



2023

# ESG SUPPLEMENT

Approved for distribution by ANZ's Ethics, Environment, Social & Governance Committee





## SHAPING A WORLD WHERE PEOPLE AND COMMUNITIES THRIVE

More than ever, ANZ has shaped itself as a bank that supports our customers across 29 markets.

And today, from individuals to businesses, we continue to build a bank that helps them achieve sustainable financial wellbeing.

It's an uncompromising purpose that helps our customers make the most of their world, every day.



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**Acknowledgement of Country and Traditional Owners**

ANZ acknowledges the Traditional Custodians of Country throughout Australia and recognises the continuing connection to lands, skies and waterways. We pay our respects to Aboriginal and Torres Strait Islander cultures, and to Elders past and present.

**Whakatauāki, ANZ New Zealand's Proverb**

*Tākiri-ā-Rangi* The expansive universe above

*Tākiri-ā-Nuku* The beauty of the proceeding lands below








*Tākiri Te Awatea* A new dawn beckons

*Kia Puawai Ki Te Ao* A blossoming to the world

*Te Kare A Roto E* With ripples of compassion and hope for all.

## OUR 2023 REPORTING SUITE



-  **2023 Annual Report**  
[anz.com/annualreport](https://anz.com/annualreport)
-  **2023 ESG Supplement**  
[anz.com/esgreport](https://anz.com/esgreport)
-  **2023 ESG Data and Frameworks Pack**  
[anz.com/esgreport](https://anz.com/esgreport)
-  **2023 Climate-related Financial Disclosures**  
[anz.com/esgreport](https://anz.com/esgreport)
-  **2023 Modern Slavery Statement**  
[anz.com/esgreport](https://anz.com/esgreport)
-  **2023 Corporate Governance Statement**  
[anz.com/corporategovernance](https://anz.com/corporategovernance)
-  **2023 Voluntary Tax Transparency Report**  
[anz.com/annualreport](https://anz.com/annualreport)

### About this report

On 3 January 2023, Australia and New Zealand Banking Group Limited (ANZ BGL) established by a scheme of arrangement, a non-operating holding company, ANZ Group Holdings Limited (ANZ GHL), as the new listed parent holding company of the ANZ Group and implemented a restructure to separate ANZ's banking and certain non-banking businesses into the ANZ Bank Group and ANZ Non-Bank Group (Restructure).

This report provides stakeholders with more detailed information on ANZ GHL and its subsidiaries (referred to as "ANZ" or "the Group" or "our") ESG performance and challenges.

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

The second section outlines our management of material ESG issues aligning with our focus areas of environmental sustainability; housing; financial wellbeing; customer experience; information security; ethics, conduct and culture; and information on employee wellbeing and inclusion.

### Frameworks

Our Self-assessment Index for the United Nations Principles of Responsible Banking; comparative performance data, including Equator Principles data; and our United Nations Guiding Principles Reporting Framework index are contained in our separate 2023 ESG Data and Frameworks Pack available at [anz.com/esgreport](https://anz.com/esgreport).

This report has been prepared in accordance with the Global Reporting Initiative (GRI) 2021 Standards. A complete GRI Index is available in our 2023 ESG Data and Frameworks Pack. We have considered aspects of the Sustainability Accounting Standards Board (SASB) Standards.

Additional information can also be found in the Financed Emissions Methodology and the Social and Environmental Sustainability Target Methodology available at [anz.com/esgreport](https://anz.com/esgreport).

### Assurance

KPMG has performed limited assurance with respect to this ESG Supplement and the ESG Data and Frameworks Pack, in accordance with the GRI Universal Standards. A copy of KPMG's independent limited assurance report is on pages 70-71.

### Boundaries

This report covers all ANZ operations over which, unless otherwise stated, we have control for the financial year commencing on 1 October 2022 and ending 30 September 2023. Monetary amounts in this document are reported in Australian dollars, unless otherwise stated.

### Reporting suite

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

This ESG Supplement complements our 2023 Annual Report available at [anz.com/annualreport](https://anz.com/annualreport). Our 2023 Climate-related Financial Disclosures,

subject to limited assurance by KPMG, describes our progress towards implementing our Climate Change Commitment and Environmental Sustainability Strategy, in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) 2017 recommendations. ANZ joined the Net-Zero Banking Alliance (NZBA) in 2021 and the report sets out how we are taking action in line with this commitment. The report is available at [anz.com/esgreport](https://anz.com/esgreport).

Our 2023 Corporate Governance Statement discloses how we have complied with the Australian Securities Exchange (ASX) Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th edition' and is available at [anz.com/corporategovernance](https://anz.com/corporategovernance).

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



You can trace our approach to **human rights** throughout this report using this symbol

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## DISCLAIMER & IMPORTANT NOTICES

The material in this report contains general background information about the Group's activities current as at 9 November 2023. It is information given in summary form and does not purport to be complete. It has a sustainability focus and does not reflect the totality of the Group's business activities. For a more complete overview of the Group's business, see the ANZ Annual Report available at [anz.com/shareholder/centre/](https://anz.com/shareholder/centre/).

It is not intended to be and should not be relied upon as advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

### Forward-looking statements

This report may contain forward-looking statements or opinions including statements regarding our intent, belief or current expectations with respect to the Group's business operations, market conditions, results of operations and financial condition, capital adequacy, sustainability objectives or targets, specific provisions and risk management practices. When used in the report, the words 'forecast', 'estimate', 'goal', 'target', 'indicator', 'plan', 'pathway', 'ambition', 'modelling', 'project', 'intend', 'anticipate', 'believe', 'expect', 'may', 'probability', 'risk', 'will', 'seek', 'would', 'could', 'should' and similar expressions, as they relate to the Group and its management, are intended to identify forward-looking statements or opinions. Those statements are usually predictive in character; or may be affected by inaccurate assumptions or unknown risks and uncertainties or may differ materially from results ultimately achieved. As such, these statements should not be relied upon when making investment decisions. These statements only speak as at the date of publication and no representation is made as to their correctness on or after this date. Forward-looking statements constitute 'forward-looking statements' for the purposes of the *United States Private Securities Litigation Reform Act of 1995*. The Group does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

### Climate-related information

This report may contain climate-related statements, including in relation to climate-related risks and opportunities, climate-related goals and ambitions, climate scenarios, emissions reduction pathways and climate projections. While the Group has prepared the statements in good faith, climate-related statements are subject to significant uncertainty, challenges and risks that may affect their usefulness, accuracy and completeness, including:

- 1. Availability and reliability of data** – emissions and climate-related data may be incomplete, inconsistent, unreliable or unavailable (including information from the Group's clients), and it may be necessary to rely on assumptions, estimates or proxies where that is the case.
- 2. Uncertain methodologies and modelling** – methodologies, frameworks and standards used for calculations of climate-related metrics, modelling and climate data are not universally applied, are rapidly evolving and subject to change. This may impact the data modelling, approaches, and targets used in preparation of this report.
- 3. Complexity of calculations and estimates** – Estimating financed emissions (including allocating emissions to financing activities) and emissions reduction is complex and relies on assumptions and judgments, often made in respect of long periods of time. For facilitated emissions, suitable standards to allow financial institutions to calculate facilitated emissions are still under development as at October 2023.
- 4. Changes to climate-related governing frameworks** – changes to climate-related policy, laws, regulations and market practices, standards and developments, including those resulting from legal proceedings and regulatory investigations.
- 5. Lack of consistency in definitions and climate-science terminology subject to changes** – definitions and standards for climate-related data and assessment frameworks used across industries and jurisdictions may vary, and terminology and concepts relating to climate science and decarbonisation pathways may evolve and change over time. These inconsistencies and changes can also make comparisons between different organisations' climate targets and achievements difficult or inappropriate.

- 6. Reliance on third parties for data or involvement** – the Group may need to rely on assistance, data or other information from external data and methodology providers or other third parties, which may also be subject to change and uncertainty. Additionally action and continuing participation of third parties, such as stakeholders, may be required (including financial institutions and governmental and non-governmental organisations).

Due to these uncertainties, challenges and risks, statements, assumptions, judgments, calculations, estimates or proxies made or used by the Group may turn out to be incorrect, inaccurate or incomplete. Readers should conduct their own independent analysis and not rely on the information for investment decision-making.

The information in this notice should be read with:

- The qualifications, limitations and guidance included throughout this report
- ANZ Data and Frameworks Pack available at [anz.com/esgreport](https://anz.com/esgreport)
- ANZ Financed Emissions Methodology available at [anz.com/esgreport](https://anz.com/esgreport)
- ANZ Greenhouse Gas Reporting and Carbon Offset Guidelines available [anz.com.au/about-us/esg/environmental-sustainability/environmental-footprint/](https://anz.com.au/about-us/esg/environmental-sustainability/environmental-footprint/)
- ANZ Social and Environmental Sustainability Target Methodology available [anz.com/esgreport](https://anz.com/esgreport)

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## 2023 ESG PERFORMANCE SNAPSHOT

### Environmental sustainability

~\$8.8B

funded and facilitated<sup>1</sup> in social and environmental outcomes

80%

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

### Ethics, conduct and culture

Spent \$11.7M

with 46 Indigenous businesses in Australia

### Financial wellbeing

36%

of ANZ Plus customers have set up a savings goal since October 2022

More than 87,000

participants in our financial education programs<sup>2</sup>

### Employee wellbeing and inclusion

87%

employee engagement

37.3%

of women in leadership<sup>5</sup>

### Housing

Over \$5.3B

funded and facilitated to deliver more affordable, accessible and sustainable homes to buy and rent since 2018<sup>3</sup>

Supported more than 8,000

customers into healthier homes in New Zealand<sup>4</sup>

### Information security

Stopped more than \$100 M

going to criminals<sup>6</sup>



Launched in 2022, ANZ Plus is a new digital way to bank. Starting with a save and transact proposition, ANZ Plus has grown to nearly 462,000 customers in 2023.

[READ MORE ON PAGE 35](#)

Image: ANZ Plus Coach.

1. Target to fund and facilitate at least \$100 billion by end 2030 in social and environmental outcomes through customer activities and direct investments by ANZ, commenced 1 April 2023. 2. Includes individuals who have participated in more than one program (for example, people who have participated in MoneyMinded as part of Saver Plus are counted twice as they are included in both the MoneyMinded and Saver Plus totals). 3. In Australia and New Zealand. 4. Cumulative, includes the following products that have been provided since 1 October 2020: Healthy Home Loan Package and Good Energy Home Loan. 5. Measures representation at the Senior Manager, Executive and Senior Executive levels. Includes all employees regardless of leave status but not contractors (who are included in Full Time Equivalents (FTE)). 6. Via our people and systems, in reference to scams protection.

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## ABOUT OUR BUSINESS

We provide banking and financial products and services to over 8.5 million retail and business customers, and operate across 29 markets.

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

### Our organisation

On 3 January 2023, Australia and New Zealand Banking Group Limited (ANZ BGL) established by a scheme of arrangement, a non-operating holding company, ANZ Group Holdings Limited (ANZ GHL), as the new listed parent holding company of the ANZ Group and implemented a restructure to separate ANZ's banking and certain non-banking businesses into the ANZ Bank Group and ANZ Non-Bank Group (Restructure).

