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 50,000 people.

Our Sustainability Framework, which supports our overall business strategy, incorporates a carefully considered approach to climate change. We recognise that as a financial institution we have a responsibility to minimise the direct impacts of our operations by reducing our organisational carbon footprint 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 also committed to two of the We Mean Business initiatives in the lead up to the Paris climate summit: 1) responsible corporate engagement in climate policy and 2) report climate change information in mainstream reports as a fiduciary duty.

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
Tue 01 Jul 2014 - Tue 30 Jun 2015

CC0.3

Country list configuration

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

Select country

CC0.4

Currency selection

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

AUD ($)

CC0.6

Modules
As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.
If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

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

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

CC1.1a

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

The highest level of responsibility for climate change lies with ANZ’s Board of Directors. Climate change is fully integrated in ANZ’s Sustainability Framework. The Board Governance Committee has responsibility for reviewing and approving climate change-related objectives, monitoring progress in achieving targets and reporting against them 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 Corporate Sustainability & Diversity Committee (CSD), chaired by the CEO, is a strategic leadership body addressing a range of sustainability issues, including climate change. The CSD is composed of three members of ANZ's Executive Committee and senior representatives from each of ANZ’s divisions. The Reputation Risk Committee (RRC), chaired by the CRO, is responsible for understanding and assessing the impacts of specific transactions and broader relationships as they relate to current and emerging risks, including climate change. For example, given the sensitivities inherent in power generation projects, as a matter of practice, all proposals are reviewed by the RRC to ensure that they comply with our Sensitive Sector Energy Policy.

CC1.2

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

Yes

CC1.2a

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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Board/Executive board	Monetary reward	Other: Delivering on ANZ’s Group-wide sustainability strategy	Management of incentives for delivering on ANZ’s sustainability strategy are in place at the most senior levels of the organisation.
Chief Operating Officer (COO)	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behaviour change related indicator Environmental criteria included in purchases Supply chain engagement	Meeting organisational emission reduction targets for our direct emissions, including indirect emissions and supply chain management. Maintaining our carbon neutral status. Meeting energy, water, paper, air travel, fuel consumption and waste targets. Performance linked to remuneration through achievement of KRA’s.

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

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
		Sustainable Development targets	
Other: Head of Project Export Finance	Monetary reward	Other: Increase proportion of lower carbon (gas & renewables) power generation lending in our Project Finance business by 15-20 percent by 2020.	Responsible for increasing the proportion of lower-carbon (gas and renewables) power generation lending in our Project Finance business by 15-20% by 2020. (Note that this target was met in the 2015 financial year. A new target has been introduced to 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 Sustainable Finance have key performance indicators relating to these targets, including the continued development of the Sustainable Finance Solutions business within the Institutional Division and adherence to credit policies.)
Other: Head of Social and Environmental Risk	Monetary reward	Other: Increase proportion of lower carbon (gas & renewables) power generation lending in our Project Finance business by 15-20 percent by 2020.	A senior Credit Approval Discretion (CAD) holder; reviews social and environmental considerations in relation to the credit-worthiness of customers and projects.
Environment/Sustainability managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behaviour change related indicator Other: Environmental & Sustainable Development targets	Delivery of sustainability and climate change targets and strategy, 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.
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 Behaviour 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. Property Leadership member responsible for ensuring Energy Efficiency working group achieves its objectives. Performance is linked to

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

Further Information

Page: CC2. Strategy

CC2.1

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

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

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

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	ANZ considers risks and opportunities relating to climate change for all 34 markets in which we operate. This includes our core markets in Australia and New Zealand and growth markets in the Asia Pacific.	> 6 years	ANZ's Board (including Committees of the Board), has overall responsibility & oversight of strategy, risks & opportunities relating to climate change. Executive Management committees contributing to ANZ's climate change strategy include: 1. Corporate Sustainability & Diversity (CSD) Committee – responsible for overseeing ANZ's sustainability strategy which includes monitoring current and emerging climate change risks and opportunities. CSD has responsibility for tracking progress on environmental targets, including GHG and low emissions financing targets. It meets quarterly and is chaired by the CEO. 2. Reputation Risk Committee (RRC) responsible for assessing impacts of current/emerging environmental, social, business & regulatory risks, including climate change-related risks in ANZ's lending portfolio that have potential consequences for ANZ's reputation. RRC approves appropriate strategies to manage & mitigate those risks. It meets quarterly & is chaired by the CRO.

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/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 and services are built into our business development processes, especially through our Sustainable Finance Solutions team.

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

Asset Level: The most immediate risk to ANZ from climate change relates to impacts on our infrastructure. We have a public target to develop a weather & natural disaster property resilience strategy to manage this risk. Property resilience to climate and weather events is important to ensure essential banking services are available to communities in times of disaster, as well as to mitigate the associated costs of refurbishing impacted offices/ branches. In 2015, we identified the most exposed & vulnerable sites across ANZ's property portfolio, based on experience, weather data & predictions from the IPCC, CSIRO & NASA.

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

CC2.1c

How do you prioritize the risks and opportunities identified?

Climate change risks 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 Corporate Sustainability and Diversity Committee and approved by the Board 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 all 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 Reputation Risk Committee and monthly Early Alert Review Committee. 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 influences ANZ’s business strategy in both the short & long term:

Management of our material sustainability risks & opportunities, including those presented by climate change, supports ANZ’s business strategy & ensures our approach to business aligns with our Climate Change Statement. Engagement with internal & external stakeholders on the risks & opportunities associated with climate change, through our materiality review, has influenced our business strategy and led to increased disclosure on our strategy. Our 2015 materiality assessment included formal engagement with internal & external stakeholders, & qualitative & quantitative analysis across a range of issues. Stakeholders ranked Responsible Business Lending as one of our most material issues – encompassing the impacts, both positive and negative, on society & the environment, as a result of our lending decisions. This issue aligns with one of the three priority areas in our Sustainability Framework, Sustainable Development, which incorporates our response to climate change.

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

ii) Several aspects of climate change have influenced ANZ’s business strategy:

Opportunities to develop ‘green’ business – in 2015 we established our Sustainable Finance Solutions (SFS) team to extend ANZ’s capability & identify opportunities with new & existing customers across the clean energy, water, waste & sustainable agriculture sectors. The team is using its subject matter expertise to tailor ANZ’s existing products, forming ANZ-wide teams of relationship, product and risk specialists to capture emerging sustainable finance sector opportunities.

Need for adaptation – ANZ products and services relating to the identification of renewable energy generation, new technologies, energy efficiency opportunities, climate resilience & carbon trading support. ANZ's 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 (ie. adapting infrastructure to increased heat stress)

(iii) Most important components of short term strategy that have been influenced by climate change:

Customer focus: 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 Sustainable Finance Solutions team.

