZ opened up a representative office in Paris during the reporting year, this made an immaterial contribution to our overall emissions profile.
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 1.3% decrease in ANZ's Scope 1 and 2 emissions from the previous year.
Other	6.4	Decrease	A decrease in electricity consumption as a result of consolidation of our building portfolio in response to changing business needs, coupled with a decrease in electricity emission factors between reporting years resulted in an overall decrease of 13449 tonnes CO2-e between reporting years. This represents a 6.4% decrease in overall scope 1 and 2 emissions i.e. (13449/209532)*100 = 6.4%.

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

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 (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
9.41	metric tonnes CO2e	20577	Location-based	7.8	Decrease	Global Scope 1 and 2 emissions decreased by 7.6% from the previous year as a result of various voluntary emission reduction activities. The most significant saving in emissions was achieved through the implementation of programs to improve the energy efficiency of our existing commercial and branch assets and the consolidation of our building portfolio in response to changing business needs. ANZ is also well advanced in implementing our policy of using 4-cylinder vehicles over less fuel-efficient 6 cylinder vehicles which achieved further savings in Scope 1 emissions in both Australia and New Zealand. We have also managed to halve the growth in energy related emissions arising from the operation of our data centres in Australia, New Zealand and Singapore. ANZ's Operating Income for the FY 15-16 was $AUD 20,577m. These two factors combine to achieve a 7.8% reduction in the metric of tonnes CO2-e emissions per $million operating income.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
3.92	metric tonnes CO2e	full time equivalent (FTE) employee	49404	Location-based	4.9	Decrease	Global FTE numbers and global Scope 1 and 2 emissions decreased by 3% and 7.6% respectively from the previous year While we managed to halve the growth in electricity usage in our data centres compared to the previous year, it still continues to rise to support 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 4.9% reduction in this indicator from the previous year highlights the effectiveness of ANZ's emission reduction activities implemented across our global property portfolio.
0.600	metric tonnes CO2e	megawatt hour (MWh)	322843	Location-based	6.0	Decrease	A 3.7% 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 tri-generation 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 7.6% 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 CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance
Credit purchase	Wind	Bundled Wind Power Project in Tamilnadu, India	VCS (Verified Carbon Standard)	320833	320833	Yes	Voluntary Offsetting
Credit purchase	Energy efficiency: households	Laos Ceramic Water Purifier Project	Gold Standard	9167	9167	Yes	Voluntary Offsetting

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	Relevant,	4270	ANZ calculates the upstream emissions		Paper-based emissions are a material source of

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
and services	calculated		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.		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 and also to voluntarily opt out of receiving paper-based marketing materials. 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 660 tonnes CO2e.
Capital goods	Not relevant, explanation provided				ANZ recognizes that there are embedded emissions in capital goods used by the organisation in providing banking and financial services to its customers. However it has been deemed not to represent a material source of

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
					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 34 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	29186	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 transmission and distribution. Emissions from		

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
			these sources are estimated based on multiplying fuel and electricity consumption figures by emissions factors that are relevant to the 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 (2013) produced by the NZ Ministry for the Environment. For regions outside of Australia and New Zealand, 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 e.g. paper, these are accounted for under the Scope 3 category ‘Purchased products and services’.
Waste generated in operations	Relevant, calculated	2215	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 are used to estimate daily waste generation per		ANZ has not attempted to calculate emissions associated with recycling or waste water treatment as it is non-material (<1% of emissions) and not relevant given ANZ’s operations do not involve any processes that involve generation of industrial or 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
			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 (2013) 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.		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	40922	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 1.08 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 hotel is situated are used to calculate hotel		ANZ does not currently incorporate emissions that are associated with business travel on public transport (e.g. 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
			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 (2013). 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	22437	ANZ has calculated the commuting emissions of almost 16,000 employees at 19 of our main commercial buildings in Australia and New Zealand. Within Australia, six of these buildings are in Melbourne, four in Sydney, two in regional New South Wales, and one building in each of Adelaide, Brisbane, Canberra and Perth. In New Zealand we estimated the commuting emissions from employees based at two Wellington buildings and one Auckland building. ANZ monitors the total number of unique employees, visitors and contractors entering these buildings		ANZ recognises that the commuting emissions attributable to just under 50,000 staff worldwide represents a material source of Scope 3 emissions. 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 office locations (which are 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