The ANZ Bank Group comprises the majority of the businesses and subsidiaries that were held in ANZ BGL prior to the Restructure. The ANZ Non-Bank Group comprises banking-adjacent businesses developed or acquired by the ANZ Group to focus on bringing new technology and banking-adjacent services to the ANZ Group's customers, and a separate service company.

### Our divisions

- **Australia Retail** – serves retail customers across Australia through our branch network, ATMs, digital and mobile banking applications including ANZ Plus.
- **Australia Commercial** – serves commercial and private banking customers across Australia through our business centres, digital and mobile banking applications.
- **Institutional** – serves institutional and business customers across Transaction Banking, Loans and Specialised Finance, and Markets.

- **New Zealand** – serves retail and commercial banking customers in New Zealand and is one of the largest New Zealand companies based on profit and assets.
- **Pacific** – provides products and services to retail and commercial customers located in the Pacific Islands, where our history dates back 139 years.
- **Group Centre** – provides support to the operating divisions including Technology, Property, Risk Management, Financial Management, Treasury, Strategy, Marketing, Talent & Culture, Corporate Affairs and Investor Relations.

### Our purpose and strategy

Our purpose is to shape a world where people and communities thrive. It explains why we exist and drives everything we do at ANZ, including the choices we make each day about those we serve and how we operate.

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

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

Through our purpose we have elevated three areas facing significant societal challenges aligned with our strategy and our reach:

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

### Our values

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

#### Our values are

Integrity



Collaboration



Accountability



Respect



Excellence



### Supporting sustainable development

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

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

We have reported our progress towards implementing the Principles using the Reporting and Self-assessment Index, available in our ESG Data and Frameworks pack at [anz.com/esgreport](https://anz.com/esgreport). This year KPMG have also provided limited assurance over our Self-assessment Index.



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## ESG GOVERNANCE AND RISK MANAGEMENT

### ESG governance and risk management

The ANZ Group Holdings Limited Board (Board) is responsible for the oversight of the Group, and its overall governance and performance, with specific duties as set out in its charter available at [anz.com/corporategovernance](https://anz.com/corporategovernance).

The Board, with the support of the Board Committees, is also responsible for oversight of ANZ's governance framework. The framework seeks to provide for effective and responsible decision making, assisting ANZ in delivering on its strategy and purpose.

There are six principal Board Committees: the Ethics, Environment, Social and Governance (EESG) Committee; the Audit Committee; the Risk Committee; the Human Resources Committee; the Digital Business and Technology Committee; and the Nomination and Board Operations Committee. Each Committee has its own charter setting out its roles and responsibilities. Further details about Board Committees are contained in ANZ's Corporate Governance Statement available at [anz.com/corporategovernance](https://anz.com/corporategovernance).

At management level, the Group Executive Committee comprises ANZ's most senior executives. A delegations of authority framework outlines those matters delegated to our Chief Executive Officer (CEO) and other members of senior management. In addition, a number of formally established management committees deal with particular ongoing issues.

Our ESG approach and its implementation, including how we manage our ESG risks and opportunities, are primarily overseen by the Board and management through our Board EESG Committee and executive Ethics and Responsible Business Committee (ERBC).

Governance and oversight of risk management, while embedded in day-to-day activities, is the focus of committees and forums across the bank. Refer to ANZ's 2023 Annual Report, available at [anz.com/annualreport](https://anz.com/annualreport), for an overview of ANZ's governance structure.

### Board and Board Committees

#### ANZ's Board

The Board is responsible to shareholders for the governance of the Group and oversees its operations and financial performance.

The role of the Board includes the promotion of the long-term interests of ANZ. To fulfil its role the Board sets and monitors the long-term implementation of ANZ's strategies and financial objectives. The Board has a specific responsibility to oversee and assess management's performance in achieving strategies and budgets approved by the Board and in monitoring and managing risk across ANZ.

ANZ's strategy is to improve the financial wellbeing and sustainability of our customers. We are focused on integrating our purpose and ESG approach into our business strategy.

Through our purpose – we have elevated three areas facing significant societal challenges aligned with our strategy and reach. For more information about our purpose and strategy see page 7.

Further, specific updates on our material ESG issues and related targets are presented periodically to the Board.

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

The Board EESG Committee, chaired by ANZ's Chairman, is responsible for assisting the Board by providing oversight of measures to advance our purpose, focusing on ethical and ESG matters.

In undertaking this role, the EESG Committee is responsible for oversight, review and approval of our ESG approach, objectives and performance, including our ESG targets.

The Board EESG Committee generally meets at least four times annually, meeting five times in 2023. Meetings typically open with an overview of the ESG operating environment, covering current and emerging issues, including regulatory and parliamentary inquiries, community sentiment, relevant international developments and our stakeholder engagement.

The Board EESG Committee also reviews ERBC meeting minutes and discusses material matters referred to the Committee from that body. The charter of the EESG Committee is available at [anz.com/corporategovernance](https://anz.com/corporategovernance).

#### Board Risk Committee

The Board Risk Committee (BRC) oversees the implementation and operation of the Group's risk management framework, including new and emerging risks, such as climate-related and biodiversity risks.

The BRC meets at least four times annually, meeting eight times in 2023. The charter of the Board Risk Committee is available at [anz.com/corporategovernance](https://anz.com/corporategovernance).

#### Board Human Resources Committee

The Human Resources (HR) Committee supports the Board on remuneration and other HR matters. It reviews the remuneration policies and practices of the Group, and monitors market practice and regulatory and compliance requirements in Australia and overseas.

The HR Committee has a strong focus on the relationship between business performance, risk management and remuneration, aligned with our business strategy.

A concurrent meeting of the HR, Risk and Audit Committees was held to review 2023 performance and variable remuneration recommendations at both the Group (i.e., assessment of the ANZ Group Performance Framework which included ESG-related objectives), CEO and Disclosed Executive<sup>1</sup> level. Refer below for ESG objectives and measures. Refer also to our Remuneration Report from page 46 of our Annual Report available at [anz.com/annualreport](https://anz.com/annualreport).

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1. Executive Committee members, excluding the CEO.



## Management Committees and Forums

### Ethics and Responsible Business Committee (ERBC)

The ERBC, chaired by the CEO, comprises Senior Executives and members from business divisions and Group functions.

The ERBC is a leadership and decision-making body that exists to advance our purpose and seeks to ensure that ANZ operates responsibly and achieves fair, ethical and balanced stakeholder outcomes. The ERBC approves relevant ANZ policies, such as those policies identified in ANZ's Climate Change Commitment. The ERBC provides leadership on our ESG risks and opportunities, monitoring progress (quarterly) against our ESG targets, which include those related to climate change.

The ERBC considers the social and environmental impacts of the industries, customers and communities ANZ serves. The ERBC is responsible for overseeing the ERBC Sub-Committee for sensitive wholesale transactions.

The ERBC is accountable to the Board EESG Committee in the effective discharge of its responsibilities. It operationalises Board objectives and makes decisions on issues and policies.

The ERBC meets at least four times annually, meeting five times in 2023.

### Board skills

The ANZ Board Skills Matrix, as set out in the 2023 Corporate Governance Statement, which is available at [anz.com/corporategovernance](https://anz.com/corporategovernance), outlines the key skills and experience the ANZ Board is looking to achieve in its membership and the number of directors with each skill or experience. Included in the skills matrix is Sustainability.

Our Directors collectively bring a broad range of skills, and current and prior experience which includes having held roles across sectors such as infrastructure, energy, mining, banking and agriculture. For further details on the experience of our Directors refer to [anz.com/annualreport](https://anz.com/annualreport).

In addition to having individuals on the Board with a variety of technical skills and experiences, the Board seeks to ensure that the Directors operate as a team. The Board is focused on the long-term success of the Group. Each Director has an individual perspective which facilitates respectful and constructive challenge of management and each other and allows for robust debate that may be required when navigating complex issues.

The Skills Matrix is reviewed by the Nomination and Board Operations Committee on a regular basis.

### Other management committees

Other management committees play a role in the management of risks.

#### Operational Risk Executive Committee (OREC)

is the primary senior executive management forum responsible for overseeing Operational Risk and Compliance Risk, risk profile, and the related Control Environment across the Group; and

### Credit and Markets Risk Committee (CMRC)

is the senior executive management forum responsible for the oversight and control of credit, market, insurance, and other material financial risks across the Group.

OREC and CMRC have responsibility for the overview of ANZ's management of new and emerging risks within their respective risk areas, which may include risks that are climate-related. This year, OREC and CMRC met eight and ten times respectively.

Activities undertaken by the ERBC will at times overlap, and inform, topics raised in OREC and CMRC as part of the executive oversight and risk management required to deliver on ANZ's purpose and strategy.

### Issues discussed this year at the Board EESG Committee and ERBC

Both committees discuss the areas of 'how we bank' and 'who we bank'. This year the committees have considered the below topics, including receiving briefings from internal and external subject matter experts. These briefings and meetings provide opportunities to support knowledge building and capability in a range of areas, for example:

- Biodiversity
- Engaging with 100 of our largest emitting business customers
- Decarbonisation pathways
- ANZ's reconciliation journey
- Scams
- Family violence
- Accessibility and disability inclusion

### Executive remuneration

ANZ's Remuneration Report within our Annual Report, available at [anz.com/annualreport](https://anz.com/annualreport), details how remuneration outcomes are determined for our most senior employees. In general, remuneration outcomes for the CEO and Disclosed Executives<sup>1</sup> take into consideration performance against ANZ's Group Performance Framework – which include ESG objectives and measures. For example, the 2023 Group Performance Framework includes:

- Maintaining industry leading employee engagement.
- Making meaningful progress on environmental sustainability strategies (e.g. fund and facilitate at least \$100 billion by end 2030).

Individual/Divisional performance scorecards also include ESG measures as relevant to the particular business. It is important to note that Group/Division performance objectives are not designed to capture all of our ESG targets – however our senior leaders are accountable for ensuring we focus on and achieve these, with regular review and oversight by the ERBC.

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## WHAT MATTERS MOST TO OUR STAKEHOLDERS

We engage with internal and external stakeholders through our annual materiality assessment. The results help inform our strategy, business practices – including Group Performance Framework – ESG targets and external reporting.

External views were sought across our major geographies through interviews with institutional investors, consumer and environmental non-government organisations, and our community partners on a broad range of ESG issues.

### Our material ESG issues

We're continuing to bring our purpose to life through our focus on complex issues of importance to society and our business strategy:

➤ **Environmental sustainability** remains one of the highest priority issues for our stakeholders, seen in terms of both risks and opportunities.

➤ The prevailing economic conditions mean **financial wellbeing** is recognised as particularly important.

➤ **Housing** is also identified as a key concern with our stakeholders, noting the close connection this has with financial wellbeing and the challenges associated with housing affordability and availability.