We have reviewed our Sensitive Sector Policies to ensure they incorporate climate change considerations and align with our Climate Change Statement. Our revised Energy Policy now 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 $0.8tCO_2/MWh$.

Organisational focus: We continue to focus on achieving a reduction in premises energy, travel & use of paper & waste. We also remain carbon neutral across our operations. We have been certified 'carbon neutral' under the Australian Government's National Carbon Offset Standard (NCOS) for the sixth consecutive year.

We are also investing in the capability of our people via our online Social & Environmental Risk training. We delivered our updated Sustainability Leadership Program to over 120 employees across China, Vietnam and Cambodia. The purpose of this training is to ensure that our bankers are making lending decisions which take environmental issues, such as climate change impacts, into consideration.

(iv) Most important components of long term strategy that have been influenced by climate change

Target Setting: In addition to the changes to our Energy policy regarding financing of power generation, we have a new long term public target to facilitate at least $10 billion in investment by 2020 in low carbon and sustainable solutions. Additionally, we have longer term public targets for reducing our environmental footprint, achieving carbon neutrality & improving supply chain management.

(v) How the integration of climate change in our business strategy is delivering competitive advantage

- Under our regional strategy we connect customers to commercial opportunities that support the transition to a low carbon economy across the markets in which we operate. An example is our role as joint lead manager for IDBI Bank's inaugural green bond (valued at USD $350 million) launched in November 2015, the proceeds of which will support of 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 and sustainable financing.

(vi) The most substantial business decisions during the year that have been influenced by the climate change driven aspects of our strategy:

- Our 'Bridging to a low carbon economy framework', which articulates the actions we are taking to support the transition to a low carbon economy, includes new rules on lending to coal-fired power generation and strengthened due diligence standards in relation to the coal sector.
- Establishing the Sustainable Finance Solutions team to maximise opportunities associated with emerging sustainable finance products and services.
- Increasing activity in the climate bonds market, both as an issuer and an intermediary
- Increasing our total project finance commitments to renewable energy in 2015 to $881 million. In 2015, we met our target to increase the proportion of lower-carbon (gas & renewables) power generation lending in our Project Finance book by 15-20% by 2020. As at 30 September 2015, the power generation portfolio

summary for our Project Finance business was: renewables; 59.7%; gas-fired: 22% and coal-fired: 18.3%.
- Investing in our property portfolio to achieve reductions in energy use & associated Scope emissions.

CC2.2b

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

CC2.2c

Does your company use an internal price of carbon?

Yes

CC2.2d

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

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

In relation to our own carbon footprint investments in energy efficiency and other carbon reduction initiatives are considered in the context of balancing investments against the cost of purchasing carbon offsets to maintain our carbon neutral status. Our average cost of carbon in FY15 was $1.77 per tonne.

We also consider the eligibility of Energy Savings activities to generate certificates under state-based energy savings schemes in Australia. Any revenue we generate from the sale of certificates is factored into cost-benefit analysis. Prices gained from these certificates range from $14 - $21 (per tonne of carbon dioxide equivalent).

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 Emissions Reduction Fund and the Renewable Energy Target scheme, as well as on our own revised Climate Change Statement.	We support legislation that balances the need for energy security with the need to transition to a low carbon economy. While we have no strong view on the actual target set for renewable 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.

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 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.	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.
Australian Financial Markets Association (AFMA)	Consistent	The Australian Financial Markets Association (AFMA) Carbon Committee has been an active participant in developing the necessary infrastructure for the Clean Energy Market. AFMA does not hold an opinion on whether there should or should not be a carbon scheme. Our interest is only that any such scheme should be designed to create a sound market that will produce investor confidence and that any scheme unwind should also be done so as not to damage market participants or produce unfair or unintended consequences.	Yes. ANZ was involved in consultation on the Association's position on climate change legislation.
Business Council of Australia	Consistent	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.

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. 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 are participating 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', including financed emissions. 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) - ANZ's three main commercial office buildings in Melbourne, Sydney, and Brisbane have all achieved the highest '6-star' GreenStar Design Certification from the GBCA. Through our 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. ANZ is engaging on issues such as the financing of resilient infrastructure.

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 Reputational Risk 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 Governance Committee and Corporate Sustainability & Diversity 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.

In 2015 ANZ signed up to the We Mean Business Coalition initiative for 'responsible corporate engagement in climate policy'. We are reviewing the five core elements of responsible corporate engagement with a view to identifying whether there are opportunities to improve any of our current processes.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

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	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. ANZ is aiming to achieve a 1-3% reduction in our Scope 1 and 2 emissions from premises energy by 2017 (against a 2013 baseline).
Abs2	Scope 3: Business travel	100%	5%	2014	45205	2015	No, and we do not anticipate setting one in the next 2 years	This target relates to Scope 3 emissions associated with Business Air Travel by ANZ staff. The target was to reduce air travel emissions in 2015 by 5% against 2014 levels.

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	50%	100%	In the second year of this target, ANZ reduced Scope 1+2 emissions arising from premises energy use by 8.3% relative to our 2013 baseline. This exceeds the target range of a 1-3% reduction. The reduction in emissions is largely a consequence of a 4% reduction in Scope 2 emissions from the 2014 period achieved through operating and energy efficiency initiatives. ANZ's target of 1-3% was set in the context of an expected continuation in the growth of electricity use at our data centres due to growth in banking products/services and customers increasingly choosing digital banking channels. Energy containment projects at our two Australian data centres has significantly constrained growth in energy use during the 2015 period.
Abs2	100%	14%	In 2015, ANZ reduced its emissions from air travel by 0.7% against the 2014 baseline. While this was not sufficient to meet our 5% reduction target, it demonstrates an overall improvement.

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 practices. Proceeds will also be allocated for investment in future 'green' projects.	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 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.

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	10	
To be implemented*	12	1938
Implementation commenced*	0	0
Implemented*	26	6296
Not to be implemented	17	

CC3.3b

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

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Australian Lighting Upgrades	3497	Scope 2 (location-based) Scope 3	Voluntary	442000	1620000	4-10 years	6-10 years	Lighting upgrades including fixtures, fittings and controls in Australian commercial buildings
Energy efficiency:	Australian HVAC Upgrades	387	Scope 2 (location-	Voluntary	27900	74400	1-3 years	11-15 years	Improvements to air conditioning systems, controls