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
			each day. The calculation incorporates the emissions associated with normal weekday commuting excluding public holidays. Data on the main method of travel to work in Australian cities 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. For New Zealand, data on employee commuting patterns was obtained from 2013 census data published by Statistics New Zealand. Emissions were calculated using factors appropriate for different modes of passenger travel obtained from the UK DEFRA/DECC Conversion factors for Company Reporting.		provides 560 bicycle racks, change-rooms, showering facilities and lockers with similar facilities available for staff at other key commercial offices. 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.
Upstream leased assets	Relevant, calculated	6625	ANZ has estimated emissions associated with base building energy use in commercial assets where ANZ leases office space but does not come under ANZ's operational control. These emissions 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 net lettable area occupied by ANZ.		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.
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

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
					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 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

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 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 independent 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	0.62	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. ANZ's holding was based on the Class 1 Debt Limit . Emissions were calculated by multiplying 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, 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		In Australia, the average emissions intensity of generation financed by ANZ is around 0.62 tonnes of CO2 per megawatt hour of electricity generated (tCO2/MWh) (this figure was calculated using emission data from three sources: (1) 2016 Australian Energy Market Operator (AEMO), (2) 2015 National Greenhouse and Energy Reporting Scheme (NGERS), (3) an estimate by ANZ for remaining generators. Overall, AEMO and NGERS emissions data was available for over 98% of electricity generation from projects financed by ANZ. This is 23 per cent lower than the Australian average emissions intensity of 0.81tCO2/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 2015). Outside Australia, the average emissions intensity of generation financed by ANZ is around 0.16tCO2/MWh (this figure was

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
			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.		calculated using emissions data from CARMA database maintained by the Center for Global Development). This is around 16 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 the International Energy Agency). 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 provided				ANZ does not have any other relevant upstream emissions.
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 process in place

CC14.2a

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

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC14.2a/Final CS Review Opinion_2016.pdf	'Our Conclusions, b) Annual Global GHG Emissions (Scope 3) - Limited Assurance (Page 1); 'KPMG's Responsibilities' (Page 2)	ISAE3000	100
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/87/1187/Climate Change 2017/Shared Documents/Attachments/CC14.2a/Final CS Review Opinion_2016.pdf	'Our Conclusions, b) Annual Global GHG Emissions (Scope 3) - Limited Assurance (Page 1); 'KPMG's Responsibilities' (Page 2)	ISAE 3410	100

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 & services	Emissions reduction activities	13.4	Decrease	The 13.4% reduction in emissions from this category results from absolute reductions in 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 and we also provide our customers with the opportunity to 'opt out' of receiving paper-based marketing materials. This 13.4% reduction is incremental to the 15.8% reduction we achieved the previous year.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in methodology	10.4	Decrease	There was a 10.4% reduction 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. This likely reflects the efforts of Governments in developing countries such as India to address inefficient losses of electricity in their T&D networks. The Scope 3 factors used by ANZ 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 (2013) document. This 10.4% reduction is incremental to the 9.8% reduction we achieved the previous year
Waste generated in operations	Change in methodology	1.6	Increase	There was a slight increase in total waste generation compared to the previous year. It is largely attributed to the methodology used to calculate waste emissions. ANZ has worked with a new waste service provider in FY15/16 to establish more granular waste data with an aim to enhanced the calculation methodology from next year onwards.
Business travel	Change in methodology	26.4	Decrease	While ANZ managed to reduce our business travel related footprint by 26.4% on the previous year, this came about largely due to some changed emissions factors and assumptions prescribed in the DEFRA/DECC UK Government Conversion Factors for Company Reporting document for business air travel that is used by ANZ. The changed emissions factors are a reflection of the improved efficiency of commercial air fleets that ANZ use for travel and also a reduction in the uplift factor from 9% to 8% to take account of the additional flying miles caused by non-direct routes, delays and

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
				circling. The declining emissions intensity of electricity grids in countries where our staff have hotel stays has also contributed to the declining emissions associated with business travel.
Employee commuting	Change in boundary	2	Decrease	The slight decrease in employee commuting emissions is likely the result of an overall reduction in FTEs at the 19 commercial buildings
Upstream leased assets	Other: Increase in staff located in leased buildings	9.1	Increase	ANZ has continued to implement its strategy of consolidating the number of commercial buildings that we occupy in Sydney and Melbourne with staff shifting in to newer, more efficient buildings. An increase in the number of staff located in leased buildings has led to an increase in the base building energy allocated to ANZ based on headcount compared to the previous year.
Investments	Other: Changing energy generation portfolio	3.1	Decrease	Increased electricity generation from renewable energy assets financed by ANZ in our project finance portfolio combined with lower generation from coal-based assets has helped to reduce the average emissions intensity of generation financed by ANZ (within Australia) by 3.1% compared to the previous year. Outside of Australia, the average emissions intensity of generation for assets financed by ANZ declined by 20% on the previous year.