Our materiality assessment this year also highlighted the importance of three other issues:

➤ Customer experience

➤ Ethics, conduct and culture

➤ Information security

**Customer experience** and **ethics, conduct and culture** have been material ESG issues at ANZ for a number of years and remain foundational concerns for the bank; the latter is also core to our social licence to operate. Discussions with our stakeholders about **information security** also frequently referred to scams and their increasing prevalence and financial impact.

These six issues are largely consistent with our 2022 assessment.

### Our assessment process

This year, we increased our level of external engagement and review of the external environment. Our assessment approach is consistent with the *Global Reporting Initiative (GRI) Standard GRI G3: Material topics 2021* and draws on the *Sustainability Accounting Standards Board (SASB) Conceptual Framework 2017*. Our approach considered our impact of ESG issues on the economy, environment, and people, including impacts on their human rights, as well as the impact ESG issues may have on our operating performance. To do this, we used double materiality – seeking views from stakeholders on both: ANZ's impact – both positive and negative – on society and the environment (externally focused), and ANZ's ability to create value (internally focused).



Image: ANZ Centre, Melbourne.

Our alignment with the GRI reporting framework and considers the SASB reporting framework, among others, are contained in our 2023 ESG Data and Frameworks Pack available at [anz.com/esgreport](https://anz.com/esgreport).

To identify changes in our ESG risks and opportunities that should be reflected in the list of material issues (refer to pages 10-12), we considered the following:

- Our purpose, strategy, values and Code of Conduct (refer to pages 7 and 46)
- Our Key Material Risks (refer to pages 29-31 of our 2023 Annual Report available at [anz.com/annualreport](https://anz.com/annualreport))
- Recent regulatory developments, including developments in sustainability reporting standards
- Industry research and trends
- Investor reports and priorities
- Peer review
- Media review and analysis
- The United Nations Sustainable Development Goals (SDGs)

This year we also revised our longer list of material issues and our description of each issue based on feedback from stakeholders engaged through the process.











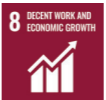






'Environmental sustainability' now covers climate change, and nature including biodiversity. Biodiversity, which we identified last year, continues to advance rapidly as important issues for ANZ to consider. 'Investing in the community' is renamed 'Thriving communities' to reflect our purpose. 'Employee capability and wellbeing' is renamed 'Employees' to incorporate all issues relating to our people. 'Innovation and technology' is renamed 'Digital banking experience'. 'Anti-money laundering and terrorism financing', 'Banking regulation', 'Corporate governance' and 'Fairness and ethical conduct' are consolidated into 'Ethics, conduct and culture' and 'Regulation and risk management'. 'Diversity and inclusion' has also been included once again.

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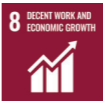

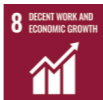



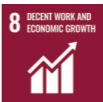

**Our most material ESG issues (not ranked)**

	Description of issue	Location of disclosure	Related UN SDGs
Customer experience	Offering affordable, accessible and responsible financial products and services that meet customer needs. This includes clear and transparent communications, selling practices, lending practices, and hardship and collections policies.	2023 ESG Supplement pages 35-41	
Environmental sustainability	Managing the business risks, opportunities and impact of our financing activities on climate change, nature including biodiversity, which includes supporting our customers to transition to a low carbon economy and supporting them to protect, restore and mitigate biodiversity loss.	2023 ESG Supplement pages 21-22 2023 Climate-related Financial Disclosures available at <a href="https://anz.com/esgreport">anz.com/esgreport</a> 2023 Annual Report pages 12-13 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a>	      
Ethics, conduct and culture	Maintaining a strong corporate culture known for ethics, integrity and conducting our business responsibly, and aligned to our purpose and values.	2023 ESG Supplement pages 46-60 2023 Annual Report pages 17 and 31 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a>	 
Financial wellbeing	Building financial knowledge and resilience through our products, services and partnerships to help our people, customers and communities meet their current financial commitments and future goals.	2023 ESG Supplement pages 26-34 2023 Annual Report pages 6 and 9-10 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a>	   
Housing	Improving the availability of and access to suitable and affordable housing for all Australians and New Zealanders.	2023 ESG Supplement pages 23-25 2023 Annual Report pages 6-8, 10 and 24 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a>	   
Information security	Responding and continually adapting to scams, fraud and cyberattacks that threaten the confidentiality and security of systems and data.	2023 ESG Supplement pages 42-45 2023 Annual Report pages 8 and 25-26 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a>	

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**Other ESG issues (not ranked)**

	Description of issue	Location of disclosure	Related UN SDGs
Digital banking experience	Keeping pace with technology innovation to deliver banking products and services through reliable and convenient digital channels and services.	2023 ESG Supplement pages 35-36 2023 Annual Report pages 4, 6-8 and 24 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a>	
Diversity and inclusion	Supporting a diverse and inclusive culture for our workforce and community to better serve the varied needs of customers.	2023 ESG Supplement pages 65-68	 
Employees	Attracting and retaining capable and engaged employees by supporting their wellbeing, ensuring fair and equitable remuneration, and helping them develop their career.	2023 ESG Supplement pages 61-64	  
Human rights	Supporting and respecting the human rights of our people, customers and communities, including through the expectations we have of our business customers, suppliers and partners.	2023 ESG Supplement pages 54-55	 
Regulation and risk management	Having appropriate governance frameworks, policies and processes to comply with evolving regulatory requirements and to manage emerging environmental, social and governance risks.	2023 ESG Supplement pages 8-9 and 49-50 2023 Annual Report pages 24-31 available at <a href="https://anz.com/annualreport">anz.com/annualreport</a>	
Thriving communities	Supporting the communities in which we operate through volunteering, grants, workplace giving and disaster relief to contribute to thriving communities.	2023 ESG Supplement pages 32-34	  

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## STAKEHOLDER ENGAGEMENT

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

To demonstrate trustworthiness and build on existing confidence, we have communicated openly, embedding stakeholder engagement in our policies, processes and operations. Outlined below are the key issues raised by our stakeholders throughout the year and how we responded.

### Customers

#### How we engaged

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

#### Key issues raised

- Increasing interest rates and how it impacts cost of living pressures
- Conduct and culture
- Products, fees and charges
- Customer service including access to branches in regional Australia
- ANZ's digital propositions and the ANZ Plus app launch
- Agreement to acquire Suncorp Bank
- Information security, scams and data privacy
- Societal challenges including Indigenous Voice to Parliament, housing affordability and natural disasters

#### How we responded

Our response to the issues raised by customers can be found on pages 23-27, 34-35, 38 and 42-48 of this document.

### Employees

#### How we engaged

- Annual 'My Voice' survey and regular 'pulse' surveys
- Interactive webcasts and teleconferences with CEO, Executive Committee and other internal or external guest speakers
- Direct people leader communication
- Internal communications channels, including email, intranet and Viva Engage
- Meetings with unions representing ANZ employees

#### Key issues raised

- Attracting, building and retaining workforce capability
- Business strategy and priorities including the agreement to acquire Suncorp Bank
- Professional growth and development
- 'Speak up' culture
- Our purpose and ESG focus areas
- Indigenous Voice to Parliament
- Diversity and inclusion
- Flexible working arrangements and return to the office
- Remuneration and reward; performance management

#### How we responded

Our response to the issues raised by employees can be found on pages 46-48 and 61-68 of this document.

### Government and regulators

#### How we engaged

- Meetings with members of Parliament, public officials and regulators
- Submissions to and appearances before Parliamentary committee inquiries and government and regulatory consultations

#### Key issues raised

##### AUSTRALIA

- Cost of living pressures, including the impact of interest rates on our customers and the economy
- Initiatives concerning financial crime, including reforms to Anti-Money Laundering/Counter Terrorism Financing (AML/CTF) laws, scam prevention and cyber security
- Initiatives concerning technology and privacy, including artificial intelligence, the consumer data right, reforms to Australia's privacy laws and digital identity
- ANZ's commercial activities, including the announced agreement to acquire Suncorp Bank and the measures required from government which are conditions precedent to the acquisition
- The provision of banking services in regional Australia and in respect of concerns relating to branch closures
- Initiatives relating to Australia's climate targets, including climate-related financial disclosures, support for hydrogen and sustainable financing

- Proposed reforms to the regulation of payment systems and licensing of payment functions
- The review into the quality of financial advice

##### NEW ZEALAND

- Regulatory issues including responsible consumer lending, the consumer data right, AML/CTF, environmental planning reforms for agribusinesses, merchant service fees, deposit compensation and prudential supervision
- Public policy development on issues including competition in retail banking, accessibility of banking services, climate resilience and climate-related financial disclosures, scams, housing, macroprudential tools, and payments
- Economic analysis and outlook provided by ANZ Research

#### How we responded

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

An overview of the work underway in response to issues raised is outlined on pages 21-22, 26-28, 38 and 42-45 of this document and pages 25-29 and 34-42 of the Climate-related Financial Disclosures available at [anz.com/esgreport](https://anz.com/esgreport).

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## Shareholders

### How we engaged

- Disclosures including results announcements, investor presentations, external reporting suite and ASX lodgements
- Shareholder engagement program including ANZ's shareholder centre website updates, written communication and shareholder discussions
- Interim and full-year results briefings
- ESG investor briefings, strategy and other market updates
- Annual General Meeting

### Key issues raised

- Approach to managing the bank and supporting stakeholders through a challenging economic environment
- Opportunities and challenges associated with current and future operating conditions
- ANZ's strategic focus, business priorities and competitive advantage
- ANZ's purpose and ESG approach, targets and progress

- Financial performance including revenue trends, cost management and contribution from our divisions
- Capital and balance sheet management including liquidity and funding positions, portfolio credit quality and risk management
- Establishment of ANZ's non-operating holding company structure
- Agreement to acquire Suncorp Bank
- Dividends
- Indigenous Voice to Parliament

### How we responded

We seek to provide shareholders with quality information in a timely manner through our reporting suite, announcements and briefings to the market, shareholder communications and our dedicated shareholder site. This year, we held a climate-focused investor roundtable and our sixth annual ESG investor briefing.

Our response to the issues raised by shareholders can be found on pages 7 and 15-20 of this document and pages 4-11, 24-26, 32-44, 84 and 126 of the 2023 Annual Report available at [anz.com/annualreport](https://anz.com/annualreport).



Image: ANZ Centre, Melbourne.

## Non-Government Organisations (NGOs)

### How we engaged

- Regular program of CEO and senior executive meetings with civil society leaders
- Direct engagement with NGOs and academics
- Regular engagement with peak bodies for professional community services such as financial counselling
- Regular meetings with our community partners

### Key issues raised

- Cost of living pressures
- Support for customers, employees and communities impacted by family violence and financial abuse
- Indigenous social and economic development
- Homelessness in Australia
- Customers requiring extra care, hardship programs and consumer protection
- Conduct and culture
- Climate change policies and risk management, and biodiversity

### How we responded

Our response to the issues raised by NGOs can be found on pages 20-21, 25-29, 37-40 and 46-48 of this document, pages 25-29 and 34-42 of our 2023 Climate-related Financial Disclosures available at [anz.com/esgreport](https://anz.com/esgreport).