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
Building services			based) Scope 3						and associated fixtures/fittings in Australian commercial buildings.
Energy efficiency: Building services	Australian Data Centre Energy Efficiency	148	Scope 2 (location-based) Scope 3	Voluntary	6800	56000	4-10 years	11-15 years	Containment solutions in data centres to reduce energy used for air conditioning
Energy efficiency: Building services	Philippines Lighting Upgrade	894	Scope 2 (location-based) Scope 3	Voluntary	174000	357000	1-3 years	6-10 years	LED Lighting Upgrade
Low carbon energy installation	Increased operating hours for the gas-powered trigeneration system located at ANZ's Melbourne head office.	540	Scope 2 (location-based) Scope 3	Voluntary	46000	0	<1 year	11-15 years	The longer operating hours of the trigeneration system means that more of the buildings electricity consumption came from the burning of natural gas that has around half the carbon intensity of electricity sourced from the local electricity grid.
Energy efficiency: Building services	Reactive and preventative maintenance program	830	Scope 2 (location-based) Scope 3	Voluntary	93000	42000	<1 year	1-2 years	Ongoing monitoring of buildings and corrective actions to reduce energy and GHG emissions

CC3.3c

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

Method	Comment
Dedicated budget for energy efficiency	In 2015 ANZ implemented energy efficiency initiatives with a combined project cost of $1.79m AUD. We also approved for implementation energy efficiency projects with a combined cost of $820,000 AUD. ANZ works closely with our strategic property and facilities management partners 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 low carbon product R&D	ANZ has a dedicated budget for the purchase of robust carbon offsets to achieve carbon neutrality. In FY2015 we spent over $568,000 on certified carbon offsets, helping to drive the low-carbon transition globally.
Dedicated budget for other emissions reduction activities	ANZ has a dedicated budget for other emission reduction activities including payment to Environmental Consultants for identification of projects and development of business cases. This budget also includes an allocation for our 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. Over recent years, we have also consolidated our employees into fewer, and more efficient, office buildings, which has been enabled by our 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 of carbon	Investments in energy efficiency and other carbon reduction initiatives are considered in the context of our balancing of such investments with the cost of purchasing offsets to maintain our carbon neutral status. Our average cost of carbon in 2015 was $1.77 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	Responsibility for managing climate change risk is embedded at the highest levels of the bank, with a proportion of our most

Method	Comment
programs	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 target was met in FY15.

CC3.3d

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

Further Information

CC3.2a - See ANZ's 2015 Corporate Sustainability Review - P41 - Contributing to a low carbon future case study attached

Attachments

https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC3.TargetsandInitiatives/CC3.2a - Contributing to a low carbon future case study P41 - Corporate-sus-review-2015.pdf

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) but have not used the CDSB Framework	Complete	2015 Shareholder Review - Sustainability Highlights p3; Chairman's Report p4; Bridging to a low-carbon economy p9;	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC4.1/anz_shareholder_review_2015.pdf	Note that we have committed to using the CDSB Framework in our 2016 reporting suite, having signed up to this We Mean Business initiative in 2015.
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	2015 Annual Report - Chairman's Report p6; Directors Report p9,29; Principal Risks and Uncertainties p175,181;	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC4.1/2015_annual_report.pdf	Note that we have committed to using the CDSB Framework in our 2016 reporting suite, having signed up to this We Mean Business initiative in 2015.
In other regulatory filings	Complete	2014-15 Greenhouse and Energy Information reported to the Australian Clean Energy Regulator under the National Greenhouse and Energy Reporting Act 2007	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC4.1/ANZ NGER Report_2014-15.xps	
In voluntary communications	Complete	ANZ Corporate Sustainability Review 2015 – Chairman's	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC4.1/corporate-sus-review-2015.pdf	Note that we have

Publication	Status	Page/Section reference	Attach the document	Comment
		Message p3; Sustainability Targets and Performance>Environment p24; Stakeholder Engagement>Non-Government Organisations & Industry Associations p27; Managing our Business Sustainably pp36-46; Five Year Sustainability Performance Summary 2011-2015 p67		committed to using the CDSB Framework in our 2016 reporting suite, having signed up to this We Mean Business initiative in 2015. .
In voluntary communications	Complete	ANZ Website>About Us>Corporate Sustainability>Governance and risk management>Climate Change	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC4.1/ANZ - Climate Change webpage screenshot.pdf	
In voluntary communications	Complete	ANZ Website>About Us>Corporate Sustainability>Environmental Sustainability	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC4.1/ANZ - Environmental sustainability webpage screenshot.pdf	
In voluntary communications	Complete	2015 National Carbon Offset Standard Carbon Neutral Program - Public Disclosure Summary	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC4.1/NCOS_Public_Disclosure_Summary_2014-15.pdf	
In voluntary communications	Complete	Australian Department of Environment Website>Climate Change>Going carbon neutral>Carbon Neutral Program>Accredited Businesses>ANZ	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC4.1/ANZ - Carbon Neutral Program _ Department of the Environment.pdf	
In voluntary communications	Complete	2015 Results Presentation and Investor Discussion Pack, Resources Sector Exposures p59; Sustainability p73	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC4.1/fy15_results_investor_discussion_pack_-_online.pdf	
In voluntary	Complete	Sustainability e-newsletter	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared	

Publication	Status	Page/Section reference	Attach the document	Comment
communications			Documents/Attachments/CC4.1/ANZ - October 2015 e-bulletin - $10 billion to support the transition to a low carbon economy (2).pdf	

Further Information

We are continuing to expand our carbon disclosures in response to feedback from our investors, shareholders, NGOs and other stakeholders.

Attachments

https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC4.Communication/ANZ 2016 Half Year Corporate Sustainability Report - 030516 FINAL 9.45AM.pdf

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	Climate change policy and regulation in Australia is subject to uncertainty related to a 15 month review of the Renewable Energy Target (RET) Scheme in Australia. During the review, investment confidence was adversely affected and impacted ANZ's lending to and advice to our renewable sector customers and potential new projects. (Note: the amended RET legislation was agreed by the Australian Parliament in June 2015.)	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 $881 million in 2015 – this and associated revenues could be negatively impacted in future years if policy uncertainty continues.	To manage this regulatory risk we reduced lending activity in new renewable energy generation capacity (in Australia only). Advice to renewable sector customers was also reduced compared to 2014. In mid 2015, the Government directed Australia's $10Bn Clean Energy Finance Corporation to cease lending to wind and rooftop solar schemes (this decision has subsequently been reversed in 2016). This contributed to the ongoing uncertainty surrounding business investment in large scale renewable energy. With a lower risk appetite there was a reduction in new commitments to	There are no additional management costs as changes to domestic a policy/legislation is already built into our risk management processes.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								greenfield developments and in the trading of existing assets during this period.	