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

METHODS OF ENGAGEMENT:
Suppliers:
ANZ requires all of our suppliers to comply with the ANZ Supplier Code of Practice. The Code, updated in FY16, requires suppliers to a) have an Environmental Management System, b) embed environmental management principles within business operations & 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 & may be required to self-assess their compliance against the SCOP & develop remediation plans where necessary.

Our Request for Proposal questions carry a minimum mandatory weighting of 5% for Corporate Responsibility. In FY16, 66 tenders were accepted.

We also work closely with our Australian property Facilities Management partner to identify a pipeline of energy savings activities which also reduce the greenhouse gas emissions from our properties. This project pipeline is reviewed & reported to stakeholders quarterly.

Customers:
ANZ has published a suite of Sensitive Sector Policies that guide lending decision making for customers operating in sensitive sectors, such as energy & mining. These policies guide how our bankers engage with customers & prospective customers in these industries.

Our Sustainable Finance Solutions team engages directly with new & existing customers to identify & fund sustainable initiatives/projects, such as clean energy & energy storage, energy efficiency, low emission vehicles, sustainable agriculture & resilient infrastructure.

Partnerships:
ANZ & the Australian Water Association (AWA) formed a partnership in early 2015. The partnership is designed to support water & wastewater management programs & to promote innovation & best practices in Australia & South-East Asia.
ANZ Fiji entered into a Memorandum of Understanding with WWF Pacific to undertake a series of climate change resilience projects which focused on coastal & riverine landscape restoration & native flora replanting.

STRATEGY FOR PRIORITISING ENGAGEMENT:

Suppliers:
ANZ prioritises key suppliers in higher environmental impact sectors e.g. print, paper & travel.

Customers:
ANZ's strategy for prioritising engagement with customers is to formally assess & define customer segments with higher environmental & social impacts.

Partnerships:
ANZ's strategy for engaging with partners is based on an assessment of their alignment with ANZ's vision & strategic objectives, incorporating our ambition to support the transition to a low carbon economy. Key partnerships are reviewed on a regular basis to ensure ongoing alignment.

MEASURES OF SUCCESS

Suppliers:
We set public targets with respect to supply chain management, achievement of which is a key measure of success. We are on track to meet our target to apply a strengthened third party ESG screening process to all suppliers in high-risk countries, including the ongoing monitoring of compliance with ANZ's SCOP for FY 2017. Working closely with our Facilities Management partner, $4.2 million of energy efficiency initiatives were implemented in FY15/16.

Customers:
A key measure of success has been the growth of our 'green' products & services. In FY 2015/2016 we:
- Launched ANZ's Solar program in partnership with Alinta Energy & Snowy Hydro, providing consumer finance for rooftop solar panels for our retail customers
- Supported the IDBI Bank (formerly known as Industrial Development Bank of India), as the joint lead manager for their first green bond, issued to the value of USD $350m
- Engaged with Energy Developments Pty Ltd (EDL), a clean energy company based in Queensland to fund their Coober Pedy Renewable Hybrid project. The project is expected to reduce diesel consumption by approx. 70%, with an estimated 130,000 tonnes reduction in GHG emissions over the life of the project.
- Funded & facilitated $5 billion in low carbon & sustainable solutions, such as green buildings, renewable energy, energy efficiency, water, waste, & transportation since October 2015.

Partnerships:
Partnership with the AWA results in improved positioning of ANZ as a sector leader in the promotion of sustainable water practices & a supporter of economic development in regional communities. In Australia ANZ is recognised as AWA's sole finance-industry sponsor, working to develop a new approach to funding water infrastructure needs in regional & urban areas. We have been active participants at the premier industry conference, AWA's "Ozwater", targeting regional AWA members & those building export opportunities generating 10 leads to date.

In addition, the AWA has identified a number of countries across SE Asia where water infrastructure is needed. We are already engaged in water access & sanitation activities in Vietnam & other countries & have been working with industry & government officials on appropriate design for Public Private Partnerships.

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

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
Active engagement	12	3%	We require all 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. Specifically in regards to GHG, ANZ has established reporting and management programs with key vendors in the print, paper, travel, property and facilities area. This equates to significantly over $100m spend under effective management with the aim to improve our environmental leadership.

CC14.4c

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
Shayne Elliott	Chief Executive Officer	Chief Executive Officer (CEO)

Further Information

CDP