## Industry associations

### How we engaged

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

Through our memberships we:

- participate in discussions about industrywide issues and strategy
- provide input to industry association responses to Parliamentary committee inquiries and government consultations
- engage with consumer representatives to discuss issues affecting customers
- participate in relevant ABA and NZBA working groups

### Key issues raised

- Review of the Banking Code of Practice
- Information security, scams and data privacy
- Climate change policy, climate risks and opportunities, climate-related financial disclosures
- Consumer data right and consumer credit reforms
- Modern slavery
- Housing including responding to Government initiatives and consultations

### How we responded

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

Our response to the issues raised by industry associations can be found on pages 21-25, 42-45 and 55 of this document, and pages 25-29 and 34-76 of our 2023 Climate-related Financial Disclosures available at [anz.com/esgreport](https://anz.com/esgreport).

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## OUR ESG TARGETS

Each year we set public targets that reflect our ESG focus areas, support the delivery of our business strategy and respond to our most material ESG issues. Progress against targets is reviewed by the executive Ethics and Responsible Business Committee quarterly and twice a year by the Board Ethics, Environment, Social and Governance Committee.

### 2023 TARGET PERFORMANCE STATUS

This year we have achieved, or made good progress against all targets.

3 have been achieved ✓

6 are partially achieved or in progress →


**Five of the targets were revised during 2023 or for 2024.**


Details of our 2023 targets and performance are set out on pages 16-18.


[GO TO SECTION](#)


### OUR MATERIAL ESG ISSUES


Customer experience 

Environmental sustainability 

Ethics, conduct and culture 

Financial wellbeing 

Housing 

Information security 

Details of our material issues are set out on pages 19-20.

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## 2023 ESG TARGETS PERFORMANCE SUMMARY

Targets	Performance	Status	Related UN SDGs
Have 30% or more of ANZ Plus Save customers set a savings goal, by end 2023.	36% of ANZ Plus customers have created a savings goal.	✓	
Establish seven new partnerships to expand the reach and improve the impact of MoneyMinded for disadvantaged communities, by end 2023.	We have established 14 new MoneyMinded partnerships since October 2020. These partnerships have enabled us to deliver MoneyMinded to more lower income people across the markets we operate in to help improve their financial wellbeing.	✓	
Fund and facilitate at least \$100 billion by end of 2030 in social and environmental outcomes through customer activities and direct investments. This includes initiatives that help lower carbon emissions, protect nature and biodiversity, increase access to affordable housing and promote financial wellbeing.	<p>Since 1 April 2023, we have funded and facilitated approximately \$8.8 billion, across 54 transactions, of which \$4.1 billion is funded and \$4.7 billion is facilitated.</p> <p>On 31 March 2023 ANZ concluded its \$50 billion by 2025 sustainable solutions target. We had funded and facilitated close to \$47.0<sup>1</sup> billion across 387 transactions and were forecast to meet our \$50 billion target well in advance of 2025.</p>	→ <b>Revised during 2023</b>	
<p>Engage with 100 of our largest emitting business customers to encourage them to, by end 2024:</p> <ul style="list-style-type: none"> <li>strengthen their low carbon transition plans so that more customers achieve a 'well developed' or 'advanced' rating; and</li> <li>enhance their efforts to protect biodiversity.</li> </ul>	<ul style="list-style-type: none"> <li>We re-engaged with all 100 customers on their low carbon transition plans and efforts to protect biodiversity this year.</li> <li>64 customers now have 'well developed' or 'advanced' plans versus 42 in September 2021.</li> <li>We prioritised engagement with 'underdeveloped / starting out' and 'no public plans' rated customers (those with less developed or no public plans) to seek improvements in their plans. Seven customers have improved from 'no public plans' to 'underdeveloped / starting out' in 2023.</li> <li>For biodiversity, 54 customers have targets, policies or strategies in place to protect biodiversity, with 61 making disclosures of their efforts to protect biodiversity.</li> <li>We are revising this target with a new phase of engagement with our largest emitting business customers commencing in 2024 triggered, in part, by the Safeguard Mechanism in Australia.</li> </ul>	→ <b>Revised for 2024</b>	

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1. This number is a restatement from our 2023 half year unaudited disclosures made on 5 May 2023. The \$50 billion target was closed after reaching \$47.09 billion; the closing audited balance has since been confirmed as \$46.99 billion.



2023 ESG TARGETS PERFORMANCE SUMMARY (CONTINUED)

Targets	Performance	Status	Related UN SDGs
<p>Improve the management of climate change risks through the following activities by end 2023:</p> <ul style="list-style-type: none"> <li>Preparing a set of risk standards based on regulatory obligations, to be applied across all countries and territories where ANZ operates;</li> <li>Extending our Climate Change Risk Assessment (CCRA) methodology beyond our Project Finance business, starting with Institutional customers in higher emitting sectors such as resources and energy;</li> <li>Developing a data strategy to inform our approach to sourcing and integrating climate data into sectoral transition pathways, scenario analysis, stress testing and analytics. This will include lessons learned from the New Zealand climate risk program.</li> </ul>	<ul style="list-style-type: none"> <li>We engaged an external provider to undertake an assessment comparing regulatory expectations across seven of the jurisdictions in which we operate: Australia, New Zealand, Singapore, Hong Kong, the United Kingdom, Europe and the USA. The assessment will help inform the integration of climate risk standards and obligations into our Non-Financial Risk Framework commencing from 2024.</li> <li>The CCRA has been digitised and integrated into our credit risk assessment process via our Online Customer Profile platform, alongside our Social &amp; Environmental Risk screening tool.</li> <li>The CCRA is being expanded beyond our Project Finance business starting with Institutional energy sector customers subject to the enhanced due diligence process and customers in our Large Emitters Engagement Program.</li> <li>The CCRA will continue to be rolled out to Institutional customers in a phased approach across 2024 and 2025.</li> <li>An Environmental Sustainability (ES) data strategy has been developed and endorsed by Data Prioritisation Forum members.</li> <li>We expect the data strategy will help us to develop a more coordinated, centralised approach to climate data that can be shared across divisions and jurisdictions in which we operate.</li> </ul>		
<p>Reduce the direct impact of our business activities on the environment<sup>1</sup> by:</p> <ul style="list-style-type: none"> <li>Reducing Scope 1 and 2 emissions by 85% by 2025 and 90% by 2030 (against 2015 baseline);</li> <li>Increasing renewable electricity to 100% by 2025<sup>2</sup>;</li> <li>Reducing water consumption by 40% by 2025 (against 2017 baseline);</li> <li>Reducing waste to landfill by 40% by 2025 (against 2017 baseline);</li> <li>Reducing paper consumption (both office and customer paper use) by 70% by 2025 (against 2015 baseline).</li> </ul>	<p>Scope 1 and 2 emissions have decreased by <b>80%</b> since 2015</p> <p><b>49%</b> of electricity consumption associated with our operations came from renewable sources in 2023</p> <p>Global water consumption has decreased by <b>61%</b> against a 2017 baseline</p> <p>Waste to landfill generated by global operations has decreased by <b>71%</b> since 2017</p> <p>Paper consumption has decreased <b>71%</b> since 2015</p>	 <p><b>Revised for 2024</b></p>	   

1. Environmental reporting year is 1 July – 30 June, in line with the Australian regulatory reporting year. 2. Self-generated renewable electricity, direct procurement from offsite grid connected generators e.g. Power Purchase Agreement (PPA) and default delivered renewable electricity from the grid, supported by credible attributes in accordance with RE100 technical guidelines

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2023 ESG TARGETS PERFORMANCE SUMMARY (CONTINUED)

Targets	Performance	Status	Related UN SDGs
Fund and facilitate \$10 billion of investment by 2030 to deliver more affordable, accessible and sustainable homes to buy and rent. (Australia /New Zealand)	<ul style="list-style-type: none"> <li>This year we have funded and facilitated around an additional \$610 million, bringing our total since October 2018 to over \$5.3 billion<sup>1</sup>.</li> </ul>	<p>→</p> <p><b>Revised for 2024</b></p>	
Support more customers into healthier homes through discounted lending of NZ\$300m funds under management and 12,000 households by end 2025. (New Zealand)	<p><b>Since Oct 2020:</b></p> <p>We have supported 9,482 households into healthier homes and drawn down NZ\$379.09 million through:</p> <ul style="list-style-type: none"> <li>Our Healthy Home Loan package</li> <li>Our Good Energy Home Loan Top Up</li> <li>Interest-free Insulation Loans<sup>2</sup></li> </ul>	<p>→</p> <p><b>Revised for 2024</b></p>	
Achieve the 17 actions in our Reconciliation Action Plan, by end 2024. (Australia)	<p>We continue to make good progress against the 17 actions in our RAP, delivering all objectives that fell due in 2023. This year, we:</p> <ul style="list-style-type: none"> <li>Launched a Commercial banking proposition, appointing two Indigenous Small Business Managers to work with our Indigenous Commercial customers.</li> <li>Partnered with Indigenous Business Australia to host a one-day CEO Assessment Clinic for the leaders of six Indigenous businesses.</li> <li>Spent \$11.7 million with Indigenous businesses (\$24.4 million since the RAP commenced).</li> <li>Implemented a Cultural Learning Strategy designed to improve the cultural competency of Australia-based non-Indigenous employees to meet the needs of Aboriginal and Torres Strait Islander customers, employees and community partners.</li> </ul>	<p>→</p> <p><b>Revised for 2024</b></p>	

1. Includes a cumulative \$4.4 billion disclosed in 2022, around \$610 million achieved in 2023 and an additional \$288 million in deferred deals from 2022 that have not previously been disclosed. 2. Product rolled off in July 2022.

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## ESG TARGETS FOR 2024

	TARGETS	MATERIAL ISSUES	RELATED UN SDGS
<b>New</b>	Encourage our customers to build and maintain financial resilience with the aim of having at least 2.5 million customers <sup>1</sup> with a financial buffer of approximately 6 weeks' expenses by end 2026. (Australia/New Zealand)		
	Pilot a savings program <sup>2</sup> for people on lower incomes in Fiji and Vanuatu by end 2025, with at least 80% of participants having demonstrated a savings habit <sup>3</sup> upon completion. (Pacific)		
<b>Revised during 2023 and for 2024</b>	Fund and facilitate at least \$100 billion by end 2030, including \$15 billion by end 2024, in social and environmental outcomes through customer activities and direct investments by ANZ. This includes initiatives that help lower carbon emissions, protect nature and biodiversity, increase access to affordable housing and promote financial wellbeing.		

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1. From a baseline of approximately 2.4 million customers as at 30 September 2023. 2. Saver Plus. 3. Eight out of 10 months saving (as per Saver Plus program), measured by participant survey data.