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	Customers rely on ANZ to maintain accessibility to banking services, including and especially in the wake of natural disasters. ANZ has a large branch presence in Australia, New Zealand	Reduction/disruption in production capacity	Up to 1 year	Direct	Likely	Medium-high	Climate change presents a risk of physical impact to ANZ's infrastructure. The financial implications associated with increased cyclones & other extreme weather events primarily relate to the capital costs to repair structural damage to	To reduce our direct risks associated with extreme weather events we: a) reduce the likelihood of weather event risk impacting our operations through a climate property resilience strategy. This strategy was introduced in	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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	and the Pacific island countries including Fiji, Kiribati and Vanuatu, as well as growing businesses across South East Asia. Many of these regions have communities that are particularly vulnerable to the effects of climate change, and over the last twelve months have experienced extreme weather events including bushfires, cyclones, and floods. These extreme events can adversely impact on our ability to						offices/branches as well as reduced profits as a result of an inability to do business. Of ANZ's AUD $890billion in total assets, AUD $2.22 billion is in operational premises and equipment (Sep-15).	2014 and informs decisions on branch location, fit-out and upgrades to make our network more resilient to weather disasters; and b) our Insurance & Business Continuity Plan (BCP). The parameters in our BCP facilitate systematic consideration of location, design, and business continuity processes across our network. An example of this is the site selection process undertaken for our back-office processing hub in Fiji (which provides back-office services for all operations in the Pacific). In Fiji, we developed a "water-proof"	BCP. There are also operational costs associated with site construction to protect against climatic events as well as the costs of running additional sites. For example in Vanuatu in March 2015, a Disaster recovery (DR) site was opened in the wake of Tropical Cyclone Pam as the branch, which is located at the centre of Vanuatu's capital of Port Vila, was severely damaged in the cyclone).

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	service customers in affected regions unless we are well prepared.							branch that can easily be cleaned & made fully operational as soon as flood waters recede. In addition, ANZ has a container branch in Samoa, which is used for business continuity in the event of natural disasters in the region. ANZ has multiple BCPs per site, based on business criticality, detailing likely risks (including extreme weather events & mitigation procedures) and a Disaster Recovery Plan to ensure that businesses impacted by extreme weather events are able to resume as soon as possible.	
Change in precipitation	ANZ has a large	Other: Reduction/disruption	1 to 3 years	Indirect (Client)	Likely	Medium	Customers impacted by	Processes in place to manage	Various on-going costs

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
extremes and droughts	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 agricultural customers face variable climatic conditions that impact on their production levels. E.g as of June 2016 the majority of Queensland has been drought-declared. These events can impact on our	in production capacity and volatile cash flow generation					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 $53,245m at Sep-2015. ANZ donated AUD $0.1m at Sept 2015 in response to emergency relief provided due to natural disasters.	these risks include our credit risk assessment process, underpinned by our sensitive sector policies, customer screening & other due diligence processes. All customers of our Institutional Business are screened for social and environmental risks. This process enables staff to evaluate the physical impacts of climate change on customers, particularly those in high risk sectors so we can better understand the indirect risks to our business through loss of profitability and interruption to their businesses. ANZ has a dedicated	have been associated with these management processes, particularly in relation to the resources required to review and update policies, undertake relevant industry research, and develop new products and services to assist impacted customers.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	customers' ability to service debt and recover from an adverse event.							customer hardship team, able to offer assistance to customers facing a severe climatic event. ANZ Relationship Managers work with customers to plan ahead for difficult times. For example, in our agricultural business, this includes encouraging customers to utilise Farm Management Deposits (FMDs), a risk management tool to help farmers deal with irregular income resulting from natural disasters, climate and market changes. Our Business Writing Strategy (reviewed annually) includes an assessment of regulatory risks,	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								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 company, relies in part on how well we	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 &	ANZ is currently undertaking the following activities to manage this risk: •Transparent & balanced reporting of (1) average emissions intensity of generation financed (tonnes CO2-e per megawatt hour of electricity generated) & how this compares to grid average or	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
	are managing the risks and opportunities associated with climate change. We are under scrutiny from a range of stakeholders, including NGOs, investors, our customers and employees, for our role in financing industries with high environmental impacts, such as power generation, mining and forestry. In particular, banks, including ANZ, continue to be criticised for our financial support of coal-fired energy generation and funding of coal miners/exporters in the region. We also have been questioned by NGOs about our support of some customers operating in developing countries and whether appropriate						reputation. Damage to our reputation will result in significant decreased brand value. In 2015, ANZ's brand was valued at $10.2b, a 19% increase on the previous year, making ANZ the most valuable banking brand in Australia and the 9th most valuable banking brand in Asia.	average emissions intensity of generation in those countries; (2) our share of lower-carbon (gas & renewables) power generation & coal-fired generation of our energy portfolio; (3) our climate change related risks & opportunities, disclosed primarily in our annual & half year Corporate Sustainability Review. (4) our business lending exposure for major sectors in Australia, along with the total greenhouse gas emissions reported by these sectors, in our half year Corporate Sustainability Update. • Regular	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
	environmental standards are being applied to their activities.							engagement with a range of stakeholders, including through our annual materiality assessment & sensitive sector policy reviews. • Setting public targets which focus on supporting our customers to transition to a low carbon economy, & minimise our direct environmental footprint • Ongoing monitoring of a wide range of reputation risks, including those relating to climate change, through ANZ's Reputation Risk Committee. Our risk governance framework supports staff to identify issues that could potentially impact ANZ's reputation.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								In some cases, where customers are unable to manage issues to our expectations, we bring existing relationships to a close or elect to not finance a prospective customer or project.	

CC5.1d

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

CC5.1e

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

CC5.1f

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

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

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

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

CC6.1a

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Renewable energy regulation	The Australian Senate passed amended legislation to	Increased demand for existing products/services	1 to 3 years	Direct	Very likely	High	The revised RET in Australia created a	To maximise opportunities – in 2015 we established	Various on-going costs have been associated

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	implement the Government's reforms to the Renewable Energy Target (RET) in June 2015. The RET is for 23.5% of Australia's electricity to be derived from renewable sources by 2020. The revised RET provides a more stable environment for investment and thus revenue opportunities for ANZ with both existing customers and in new market developments						number of revenue opportunities for ANZ, particularly in relation to demand for services relating to construction of large-scale renewable energy projects (such as solar and wind). Within Australia the revised RET is expected to create more than $40.4billion 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	our Sustainable Finance Solutions (SFS) team to extend ANZ's capability & identify opportunities with new & existing customers across the clean energy, water, waste & sustainable agriculture sectors. The team is using its subject matter expertise to tailor ANZ's existing products, forming ANZ-wide teams of relationship, product and risk specialists to capture emerging sustainable finance sector opportunities. For example one of the first	with these actions, primarily in relation to the resources required to establish new services, FTE allocation. including IT infrastructure, staff training and marketing of new product

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							billion in investment by 2020 in low carbon and sustainable solutions, including renewable energy generation, green buildings and less emissions intensive manufacturing and transport.	energy retailers in Australia, Alinta Energy, launched a solar panel product, backed by ANZ Consumer Finance. The product enables Alinta retail customers to buy and install solar panels on their rooftops, generating clean energy to power their homes, with any excess electricity being fed back into the grid. In future, batteries may also be included under the finance offering, providing for efficient storage and	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								deployment of excess electricity.	
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 has led to significant cost savings in	Reduced operational costs	Up to 1 year	Direct	Virtually certain	Low	In 2015, ANZ invested $1.79M 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 countries in which we operate and we have a separate database to track energy saving opportunities on a monthly basis. ANZ's	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 $AUD65,000 per year.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	recent years that will be extended into the future.							global GHG emissions received independent 'reasonable' assurance in 2015.	