ESG TARGETS FOR 2024 (CONTINUED)

TARGETS	MATERIAL ISSUES	RELATED UN SDGS
<p><b>Revised for 2024</b></p> <p>Enhance our management of climate risks and opportunities by intensifying our engagement with our largest emitting business customers. We will expect and encourage them to strengthen their low carbon transition plans, by:</p> <ul style="list-style-type: none"> <li>focusing our engagement and raised expectations on our 100 largest emitting customers with the aim that by end 2025, compared to their starting point more customers achieve a 'well developed' or 'advanced' rating for their low carbon transition plans;</li> <li>extending the use of our Climate Change Risk Assessment methodology so that by end 2024 it has been used to support our engagement with the revised list of our 100 largest emitting customers.</li> </ul>		
<p>Reduce the direct impact of our business activities on the environment<sup>1</sup> by:</p> <ul style="list-style-type: none"> <li>Reducing combined scope 1 and 2 emissions 85% by 2025 and 90% by 2030 (against 2015 baseline);</li> <li>Increasing renewable electricity to 100% by 2025;</li> <li>Reducing water consumption by 40% by 2025 (against 2017 baseline);</li> <li>Reducing waste to landfill by 40% by 2025 (against 2017 baseline);</li> <li>Reducing paper consumption (both office and ANZ originated customer paper use) by 70% by 2025 (against 2015 baseline).</li> </ul>		
<p>Fund and facilitate at least \$10 billion of investment by end 2030, including \$750 million by end 2024, to deliver homes to buy and rent that are more affordable, accessible or sustainable<sup>2</sup>.</p>		
<p>Helping New Zealand homeowners improve the sustainability of their homes and/or reduce their transport emissions through discounted lending of at least NZ\$670m in aggregate to at least 16,000 households by end 2025. (New Zealand)</p>		
<p><b>Continues unchanged</b></p> <p>Achieve the 17 actions in our Reconciliation Action Plan, by end 2024. (Australia)</p>		

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1. Environmental reporting year is 1 July – 30 June, in line with the Australian regulatory reporting year. 2. Eligible housing transactions that also meet the eligibility criteria for the social and environmental target to achieve \$100 billion by end 2030 may contribute towards both targets.

## OUR APPROACH TO CLIMATE CHANGE



ANZ has chosen some key focus areas as part of our Environmental Sustainability Strategy:



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

Our Climate Change Commitment provides the framework to achieve our strategy of transitioning our lending to net zero in line with the goals of the Paris Agreement. We joined the Net-Zero Banking Alliance (NZBA) in 2021, reflecting that commitment and setting pathways<sup>4</sup> to support customers' emissions reductions.

Our Environmental Sustainability Strategy identifies focus areas, technologies and financing opportunities to help achieve our climate ambition.

The most important role we can play in the transition to net zero is to support our customers to reduce emissions and enhance their resilience to a changing climate. We support an orderly transition that recognises and responds to social impacts. This aligns with our purpose to shape a world where people and communities thrive. Supporting household, business and financial practices that improve environmental sustainability is a key part of our purpose.

We are continuing to evolve our work to encourage and support large emitting customers to implement robust and credible transition plans and will begin a new phase of this work in 2024, triggered, in part,

by the Safeguard Mechanism reforms in Australia. This engagement and our expanding sectoral pathways help steer our decisions about which customers we will support.

Our social and environmental sustainability target of \$100 billion funding and facilitation by the end of 2030 makes our aspiration clear. We have achieved close to \$8.8 billion in the first six months of this target. This target includes initiatives that help lower carbon emissions, protect nature and biodiversity, increase access to affordable housing and promote financial wellbeing. Detailed climate and nature-related disclosures are available in our 2023 Climate-related Financial Disclosures report available at [anz.com/esgreport](https://anz.com/esgreport).



**The information in this section should be read together with our disclaimer and important notices available on page 5 and our Climate-related Financial Disclosures and our Financed Emissions Methodology. Both documents are available at [anz.com/esgreport](https://anz.com/esgreport)**

**1.** Supporting sustainable resource extraction in areas such as iron ore, lithium, nickel, cobalt, rare earths, copper and bauxite. **2.** Supporting basic materials production including green steel and low-carbon aluminium production. **3.** Supporting new technology projects focused on upstream hydrogen and carbon capture use and storage. **4.** Our sectoral pathways are how we are, over time, steering up to nine of our highest emitting sectors in our loan portfolio towards the Paris Agreement goals as part of our commitment to the NZBA.

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## FINANCING SUSTAINABILITY

### New \$100 billion social and environmental sustainability target

On 31 March 2023 ANZ concluded its \$50 billion by 2025 sustainable solutions target. We had funded and facilitated close to \$47.0 billion<sup>1</sup> across 387 transactions and were forecast to meet our \$50 billion target well in advance of 2025. Refer to page 83 of the 2023 Climate-related Financial Disclosures available at [anz.com/esgreport](https://anz.com/esgreport) for details.

Therefore, on 1 April 2023 ANZ commenced a new social and environmental sustainability target to fund and facilitate at least \$100 billion by the end of 2030 in social and environmental outcomes through customer activities and direct investments by ANZ. The target applies to the Group and includes initiatives that help lower carbon emissions, protect nature and biodiversity, increase access to affordable housing and promote financial wellbeing.

Under this target, we have funded and facilitated approximately \$8.8 billion across 54 transactions. This includes green, social, sustainability and sustainability-linked loans and bonds, and energy and affordable housing transactions. Of these, \$4.1 billion of transactions are on-balance sheet loans and other credit lines provided to borrowers by ANZ, while close to \$4.7 billion has been facilitated – almost entirely through ESG-format bonds.

The majority of transactions included in the new social and environmental sustainability target to date were funding for sustainability-linked facilities, energy, affordable housing and green buildings (66%, 13%, 10% and 5% of funded transactions respectively) and facilitation of ESG-format bond issuances.

Since 2015, we have achieved \$74.9 billion in sustainable funding and facilitation over three sustainability targets. ANZ achieved \$19.13 billion

on our \$15 billion target, close to \$47.0 billion on our \$50 billion target and approximately \$8.8 billion on our \$100 billion target so far.

We include both customer transactions and direct investments by ANZ towards the \$100 billion social and environmental sustainability target. Customer transactions can be either unlabelled social and environmental sustainability activities or labelled sustainable finance transactions that are aligned with any of the 17 United Nations Sustainable Development Goals (SDGs). This recognises the importance of supporting sustainability and increasing demand from customers across more SDGs including those covering social issues, nature and biodiversity. Our detailed Social and Environmental Sustainability Target Methodology is available at [anz.com/esgreport](https://anz.com/esgreport).

#### HIGHLIGHT

##### KMD Brands Limited

KMD Group refinanced its syndicated debt facilities into NZ\$310 million equivalent sustainability-linked facilities, including guarantee lines in May 2023. The facilities featured updated sustainability targets of the KMD Group including reducing greenhouse gas emissions, continued B Corp certification, and improving transparency within its supply chain. ANZ acted as Sole Sustainability Coordinator, Sole Mandated Lead Arranger & Bookrunner, Facility Agent, and Security Trustee.

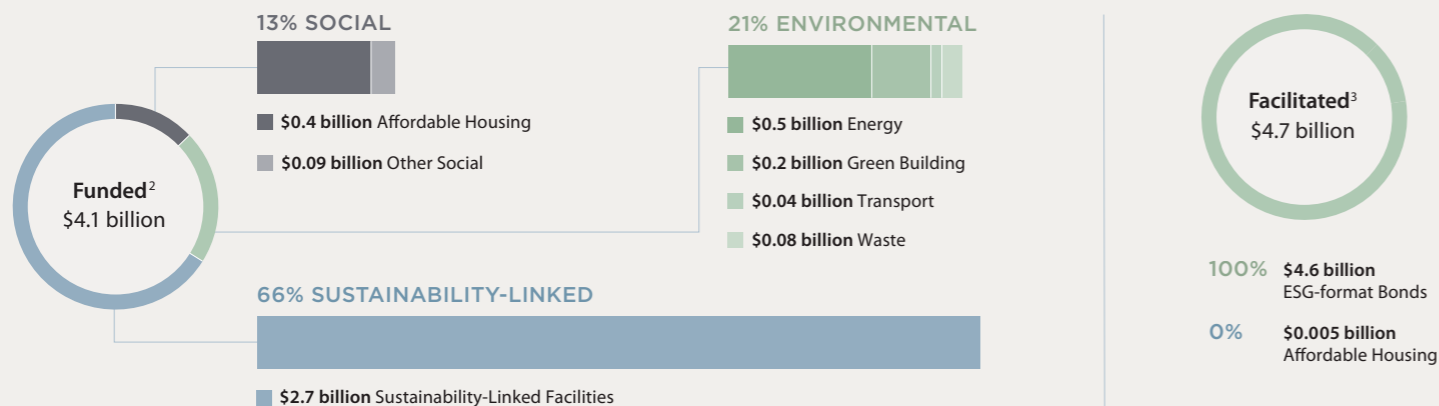
##### Impact Investment Exchange IIX

In December 2022, ANZ led the inaugural US\$50 million four-year Women's Livelihood Bond for Impact Investment Exchange (IIX), the world's first sustainable debt issued under the Orange Bond Principles which aims to mobilise gender-lens investing under an orange-labelled asset class.

The structure securitises a portfolio of loans to enterprises that are deemed to have a positive impact on women's livelihood and may not have access to international capital markets. The Bond's proceeds are intended to support approximately 280,000-300,000 women across Asia and Africa to transition to more sustainable, climate-resilient livelihoods.

The Women's Livelihood Bond Series leverages innovative financial instruments to advance gender equality at scale. ANZ has been involved in all five bond issuances totalling more than US\$120 million.

### Progress towards our \$100b social and environmental sustainability target



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1. This number is a restatement from our 2023 Half Year unaudited disclosures made on 5 May 2023 when the \$50 billion target was closed after reaching \$47.09 billion; the closing audited balance has since been confirmed as \$46.99 billion. 2. For more information on funded categories see ANZ's Social and Environmental Sustainability Target Methodology. 3. For more information on facilitated categories see ANZ's Social and Environmental Sustainability Target Methodology.

## IMPROVING THE AVAILABILITY OF SUITABLE AND AFFORDABLE HOUSING



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

- increasing the supply of new social and affordable housing into the market;
- backing new housing models from pilot to scale to support delivery of a housing pipeline; and
- financing emerging markets such as build-to-rent-to-own, specialist disability accommodation and land lease communities.

### Bringing more homes to market

**In 2018, ANZ announced a public target to fund and facilitate \$1 billion of investment by 2023 to deliver more affordable, secure and sustainable homes to buy and rent. In 2020, having exceeded that objective, ANZ extended the target.**

Today, ANZ's current housing target is to fund and facilitate \$10 billion in investment by 2030 for more affordable, secure and sustainable homes to buy and rent. We have already delivered around \$5.3 billion<sup>1</sup> into the housing sector, with around \$610 million delivered in 2023, a testament to our focus and the market's appetite.

Our target is focused on delivering more new housing supply to market. Specifically, how financial institutions can play their part in changing the market to deliver more of the right housing, in the right locations at the right price point for both rental and purchase.

This can be completed through the ongoing delivery of housing supply including backing of emerging markets, new market models and scalable pilot projects. Investment in social and affordable housing not only provides financial returns to investors, but also supports both the economy and society.

<sup>1</sup>. Includes a cumulative \$4.4 billion disclosed in 2022, around \$610 million disclosed in 2023 and around an additional \$288 million in deferred deals from 2022 that have not previously been disclosed.

### HIGHLIGHT

This year, ANZ supported the launch of a new project to market by specialist affordable housing fund manager Super Housing Partnership (SHP) and their venture partner, Assemble. SHP provides institutional investors with access to equity investments in new build-to-rent housing projects with a focus on social and affordable housing in Australia.

In September, construction commenced on SHP's first project located in Kensington, Victoria. The residential development comprises 362 apartments including 73 social, 73 affordable,

14 specialist disability accommodation and 202 private market rental homes.

Partnering with SHP, Assemble, HESTA, Treasury Corporation of Victoria, and Housing Choices Australia has delivered a project that clearly demonstrates the role innovative financial solutions can play when purpose-aligned organisations across government, the private market and the community sector, come together. It is significant that this represents a deal with no underlying government subsidy to deliver this project.



Image: Artist's render of the Super Housing Partnership's Kensington project.

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## DELIVERING \$5 BILLION OF HOUSING SUPPLY IN FIVE YEARS

Since 2018, ANZ has continued to focus on supporting our customers across each of our major housing strategy pillars, maintaining our focus on long-term supply initiatives. Examples of projects we have supported include:



### Social and Affordable Housing

Housing supply for government to meet the needs of vulnerable communities and for rental or purchase at 80% or below local market price. This includes affordable market housing, community and public housing, or affordable seniors living such as Land Lease Communities.

#### HIGHLIGHT

Funded a \$57 million facility to support the Conscious Investment Management Group's affordable housing investment fund in a partnership with Housing First to provide 307 apartments. Includes a 10-year subsidy from the Victorian Government which demonstrates the role the finance sector can play when the funding gap is bridged.



### Accessible Housing

Funding the development of homes, which are aimed at supporting people with disability to pursue their goals, realise their full potential and to exit inappropriate forms of existing accommodation such as hospitals and residential aged care.

#### HIGHLIGHT

ANZ is a leading financier with more than \$300 million of investment in the Specialist Disability Accommodation (SDA) sector since 2018 which finances groups, such as MySas and Synergis, that have developed purpose built accommodation for up to 530 SDA participants.



### Secure Housing

Housing supply that provides security of tenure for both rental and purchase. This includes build-to-rent-to-own, build-to-hold, and build-to-rent.

#### HIGHLIGHT

Supporting the expansion of Assemble's build-to-rent-to-own (BTRTO) model with three projects underway or completed including construction of a 199-apartment BTRTO project in Kensington, Victoria. The model seeks to overcome two major housing market hurdles: security of tenure and the deposit gap.



### Sustainable Housing

Housing supply that delivers above regulatory minimum standards for energy, water or waste. Includes 7-star NATHERS or above, carbon neutral, net zero and Green Star Communities.

#### HIGHLIGHT

In partnership with the Clean Energy Finance Corporation, completed a \$160 million green loan for residential developer Mulpha Australia to deliver nearly 200 apartments powered by 100% renewable energy with an all-electric and gas-free design.

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## Affordable and sustainable housing in New Zealand

In 2023, ANZ continued to support New Zealanders looking to combat rising energy and fuel costs and improve the environmental sustainability of their homes, encouraging better housing standards for both owner occupiers and renters through:

- Our **Healthy Home Loan** package offers interest rate discounts and fee savings for eligible<sup>3</sup> customers who are buying, building, renovating or already own a home with a 6 Homestar rating or higher.
- Our **Good Energy Home Loan** top up is available to existing eligible<sup>4</sup> home loan customers to upgrade their homes with solar panels, heating and insulation, double glazing, ventilation systems or rainwater tanks. It can also be used for electric and hybrid vehicles, electric bikes, and electric vehicle chargers. It allows customers to borrow up to NZ\$80,000 at a 3-year fixed interest rate of 1% per annum.

Across the two products since October 2020, 8,091 households drew down the loans, for an aggregate amount of NZ\$372.7 million.

This year, more than 11,000 Kiwis also took advantage of our new **Home Loan Check-In**. An average of 55% of these customers decided to take action following the check in, including making changes to their loan. The check in is designed to support customers through the current economic environment, to help ensure their home loan meets their needs.

Our ongoing partnership with the New Zealand Green Building Council includes support for **HomeFit** – a free online tool to check the health, comfort, energy efficiency and safety of new homes, or advise on how New Zealanders can improve the health of their current home.

### In-depth housing market analysis

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

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

In 2023, CoreLogic research showed fluctuations in interest rates, inflation and migration created a mismatch of housing supply and demand, creating a deterioration of rental affordability with a particular pain-point for low-income households leading to increased pressure on social housing providers and homelessness service providers. For first home buyers, record high rent values, a rising deposit hurdle and rising interest costs presented an unprecedented combination of challenges in the current housing market dynamic.

These insights further support our focus on delivering security of tenure for renters, including the opportunity to purchase; and the need to increase the supply of social and affordable housing. For more information visit [anz.com.au/about-us/esg/housing/](https://anz.com.au/about-us/esg/housing/)

### ANZ Community Foundation housing grants

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

- **Anika Legal (VIC)** – A free online legal service that provides reliable legal advice for renters to take control of their living arrangements. Provided a grant of \$20,000 to support people transitioning from homelessness into housing to understand tenant's rights.
- **YWCA (NT)** – A non-profit organisation providing safe and affordable accommodation and services to support women and gender diverse people experiencing homelessness, family violence or other crises. Provided a grant of \$23,500 to upgrade emergency accommodation for youth experiencing homelessness.



For more information about community giving see pages 32-34.

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## SUPPORTING FINANCIAL WELLBEING



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

ANZ has been exploring the financial literacy, capability, attitudes and behaviours of Australian adults for more than 20 years. This body of research has informed our approach to improving the financial wellbeing of our people, customers and communities by helping them make the most of their money throughout their lives.

Beyond providing core banking services, we have played a key role in leading research into what is

influencing financial wellbeing in Australia and New Zealand. Insights from our research are shared publicly so they can be used by government, community and corporate sectors to inform their work, and we use these insights to inform our products and services including ANZ Plus, as well as our financial education programs Saver Plus and MoneyMinded. More information on ANZ Plus can be found on page 35 and our financial inclusion programs can be found on pages 29-31.

### Measuring financial wellbeing

Financial wellbeing is measured by converting participants' responses to a series of questions into scores (out of 100) against components considered to make up overall personal financial wellbeing. An overall financial wellbeing score is created as an average of these components:

#### Four dimensions of financial wellbeing



#### MEETING EVERYDAY COMMITMENTS

How well people meet their current expenses



#### FEELING COMFORTABLE

How comfortable people feel about their current financial situation (next 12 months)



#### FINANCIAL RESILIENCE

The ability to cope with financial setbacks



#### FEELING SECURE FOR THE FUTURE

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### Tracking financial wellbeing

ANZ tracks the financial wellbeing of Australians with the ANZ Roy Morgan Financial Wellbeing Indicator, with the latest release comparing March 2023 results with June 2023.

The update pointed to a continued downturn in financial wellbeing in Australia this year. As a result, the proportion of Australians considered 'struggling' with their financial wellbeing (a score of less than 30 out of 100) increased to 19% of the population, up more than 3 ppt from the same time in 2022. The proportion of those struggling varied widely across demographics, including:

<p>Renters</p> <p><b>31.3%</b></p> 	<p>Aboriginal and Torres Strait Islander people</p> <p><b>28.3%</b></p> 
<p>Households with incomes of less than \$100,000 a year</p> <p><b>25.2%</b></p> 	<p>People aged 14-24</p> <p><b>23.2%</b></p> 
<p>People looking for work</p> <p><b>22.3%</b></p> 	<p>Women</p> <p><b>22.0%</b></p> 
<p>People living in country areas</p> <p><b>21.9%</b></p> 	

As the cost of living increased in early 2023, Australians began to feel less comfortable about their financial situation which led to a decline in their financial wellbeing. By September, Australians were finding it increasingly difficult to meet their everyday commitments.

The decline in meeting commitments for the March 2023 quarter was more evident among renters (down 4.9%) than those paying off their mortgage (down 0.8%) or those who own their home outright (down 0.7%).

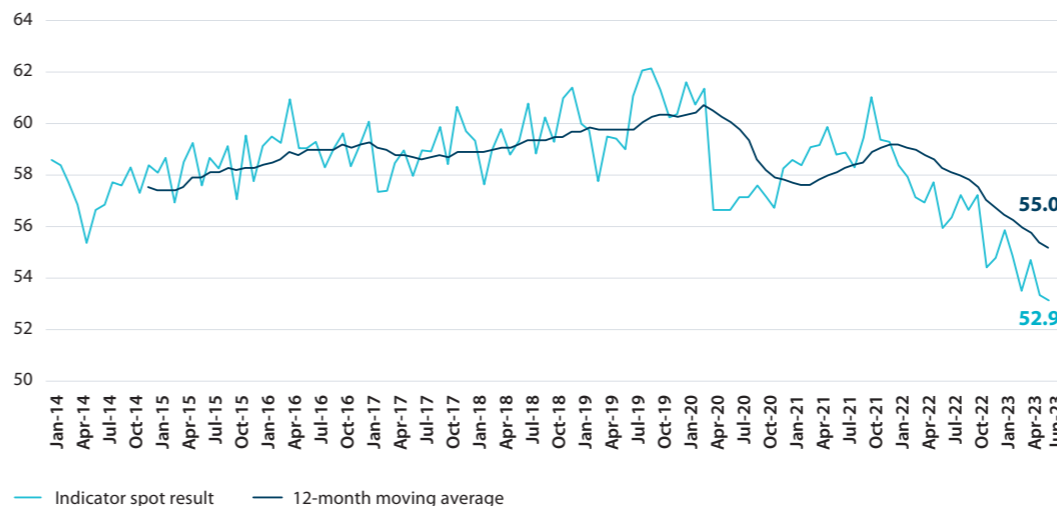
To 'make ends meet', renters appear to have several strategies including drawing down on savings,

increasing purchases on credit and seeking additional employment. Although people paying off their mortgage were also drawing down on their savings and increasing purchases on credit, they were not seeking additional employment, and people who own their home outright were primarily increasing purchases on credit.



More information about the Financial Wellbeing Indicator can be found at [anz.com.au/about-us/esg/financial-wellbeing/](https://anz.com.au/about-us/esg/financial-wellbeing/)

Financial wellbeing in Australia, monthly spot data and 12-month moving average (Jan-14 to Jun-23)



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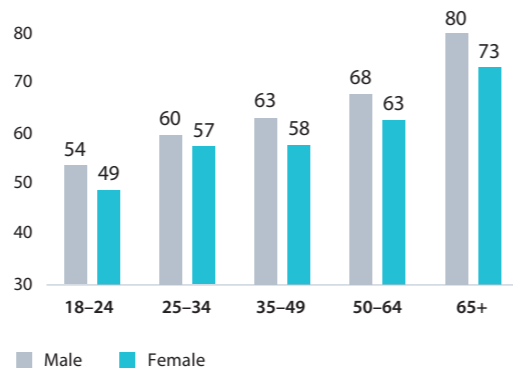
**A spotlight on Australian women**

ANZ research examined the factors driving a persistent gap between the financial wellbeing outcomes of women and men in Australia to help improve how we support female participants through our financial education programs. The research was released in March to recognise International Women’s Day.