CC6.1b

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other physical climate opportunities	Climate impacts, such as increasing temperatures, rising sea levels, changing weather patterns, and more frequent or intense droughts, floods, and storms, can pose challenges for ANZ's facilities, supply chain, employees,	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,	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	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
	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 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						green buildings and less emissions intensive manufacturing and transport.	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 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.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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 electricity generation and also energy efficient equipment to reduce electricity usage. As of 2015, as SEFP Fund Manager, ANZ had loaned the Fiji Development Bank (as a participating financial institution) more							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
	than $9.1M under SEFP which was then extended to customers.								

CC6.1c

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

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behaviour	ANZ's most significant opportunity resulting from climate change is the increase of revenues through the identification of funding and advisory opportunities arising from renewable energy generation, green buildings and less	New products/business services	Up to 1 year	Direct	Virtually certain	Medium	The opportunity to develop and market innovative products and services as a result of an increase in consumer demand for environmentally responsible products will increase.	Our Sustainable Finance Solutions team has been set up specifically to identify opportunities to support our customers to transition to a low carbon economy. In Australia, we have increased our corporate advisory services to the renewable	Various ongoing costs have been associated with these actions, particularly in relation to the resources required to develop and market new financial products and services.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	emissions intensive manufacturing and transport. This is evidenced by our public target, announced at end FY15 to 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 Government). ANZ provides							energy sector over the past 12 months, following improved certainty relating to the Renewable Energy Certificate scheme. We expect our Corporate Advisory team to generate revenue from the renewable energy sector consistent with average returns over the last 3 years. This advisory fee revenue does not utilise the Bank's capital and therefore is positive for return on equity.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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. The most significant revenue opportunities resulting from climate change-related opportunities in 2015 for ANZ was from financing large-scale renewables and provision of advisory								

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	services to the renewable energy sector. 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. We also expect that the introduction of carbon pricing schemes will create a number of revenue opportunities for ANZ, particularly in relation to demand for advisory services relating to energy efficiency opportunity identification and carbon trading support.								
Reputation	Effective management of climate change	Increased demand for existing	1 to 3 years	Direct	Likely	Low	Our environmental sustainability	Our environmental sustainability	ANZ spent $568,000 purchasing

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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 from our operations including	products/services					strategy 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.	strategy 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 maintain carbon neutrality across our	certified carbon offsets in FY2015. Our online environmental monitoring system costs approximately $AUD65,000 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 enhancing the transparency, accuracy,

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	maintaining carbon neutrality by offsetting our total Global Scope 1, 2 & 3 emissions through certified carbon offsets.							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 Corporate Sustainability & Diversity Committee (chaired by the CEO) who also endorse the annual carbon offset purchase.	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 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 – CO_2 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 Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
HFCs	IPCC Second Assessment Report (SAR - 100 year)
PFCs	IPCC Second Assessment Report (SAR - 100 year)
SF6	IPCC Second Assessment Report (SAR - 100 year)

CC7.4

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

Fuel/Material/Energy	Emission Factor	Unit	Reference

Further Information

Attachments

https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC7.EmissionsMethodology/Worksheet for question 7.4.xlsx

Page: CC8. Emissions Data - (1 Jul 2014 - 30 Jun 2015)

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 CO_2e

22688

CC8.3

Does your company have any operations in markets providing product or supplier specific data in the form of contractual instruments?

Yes

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
186844	147209	During the 2014-15 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'.

CC8.4

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

Yes

CC8.4a

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

Source	Relevance of Scope 1 emissions from this source	Relevance of 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. Fuel usage in these vehicles is estimated. In the case of rental vehicles used in Australia and New Zealand, fuel use quantities are estimated by multiplying the known number of kilometres driven by the assumed fuel economy of the vehicle driven. For the bus-fleet that is operated in Bengaluru, India for employee commuting, the number of kilometres driven is based on contracted daily amounts for each bus which is then multiplied by an assumed fuel economy factor to estimate the total volume of diesel oil used. With minor exceptions, all liquid fuel purchases made by ANZ within the designated annual reporting period are assumed to have been fully combusted within the reporting year.
Scope 2 (location-based)	More than 2% but less than or equal to 5%	Data Gaps Assumptions Extrapolation	ANZ operates in 34 markets globally and occupies a significant property portfolio comprised of branches, commercial facilities and data centres. We also operate several thousand Automatic Teller Machines (ATMs) not connected to an ANZ branch that consume electricity and which are typically not metered in isolation from the premises in which they are situated. While ANZ makes every attempt to

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
			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/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC8.6a/15 ANZ GHG Inventory Opinion - Signed_Final.pdf	Page 1. 'Our Conclusions' 'a) Annual Global GHG Emissions (Scope 1 and 2) – Reasonable assurance'; Page 2. 'KPMG's responsibilities'	ISAE3000	100
Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC8.6a/15 ANZ GHG Inventory Opinion - Signed_Final.pdf	Page 1. 'Our Conclusions' 'a) Annual Global GHG Emissions (Scope 1 and 2) – Reasonable assurance'; Page 2. 'KPMG's responsibilities'	ISAE 3410	100

CC8.6b

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

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

CC8.7

Please indicate the verification/assurance status that applies to 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/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC8.7a/15 ANZ GHG Inventory Opinion - Signed_Final.pdf	Page 1. 'Our Conclusions' 'a) Annual Global GHG Emissions (Scope 1 and 2) – Reasonable assurance'; Page 2. 'KPMG's responsibilities'	ISAE3000	100
Location-based	Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC8.7a/15 ANZ GHG Inventory Opinion - Signed_Final.pdf	Page 1. 'Our Conclusions' 'a) Annual Global GHG Emissions (Scope 1 and 2) – Reasonable assurance'; Page 2. 'KPMG's responsibilities'	ISAE 3410	100
Market-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC8.7a/FINAL CS Review Opinion 2015 - 3 December 2015.pdf	Page 1. Conclusion - ANZ's Corporate Sustainability Review 2015; Page 1 - What did KPMG's work involve?; Page 1 - What did KPMG do to support the limited assurance conclusion?; Page 2 - KPMG's responsibilities	ISAE3000	100

CC8.8

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

Additional data points verified	Comment
Year on year change in emissions (Scope 1 and 2)	ANZ’s auditors KPMG has undertaken a limited level of assurance over ANZ’s entire 2015 Corporate Sustainability Review. Contained within this report are 5 years of emissions figures for our global operations (Scope 1 and Scope 2, p67) that provides transparency over year on year changes in emissions broken down by key geographical locations.
Progress against emission reduction target	ANZ’s auditors KPMG has undertaken a limited level of assurance over ANZ’s entire 2015 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) and global air travel (p44).
Emissions reduction activities	ANZ’s auditors KPMG has undertaken a limited level of assurance over ANZ’s entire 2015 Corporate Sustainability Review. Contained within this report are details of various emissions reduction activities that ANZ has undertaken over the reporting year across our global operations (Pages 43 & 44)
Other: Carbon Neutral Operations	KPMG has also verified that ANZ has purchased the requisite number of credible carbon offsets to neutralize the emissions arising from our global operations in the period July 1 2014 – June 30 2015. We have also been officially certified under the Australian Government’s National Carbon Offset Scheme as ‘carbon neutral’ with assurance provided by KPMG.
Year on year change in emissions (Scope 3)	ANZ’s auditors KPMG has undertaken a limited level of assurance over ANZ’s entire 2015 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 (p39). We have also reported year-on-year changes in our emissions arising from business-related air travel (p44)

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

21

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 2014 - 30 Jun 2015)

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	8048
New Zealand	4500
India	9268
Cambodia	306
Germany	15
Hong Kong	32

Country/Region	Scope 1 metric tonnes CO2e
Malaysia	1
Papua New Guinea	397
Philippines	15
Singapore	23
Taiwan	37
Thailand	23
Vietnam	21

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)
CO_2	22445
CH_4	30
N_2O	213
HFCs	0
PFCs	0
SF_6	0

CC9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)

Activity	Scope 1 emissions (metric tonnes CO2e)
Tool-of-trade vehicles	9562
Employee Commuting Buses	9227
Rental Cars	131
Stationary Energy - Diesel	397
Stationary Energy - Natural Gas	3221
Onsite Wastewater Treatment Plant	150

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jul 2014 - 30 Jun 2015)

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)

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	139451	99816	137043	42309
New Zealand	4689	4689	39107	0
American Samoa	216	216	686	0
Cambodia	1827	1827	2769	0
China	2453	2453	3277	0
Cook Islands	60	60	190	0
Fiji	1087	1087	3452	0
France	4	4	54	0
Germany	23	23	48	0
Guam	142	142	451	0
Hong Kong	2042	2042	2675	0
India	12184	12184	13868	0
Indonesia	7395	7395	9471	0
Japan	362	362	689	0
Kiribati	87	87	276	0
South Korea	280	280	516	0
Laos, People s Democratic Republic of	214	214	680	0
Malaysia	9	9	13	0
Myanmar	4	4	16	0
Papua New Guinea	900	900	2856	0
Philippines	1791	1791	3600	0
Samoa	206	206	654	0
Singapore	5307	5307	10912	0
Solomon Islands	183	183	581	0
Taiwan	3639	3639	6139	0
Thailand	24	24	49	0
Timor Leste	94	94	298	0
Tonga	93	93	295	0
United Arab Emirates	7	7	11	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	674	674	1411	0
United States of America	227	227	717	0
Vanuatu	167	167	530	0
Vietnam	1005	1005	2569	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 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)

CC10.2b

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

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

CC10.2c

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

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

Further Information

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

Page: CC11. Energy

CC11.1

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

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

CC11.2

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

Energy type	Energy purchased and consumed (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

83593

CC11.3a

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

Fuels	MWh
Biogasoline	93
Town gas or city gas	17351
Motor gasoline	31309
Diesel/Gas oil	34840

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	Comment
Direct procurement contract with a gridconnected generator or Power Purchase Agreement (PPA), where electricity attribute certificates do not exist or are not required for a usage claim	39635	During the 2014-15 reporting period, 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 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'.

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
245903	243228	2675	155	155	ANZ consumed a total of 245,903MWh of electricity across the 34 markets that we operated in during 2014-15. Almost 99% of this consumed electricity was purchased from local electricity grids in which we operate. ANZ also produced and consumed a total of 2,675MWh of electricity during 2014-15 with 155MWh 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 trigeneration asset located at our global

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
					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	3.5	Decrease	In 2014-15, 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 further consolidated our building portfolio in response to changing business needs. ANZ continues

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
			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 7355 tonnes CO2-e. Our total Scope 1 and Scope 2 emissions in the previous year was 212277 t CO2-e, therefore we arrived at 3.5% through (7355/212277)*100= 3.5%.
Divestment	0	No change	ANZ did not undertake any divestment activities in the reporting period
Acquisitions	0	No change	ANZ did not undertake any acquisition activities in the reporting period
Mergers	0	No change	ANZ was not involved in any mergers in the reporting period
Change in output	3.4	Increase	Continued expansion of our data centres in Australia, New Zealand and Singapore to accommodate rapid uptake in online platforms and services by our customers and to facilitate upgrades to ANZ's technology systems and the centralisation of processing led to an increase in Scope 2 emissions of 1340 tonnes on the previous year. This represents a 0.6% increase of the combined Scope 1 and 2 emissions of the previous year but is less than half the growth of the same period. A further change in output was associated with the increased use of chartered buses to transport employees to and from our two hub buildings located in Bengaluru India. These buses ensure the safe passage of our employees to and from their homes in Bengaluru and also results in a net reduction in traffic movements if they were otherwise forced to make their own commuting arrangements to the business parks where we operate. Employee numbers in our Bengaluru operations have increased by 57% over the last 3 years, and this has resulted in an associated increase in emissions from the buses responsible for transporting these employees to and from work each day. The increased passenger-kilometres travelled led to an increase in emissions of 5,780 tonnes CO2-e on the previous year which represents 2.7% of the combined Scope 1 and 2 emissions of the previous year.
Change in methodology	1.2	Decrease	ANZ operates in 34 countries globally and there are large variations in the emissions intensity of the electricity grids from which we source electricity. There can also be annual fluctuations in the emissions factors for electricity grids that reflect changes in the mix of fuels used to generate electricity in the countries/states in which ANZ operates from year to year. While ANZ's purchase of electricity decreased by 3.3% from the previous year, our overall Scope 2 emissions decreased by 4.0%. The impact of these reduced Scope 2 emissions factors helped to reduce our combined Scope 1 and 2 emissions by 1.2% from the previous year.
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	There were no unidentified reasons that contributed to the 1.3% decrease in ANZ's Scope 1 and 2 emissions

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
		change	from the previous year.
Other	0	No change	There were no other reasons that contributed to the 1.3% decrease in ANZ's Scope 1 and 2 emissions from the previous year.