The research found Australian women consistently experience lower financial wellbeing than men at every life stage. Socio-economic factors such as employment opportunities, household living arrangements and looking after dependents had a greater impact on the financial wellbeing of women than men throughout their lives. These factors have an ongoing influence on the ability for women to save and build financial resilience. While women and men tried equally to save, even if only a small amount, 17% of women reported not having any savings to fall back on compared to 10% of men.

**Financial wellbeing score by age and male/female (out of 100)**



**Impact of household type on women’s financial wellbeing score (out of 100)**

Living with spouse no children	Living with spouse with children	Single parent	Living alone
71	61	42	65

**Australians feeling confident they can plan their financial future**

Women	Men
64%	71%

**Australians feeling anxious about their future financial situation**

Women	Men
47%	37%

Women were also less likely to be building resilience for their longer-term future with lower levels of investment in long-term assets. Fewer women (35%) felt they would be able to save enough money to last them to the end of their life than men (45%). While socio-economic factors were key to this, financial confidence also played a significant role. At all age groups, women felt less confident about their ability to plan their financial future and were less likely to feel they understood the risks associated with financial products, particularly long-term investment products.

Most concerning, the gap in financial wellbeing begins early in adulthood with 18-24-year-old women having lower investment in risk assets than their male counterparts. This same demographic felt more anxious about their future financial situation than young men.

With these findings in mind, supporting women to build financial resilience and long-term financial security despite challenging socio-economic conditions appears key to their financial wellbeing. Fostering opportunities to build financial knowledge, particularly in longer-term investment risks and nurturing a workplace culture that supports all people to balance work and family commitments may also aid in growing financial confidence, behaviours and wellbeing. Refer to pages 65-68 for information on our approach to diversity and inclusion.



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

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**MoneyMinded: supporting financial wellbeing across our region**

MoneyMinded is ANZ’s flagship financial education program, supporting adults on lower incomes to build their financial skills, knowledge, and confidence. The program is delivered by community organisations in Australia and New Zealand. In addition, this year MoneyMinded was delivered in 14 markets across Asia and the Pacific region by community organisations and ANZ employees.

An estimated 927,500 people have participated in MoneyMinded, including MoneyBusiness, since 2002, with 83,974 participating this year.

Feedback from MoneyMinded coaches and participants about the impact of MoneyMinded is available in our annual Impact Reports at [anz.com.au/about-us/esg/financial-wellbeing/moneyminded/](https://anz.com.au/about-us/esg/financial-wellbeing/moneyminded/)



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

The success of MoneyMinded has relied on our partnerships with community organisations and individuals who are best placed to deliver the program within vulnerable and disadvantaged communities.

We have exceeded our target of establishing seven new partnerships by the end of 2023 to expand the reach and impact of MoneyMinded within these communities. Since October 2020, we have established 14 new MoneyMinded partnerships across New Zealand, Fiji, Timor Leste, and elsewhere in Asia and the Pacific.

To continue this work, we have set a new target to pilot a savings program<sup>1</sup> for people on lower incomes in Fiji and Vanuatu by the end of 2025, with at least 80% of participants having demonstrated a savings habit<sup>2</sup> upon completion. More details on our ESG targets can be found on page pages 15-20.

**Family violence education for prevention and recovery**

In 2016, ANZ introduced an extension of MoneyMinded designed specifically for people in the community experiencing family violence.

It’s not always easy to recognise victim survivors of abuse, but they are people we may have contact with every day in our families, workplaces, and

neighbourhoods. In many cases, a person may not immediately realise they’re experiencing family violence as the impacts extend beyond physical and emotional abuse.

One form of family violence is financial abuse in which perpetrators may control their victim’s finances or create debt in the victim survivor’s name. This limits the victim survivor’s capacity to meet basic needs, their freedom of choice and impacts their actions now and into the future.

Berry Street has been training family violence specialists in the enhanced MoneyMinded program – including a new range of visual resources, prompt cards, animations, and interactive handouts, supporting community professionals to talk about financial abuse with their clients in accessible ways.

According to one MoneyMinded for family violence trainer, the program has focused on the needs of victim survivors, identifying the warning signs of financial abuse and the tools to help them move forward financially.

*“The program is designed to be flexible and user friendly, adaptable to the needs of the victim survivor and the focus of the supporting agency,” they said. “I love the online tools and resources – they are so easy to use. As an experienced practitioner, I feel more confident to have conversations around money to support victim survivors.”*

Nearly 200 MoneyMinded for family violence coaches have been accredited this year to use these tailored resources with their clients following the program refresh.

Characteristics of MoneyMinded participants <sup>3</sup>			
	AUSTRALIA	NEW ZEALAND	ASIA-PACIFIC
Female	74.8%	60.0%	53.5%
Male	24.3%	37.0%	46.4%
Non-binary	0.9%	3.0%	0.1%
Sole parents	32.3%	36.9%	7.1%
Unemployed	20.3%	45.0%	23.9%
Aboriginal or Torres Strait Islander heritage	8.5%	N/A	N/A

1. Saver Plus. 2. Eight out of 10 months saving (as per Saver Plus program), measured by participant survey data. 3. Characteristics are from the 2023 MoneyMinded survey responses and do not include MoneyBusiness survey responses.

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### MoneyMinded in Australia

Community professionals working in a client facing role within the not for profit sector are eligible to attend MoneyMinded coach training, delivered in-person and virtually to support people accessing the training across Australia. Accredited coaches are given access to a suite of both physical resources and online resources they can use with their clients.

According to one accredited MoneyMinded coach, the resources and information were easy and useful. "I was recommended this training a while ago and finally decided to attend," they said. "I really like the session planning tool, so easy to use and able to be tailored for each person's unique needs."

Another accredited MoneyMinded coach said the information and discussions were relevant and provided a toolbox of information to better support the families they work with to expand their skills and knowledge. "It helps to better develop their money skills including creating a budget, reduce debt and work towards saving more regularly," they said.

### MoneyMinded in Fiji

Since 2010, MoneyMinded has been delivered across the Asia Pacific region, including in Fiji where ANZ and Fiji Rugby Union (FRU) have formalised a new partnership to help players, FRU staff and members improve their money skills, knowledge, and confidence.

A spokesperson for FRU said they "were pleased to strengthen our Vuvale partnership by locking in financial literacy training for our players, our staff and members, helping us to create a better financial future for our Fiji Rugby vuvale (family)."

According to ANZ Fiji Country Head Rabih Yazbek, Rugby Union players are some of the most important role models in Fiji. "When the country sees them making progress on their personal financial journey, it has a huge impact on their fellow Fijians," he said.

### MoneyMinded in New Zealand

Community Colleges NZ (Comcol) is one of ANZ Bank New Zealand's main MoneyMinded delivery partners. With five locations across the South Island, they have over 40 years' experience providing quality, hands-on learning and practical training to *rangatahi* (youth). Services include youth support, vocational training and preparation for employment.

More than 35 youth coaches have been trained to deliver MoneyMinded at Comcol, ensuring clients from Rangiora in North Canterbury down to Invercargill in Southland have the opportunity to learn and practice budgeting and goal-setting skills, standing them in great stead for their futures. This year, more than 250 clients have been reached through the program with ComCol.

Andrea Meier has delivered MoneyMinded at Comcol since 2022, leading over 20 clients through the course. She finds getting clients to go through their needs and wants using a series of cards is a real eye-opener. "It can vary so much from person to person," she says. "But before our students can learn to budget successfully, it's so important they separate their spending habits into the things they can't get by without and those which are nice to have, but not absolutely necessary."

### MoneyBusiness in Australia

MoneyBusiness was developed to build the money management skills and confidence of Indigenous Australians and develop a stronger savings culture in remote communities.

Developed in 2005 by ANZ in partnership with the Australian Government, it followed research showing financial exclusion was a significant challenge for Aboriginal and Torres Strait Islander people, particularly those living in remote communities. An estimated 90,400 people have participated in MoneyBusiness since 2005, with 4,702 participating this year.

#### Case study



### Overcoming remote challenges

As a team leader for Wunan Foundation, Ahmuth travels across remote communities in Western Australia including Kununurra, Wyndham, Doon Doon and Kalumburu to conduct financial education workshops specific to the unique needs of each community.

Ahmuth initially completed MoneyBusiness in 2016 and refreshed his training when the MoneyBusiness resources were updated.

"The transportable MoneyBusiness kit has proven to be an indispensable asset along my journey," he said. "It's convenient and the comprehensive resource is very reliable and accessible. It has supported my ability

to overcome remote challenges and capacity to build trust with participants, contributing to the success of the program in remote areas."

Ahmuth says the resources not only allows him to run efficient and effective workshops, they also align with his values of sustainability and environmental responsibility with electricity a common theme in his workshops this year.

"MoneyBusiness facilitates community engagement sessions, bringing together individuals who face similar changes," he said. "Through these group discussions, clients can share experiences, exchange ideas and find collective solutions to alleviate the impact of high electricity costs".

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Image: Saver Plus participant Danielle with her program coordinator.

### Saver Plus

Saver Plus is a matched savings and financial education program developed in 2003 by ANZ and the Brotherhood of St Laurence. Funded by ANZ and the Australian Government, Saver Plus is delivered in partnership with Berry Street, Brotherhood of St Laurence, and The Smith Family. The Saver Plus program supports lower income earners to build a savings habit, access financial education and receive matched savings of up to \$500 from ANZ to support their own, or their children's, education.

This year, Saver Plus celebrated 20 years of improving peoples' financial wellbeing by expanding from 60 individual sites to a national online program. The program is now available online to anyone in Australia who meets the eligibility criteria.

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

More than 3,200 Australians participated in Saver Plus this year, totalling more than 58,000 since 2003 who have saved more than \$29 million and received more than \$24 million in matched savings from ANZ for education costs. More than 80% of participants in the program are women<sup>1</sup>, half of all participants are single parents and 80% are not working full-time.

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

### Case study



## Meet Danielle, a Saver Plus participant

For many Australians, owning their own home is a dream that feels out of reach. As a mother to six children, Danielle found it hard to save for rainy days and even harder saving for a long-term goal.

Danielle participated in the Saver Plus program in 2014 while studying to become a counsellor and continued to use the Saver Plus ethos and her ANZ Progress Saver account after finishing the program.

"[One thing] that stuck with me was the repetition," she said. "Making sure to put money aside every week and I'm still doing that today."