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
9.94	metric tonnes CO2e	21094	Location-based	6.1	Decrease	Global Scope 1 and 2 emissions decreased by 1.3% 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

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
						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. Meanwhile ANZ's Operating Income increased by 5% to $AUD 21,094m. These two factors have combined to achieve a 6.1% reduction in the metric of CO2 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
4.12	metric tonnes CO2e	full time equivalent (FTE) employee	50875	Location-based	6.6	Decrease	Despite a 5.7% increase in global FTE numbers from the previous year, ANZ was able to reduce its global Scope 1 and 2 emissions by 1.3%. While we managed to halve the growth in electricity usage in our data centres compared to the previous year, it still continues

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
							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 6.6% reduction in this indicator from the previous year highlights the effectiveness of ANZ's emission reduction activities implemented across our global property portfolio.
0.636	metric tonnes CO2e	megawatt hour (MWh)	329496	Location-based	1.6	Decrease	A 0.7% 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 trigeneration plant at our corporate headquarters in Melbourne has also played an important emission-reducing role. This plant has reduced our reliance on carbon-intensive electricity sourced from the grid which is generated mostly from the burning of coal. Overall, global Scope 1 and 2 emissions decreased by 1.3% from the previous year as a result of various voluntary emission reduction activities.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

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

CC13.1a

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

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

CC13.1b

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

CC13.2

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

Yes

CC13.2a

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

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit purchase	Wind	Inner Mongolia Hangjin Yihewusu Wind Power Project	VCS (Verified Carbon Standard)	235000	235000	Yes	Voluntary Offsetting
Credit purchase	Biomass energy	Biogas Program for Animal Husbandry Sector of Vietnam	Gold Standard	40000	40000	Yes	Voluntary Offsetting
Credit origination	Energy efficiency: service	Commercial Lighting Upgrade - 100 Queen St Melbourne	Other: Victorian Energy Efficiency Target (VEET) Scheme - Prescribed Activity	7268	7268	Not relevant	Other: A Prescribed Activity under the Victorian Energy Efficiency Target (VEET) Scheme that is eligible to create Victorian Energy Efficiency Certificates (VEECs). The VEECs are required to be obtained and surrendered by large energy retailers liable under the VEET. Each unit represents 1 tonne of carbon dioxide equivalent.

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	4930	ANZ calculates the upstream emissions associated with the production and transportation of paper that is used for office-based purposes and in customer communications. Emissions from this source are estimated by multiplying the tonnage of paper by emission factors that reflect the ‘cradle-to-gate’ emissions associated with the production and transport of one tonne of paper. The choice of emission factor is dependent on whether the fibre used to produce the paper is sourced from virgin or post-consumer recycled material and whether the paper is produced in Australia or imported. These emission factors have been derived from research commissioned by EPA Victoria, a statutory authority in Australia. ANZ also purchases ‘carbon neutral’ paper for some of its office paper needs in Australia and New Zealand. This paper that is certified under the Australian Government’s National Carbon Offset Scheme is counted as having zero emissions. Office paper usage by ANZ’s APE&A operations are estimated by extrapolating average staff paper use in ANZ’s Australian, New Zealand and Bangalore (India) operations.		Paper-based emissions are a material source of emissions for ANZ to track given that paper-based materials have traditionally been the most common medium by which we communicate with customers. ANZ is actively working to reduce our reliance on paper-based communication by providing our customers with the option to shift to digital channels 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 924 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

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					deemed not to represent a material source of Scope 3 emissions for the following reasons: Firstly, ANZ has a limited ability to influence emissions reductions activities of the producers of materials that make up the finished capital goods that we purchase each year. Secondly the emissions embedded in capital goods do not make a material contribution to ANZ's risk exposure and as such have not been deemed critical by our key stakeholders. Thirdly, most of the computers and office machines in our branches and commercial offices across 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	34004	ANZ calculates the following upstream fuel and energy related emissions for inclusion in its global Scope 3 inventory: 1) Extraction, production and transportation of liquid and gaseous fuels consumed by ANZ; 2) Extraction, production and transportation of fuels consumed in the generation of electricity used by ANZ; and 3) Generation of electricity that is lost in		When Scope 3 emissions from fuel and energy related activities are added to those covered in Scope 1 and Scope 2, they represent over 73% of ANZ's total global carbon emissions. Accordingly, the main focus of our emissions reduction activities is reducing our consumption of fuels and electricity.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			transmission and distribution. Emissions from these sources are estimated based on multiplying fuel and electricity consumption figures by emissions factors that are relevant 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 eg paper, these are accounted for under the Scope 3 category ‘Purchased products and services’.
Waste generated in operations	Relevant, calculated	2073	ANZ undertakes bi-annual audits of its general waste stream that is destined for landfill. These audits are undertaken for a period of 2 weeks each at key commercial facilities in Australia and New Zealand. The results of these waste audits		ANZ has not attempted to calculate emissions associated with recycling or waste water treatment as it is non-material (<1% of emissions) and not relevant given ANZ’s operations do not involve any processes that

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			are used to estimate daily waste generation per staff member which is then extrapolated across ANZ's global workforce to arrive at an estimated annual figure for the tonnage of waste landfilled. Annual figures are then multiplied by emissions factors outlined in the NZ Guidance for Voluntary, Corporate Greenhouse Gas Reporting (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 .		involve generation of industrial or commercial wastewater. Nitrous oxide emissions arising from the on-site treatment of 'blackwater' at ANZ's corporate headquarters in Melbourne are accounted for under Scope 1 emissions.
Business travel	Relevant, calculated	55587	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		ANZ does not currently incorporate emissions that are associated with business travel on public transport (eg buses, trams & trains) into its global GHG inventory. It is estimated they make a small contribution to the business travel emissions of ANZ.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			hotel is situated are used to calculate hotel electricity related emissions. Emissions from private vehicle business-related travel are estimated based on reimbursement claims submitted by staff. Assumptions on the type of car driven by staff are then used to calculate the emissions. Taxi emissions are estimated based on assumptions on the average amount of kilometers travelled per $AUD of expenditure and then multiplying the total kilometers travelled by an emissions factor appropriate for a typical taxi vehicle. In NZ, taxi related emissions are calculated based on standard factors from the NZ Guidance for Voluntary, Corporate Greenhouse Gas Reporting (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	22888	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,		ANZ recognises that the commuting emissions attributable to over 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

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
			visitors and contractors entering these buildings 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.		corporate headquarters in Melbourne also 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	6070	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

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
					distribution. It has therefore been determined that this is not a relevant Scope 3 category for ANZ.
Processing of sold products	Not relevant, explanation provided				As a provider of banking and financial services, ANZ does not sell physical products that require downstream processing. It has therefore been determined that this is not a relevant Scope 3 category for ANZ.
Use of sold products	Not relevant, explanation provided				ANZ offers both internet and mobile banking platforms to our customers. It is recognised that the provision of these platforms results in indirect consumption of energy that is associated with the electricity used to operate/recharge the devices that customers use to access these platforms. While there are millions of transactions performed by our customers on these platforms each year, this is deemed to be a minor source of Scope 3 emissions due to the 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				ANZ did not lease any assets to any third party entities where the emissions from the operation

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
	provided				of those assets were not already calculated in ANZ's Scope 1 or 2 emissions inventory. It has therefore been determined that this is not a relevant Scope 3 category for ANZ.
Franchises	Not relevant, explanation provided				ANZ does not operate any 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	0.64	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		In Australia, the average emissions intensity of generation financed by ANZ is around 0.64 tonnes of CO2 per megawatt hour of electricity generated (tCO2/MWh) (this figure was calculated using emission data from three sources: (1) 2015 Australian Energy Market Operator (AEMO), (2) 2014 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 0.83tCO2/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

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
			emissions intensity of 0.42t CO2-e per megawatt hour then then the emissions attributable to ANZ's financing of this asset throughout the financial year would be 168,000t CO2-e (400,000MWh x 0.42 t CO2-e/MWh). Where debt was provided to more than one electricity generation facility as part of a single transaction, emissions were allocated to ANZ on the basis of the generation-weighted average emissions intensity across the generators in the transaction. The average emissions intensity of generation reported by ANZ is calculated by dividing the sum of allocated emissions by the sum of allocated generation.		around 0.20tCO2/MWh (this figure was 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/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC14.2a/15 ANZ GHG Inventory Opinion - Signed_Final.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/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/CC14.2a/15 ANZ GHG Inventory Opinion - Signed_Final.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	15.8	Decrease	The 15.8% 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 15.8% reduction is incremental to the 5% reduction we achieved the previous year.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in methodology	9.8	Decrease	While there was a 0.6% increase in global fuel and electricity purchases from the previous year, there was a 9.8% 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.
Waste generated in operations	Other: Increased FTE numbers	5.4	Increase	Continued improvements in the availability of office recycling systems and reductions in office printing in Australia and New Zealand helped reduce the amount of waste generated per FTE by 0.9% compared to the previous year. However a 5.7% increase in FTE numbers across ANZ's 34 countries meant that absolute waste generation increased resulting in higher overall emissions.
Business travel	Change in methodology	4.4	Decrease	While ANZ managed to reduce our business travel related footprint by 4.4% 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

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
				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 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	33.7	Increase	ANZ increased the scope of our employee commuting boundary from 10 commercial buildings to 19 commercial buildings for our 2015 disclosure. This expanded the employee commuting emissions from 12,000 FTEs to almost 16,000 FTEs.
Upstream leased assets	Emissions reduction activities	12.0	Decrease	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 that has reduced our proportional share of base building emissions.
Investments	Other: Changing energy generation portfolio	17	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 17% 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 engagement and measures of success

METHODS OF ENGAGEMENT:

Suppliers:

ANZ Supplier Code of Practice – We require all suppliers to comply with our Code. The Code requires suppliers to a) have an Environmental Management System b) embed environmental management principles within business operations; and c) continuously seek ways to maximise the efficient use of environmental resources. Suppliers are routinely assessed for their level of compliance with the SCOP. Suppliers with low levels of compliance are reviewed for the level of risk they represent and may be required to self-assess their compliance against the SCOP and, where necessary, to develop remediation plans.

Our Request for Proposal questions carry a minimum mandatory weighting of 5% for Corporate Responsibility. In FY15, 54 tenders were undertaken.

We also work closely with our Australian property Facilities Management partner to identify a pipeline of energy efficiency opportunities to reduce GHG emissions from our properties. The pipeline is reviewed and reported to stakeholders quarterly.

Customers:

We have Sensitive Sector Policies that guide decision making for customers operating in sensitive sectors, such as energy and mining. These policies guide how our bankers engage with customers and prospective customers in these industries.

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

Partnerships:
We have a formal partnership with the Australian Water Association.

STRATEGY FOR PRIORITISING ENGAGEMENT:

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

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

Partnerships:

ANZ's strategy for engaging with partners is based on an assessment of their alignment with ANZ's vision and 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 annual public targets with respect to supply chain management, achievement of which is a key measure of success. The FY15 targets, outlined below, were both met.
1) Continue third party screening of material suppliers based on spend and potential risk, against ANZ's SCOP, and where non-compliance is identified, monitor remediation.
2) Conduct a review of outcomes from ANZ's SCOP compliance process to identify key areas of Environmental, Social and Governance focus for ANZ in its supply chain for FY2016.

With regard to our engagement with our Facilities Management partner, $1.79 million of energy efficiency initiatives were implemented in 2015.

Customers:

A key measure in 2015 has been the growth of our 'green' products and services, including:
- launch of our first green bond, raising $600 million, the largest climate related bond by and Australian issuer;
- launch of ANZ's Solar program, providing consumer finance for rooftop solar for our retail customers, in partnership with Australian energy retailers, Alinta Energy and Snowy Hydro.
- engaged by a customer, a major Australian retailer, to explore energy efficiency and renewable energy options . ANZ was part of a project team evaluating the range of options available, assessing them against return on capital in order to prioritise key initiatives. The customer subsequently allocated capital to implement energy efficiency changes in LED lighting, refrigeration and air conditioning, with plans to roll out solar across its network in 2016.

Partnerships:
This year we have partnered with the Australian Water Association (AWA). The aim of this partnership is to leverage complimentary skills and expertise to assist AWA members to access finance, and facilitate the delivery of water expertise and technologies into Asian markets as demand for public/private partnership for social and resilient infrastructure initiatives increases.

CC14.4b

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

Number of suppliers	% of total spend (direct and indirect)	Comment

Number of suppliers	% of total spend (direct and indirect)	Comment
11	4%	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

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

How you make use of the data	Please give details
Identifying GHG sources to prioritize for reduction actions	ANZ measures and reports on our material GHG emissions. This requires working with key suppliers to build reporting which can help us calculate and evaluate the size of emissions associated with the supply of products and services; electricity supply; travel; accommodation; fleet and paper. Product information is particularly useful for helping us identify and prioritise GHG reduction projects for our property portfolio. For example, using energy efficient products in our ongoing Branch Redesign project is helping us improve energy efficiency and achieve sustained emission reductions across the network.
Managing the impact of regulation in the supply chain	ANZ's contracts have clauses that require our suppliers to comply with all local legislation. Our Facility Management (FM) contracts require our FM partners to ensure ANZ is compliant with any local environmental legislation. This helps to protect ANZ's brand reputation and minimise the environmental impact of our operations. Accordingly, ANZ has supply agreements with our air travel, accommodation, paper, print and fleet category providers that have a commitment for them to supply accurate information.

CC14.4d

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

Further Information

Attachments

https://www.cdp.net/sites/2016/87/1187/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC14.Scope3Emissions/ANZ Supplier Code of Practice.pdf

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
Alistair Currie	Group Chief Operating Officer	Chief Operating Officer (COO)

Further Information