Like many others, Danielle has had ups and downs. "I ended up losing work through COVID," she said. "But we managed to still save thanks

to Saver Plus." Danielle learnt a few tips throughout her time in the program about saving little amounts of money here and there. During this difficult time, Danielle also reached out to her former Saver Plus coordinator for advice and support. "They told me to keep focusing on my long-term goal, which was saving a deposit for a house," she said.

Through determination and savings fundamentals, Danielle and her husband achieved their long-term goal of being homeowners.

"We're currently living in that dream house," she said. "A sense of achievement came out of managing to put all that money aside all by myself. I feel very empowered."

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## COMMUNITY INVESTMENT

We invest in the communities in which we operate and play a role in supporting their capacity and resilience – supporting our purpose to shape a world where people and communities thrive. Throughout the year we have continued to work closely with our community partners to seek to provide support in a respectful, fair, and appropriate way, especially as cost-of-living pressures increase.

### 2023 contribution by type<sup>1</sup>

○	<b>CASH</b> \$23,851,566
	<b>TIME</b> \$3,048,733
	<b>MANAGEMENT COSTS</b> \$5,492,071
	<b>IN KIND</b> \$38,135
	<b>FORGONE REVENUE</b> \$109,216,186
<hr/>	
=	<b>TOTAL</b> \$141,646,691

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

In 2023, our community investment was \$141.6 million. In addition, we facilitated more than \$24.9 million in donations to community organisations through our employees, customers, shareholders, other partners, and the public, including through our digital giving platform Shout for Good.

Approximately \$8.4 million of our community investment totals (around 31% of our cash, time and in-kind contributions) contributed to programs and initiatives that support women and girls. We recognise women's social and economic empowerment is critical to achieving gender equality.



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



### Giving

Our workplace giving program enables employees in Australia to make contributions to around 30 charity partners aligned to our focus areas of financial wellbeing, housing and environmental sustainability through regular or once-off pre-tax payroll deductions. Donations are 'double matched' – ANZ donates two dollars for every dollar donated by an employee (up to \$5,000 per employee in a tax year). This year, ANZ and our Australian employees donated \$1,380,780 to our charity partners through workplace giving.

ANZ also double matches donations made by employees in New Zealand and Fiji through payroll to their respective staff foundations (charitable trusts that provide small grants). Together with our employees, we donated \$2,937,136 to charitable organisations in Australia, New Zealand, and Fiji in 2023.

#### Community grants

\$1.71 million in community grants were provided this year:

**\$250,000**      **\$440,000**

in ANZ Seeds of Renewal community grants

in ANZ Community Foundation grants

**NZ\$1.05m**      **FJ\$71,226**

in ANZ Bank New Zealand Staff Foundation grants

in ANZ Fiji Staff Foundation donations

#### Case study



### ANZ Seeds of Renewal grant program

This year marks the 20th anniversary of our partnership with the Foundation for Rural and Regional Renewal (FRRR) to deliver the **ANZ Seeds of Renewal program**, with more organisations across Australia receiving grants in 2023.

The program provides grants of up to \$15,000 to help build vibrant and sustainable communities in regional Australia. This year, we funded \$250,000 in community grants, shared between 20 projects.

In the 20 years since the program's inception, ANZ has donated more than \$5.75 million in small grants to over 800 community groups and supported more than 900 projects in regional Australia.



Image: Woodend CFA 2nd Lieutenant and Community Safety Officer Susan Hobbs and Ex-Captain and Deputy Group Officer Michael Dornau

### Volunteering

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

In 2023, our people volunteered 75,812.5 hours to community organisations. This represents more than 9,477 working days and \$3,048,733 in value to the community.

In 2023, ANZ Singapore was recognised by the Singapore National Volunteer & Philanthropy Centre (NVPC) as a **Champion of Good**. We were commended for our long-term dedication to giving back in the community, despite the challenges posed by the pandemic. For example, ANZ employees in Singapore are helping their community thrive through volunteering with Willing Hearts where they've cooked and packed more than 10,000 meals for vulnerable families.

ANZ staff also worked hard to move in-person volunteer opportunities online, enabling the continued delivery of ANZ's flagship financial literacy program MoneyMinded.



Image: ANZ Singapore staff volunteering for Willing Hearts.

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## Shout for Good

This year, ANZ's digital giving platform Shout for Good, which supports charities in Australia with free and innovative digital fundraising solutions, facilitated over \$15.3 million in donations for more than 390 charities.

In 2023, Shout for Good launched a dedicated ticketing component to their existing product suite which provides charities the ability to set up and sell digital tickets to fundraising events. Further information can be found at [shoutforgood.com](https://shoutforgood.com).

## Disaster relief and building resilience

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

This year, we activated financial relief packages for customers in Australia affected by floods across Victoria, New South Wales, South Australia, Tasmania, Kimberley/Derby region and by Cyclone Ilsa in Western Australia. In addition, ANZ donated \$50,000 to local organisations for flood recovery efforts in the Kimberley/Derby region in January.

We implemented our New Zealand customer assistance package for those affected by severe weather events in the North Island including Cyclones Gabrielle and Hale, and floods throughout January and February.

In addition, we donated NZ\$100,000 to the Auckland Mayoral Relief Fund to support local communities impacted by the January flooding event and pledged NZ\$3 million in donations to communities affected by Cyclone Gabrielle. This included NZ\$1 million to support businesses and communities through local relief funds and *Iwi* organisations in affected regions, NZ\$1 million to support horticulture and agriculture sector groups and a NZ\$1 million donation to the New Zealand Red Cross Disaster Fund through a **special fundraising event** with New Zealand Cricket.

We also launched a new low-interest ANZ Business Regrowth Loan in New Zealand aimed at creating a more enduring solution for those in need of finance following extreme weather events.

To help the flow of funds to communities impacted by the cyclones, ANZ waived transfer fees on foreign currency international transfers from Australia to New Zealand. ANZ also waived international monetary transfer fees for transfers from Australia and New Zealand to Turkiye and continued to waive transfer fees to communities in Ukraine, Sri Lanka and Pacific communities including the Cook Islands, Fiji, French Polynesia (AU only), Kiribati, New Caledonia, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga and Vanuatu.



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

## Distributing remediation funds to charity

Our remediation program seeks to put things right for customers who may have been impacted by errors we've made. While we seek to ensure remediation payments reach those impacted, there are some cases where that does not occur, for example, when we cannot locate a former customer. In most cases, we distribute the remediation payment amount to charity.

In 2023, we distributed more than \$6 million in remediation funds to charities throughout Australia including Berry Street, The Smith Family and community legal centres. These donations have funded more than 20 projects focused on delivering long-term benefits to disadvantaged communities or those in need of extra care across metropolitan and regional areas.

### Projects include:




-  Job readiness for long-term unemployed women in regional and rural areas to find and retain employment
-  Preventing and responding to financial abuse of older people
-  Financial education and mental wellbeing workshops for Indigenous Australians



Image: A vineyard in New Zealand's Esk Valley impacted by Cyclone Gabrielle.

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## HELPING CUSTOMERS BETTER MANAGE THEIR MONEY AND SAVE WITH ANZ PLUS

Launched in 2022, ANZ Plus is a new digital way to bank. Starting with a save and transact proposition, ANZ Plus has grown to nearly 462,000 customers in 2023, 36% of whom are actively saving towards a financial goal.

**We are building the digital tools, data insights and coaching to help bring the nine financial wellbeing principles underpinning ANZ Plus to life for our customers:**

- Spend less than you earn
- Put money aside for a rainy day
- Save regularly towards your goals
- Protect what you can't afford to lose
- Borrow within your means
- Pay your most expensive debt first
- Build towards your retirement
- Invest in things that grow
- Give back to family, friends and the community when you can

We are encouraging our customers to build and maintain financial resilience with the aim of having at least 2.5 million customers<sup>1</sup> with a financial buffer<sup>2</sup> of approximately 6 weeks' expenses by the end of 2026. For more information about our 2024 ESG targets see pages 19-20.

This year, we have focused on upgrading existing and releasing new features for ANZ Plus to improve the customer experience, including:

- **Video chat with a Coach:** This feature gives customers peace of mind that conversations regarding their most valuable assets are taking place in a secure setting inside the ANZ Plus app, with the support of an expert ANZ Plus Coach.
- **Higher payment limits, protected by Selfie ID:** High-value, self-service payments have been enabled on ANZ Plus via BPAY and Pay Anyone, making it easier to pay a deposit for a new home, buy a new car or make a payment on a renovation. When changing a Pay Anyone or BPAY limit, customers need to successfully authenticate using SelfieID. Payments are also protected by behavioural biometrics and FalconX controls.
- **Visa Card Authentication Service (VCAS):** Handing over your card details to a new merchant can concern some customers, especially for high-value transactions. To help with this, ANZ Plus has introduced Visa Card Authentication Service which allows customers to approve transactions identified as higher risk in the ANZ Plus app, improving security.



Image: ANZ Plus Journey Expert Chloe Yap and Coach Pranay Chatley

- **Home lending:** We built a digital-first, data-driven and automated home lending (refinance) solution on modern technology and tested this with a small number of staff customers.

Self-service options continue to grow, making it easier for customers to quickly complete simple tasks in the ANZ Plus app. For example, customers can change their address, cancel and order a new card or dispute a suspicious transaction without needing to make a phone call or visit a branch.

ANZ Plus is focused on reducing the risk of fraud and improving protection for our customers. ANZ Plus safety features and controls start with a secure onboarding process which ensures identity documents are authentic and biometrically match the customer's "selfie" provided when joining.

Importantly, the introduction of a multi-layered approach to onboarding has not been at the expense of the customer experience, with customers able to join ANZ Plus in minutes and start banking almost instantly, proof that things can be both simple to use and safe.

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1. ANZ customers in Australia and New Zealand. From a baseline of approximately 2.4 million customers as at 30 September 2023. 2. An amount of money set aside for unplanned expenses.

## DIGITAL BANKING IN THE PACIFIC

The island country of Kiribati, on the edge of the Pacific Rim, is home to just over 120,000 people and is the most remote location in ANZ's international network with no direct delivery services to the country.

A combination of persistent COVID-related supply chain disruptions and unexpected changes to the levels of currency circulating in the economy meant last year, Kiribati citizens found themselves in a strange predicament: they ran out of coins.

As the only bank in the country, ANZ was determined to help find a solution to provide the desperately needed currency. Working with Swire Shipping, ANZ sent 4.4 tonnes of coins across more than 7,000 miles, before landing in Kiribati.

At the same time, ANZ has been focusing on reducing Pacific customers' reliance on cash through digital banking. This move will provide our customers with more choice, lower costs and promotes financial inclusion by providing banking options to those in remote areas who may have traditionally missed out in the past. It gives Pacific people a platform to compete on the international stage.

Over the past 12 months, customers in Kiribati have been embracing digital services. The volume of digital transactions in Kiribati increased 94% and the value of transaction has grown by 63% over 12 months. Although there are only around 9,300 ANZ Pacific app users in Kiribati compared to nearly 42,000 in Fiji, digital transfers from Kiribati customers are around half the volume of Fiji customers, showing a shift in consumer behaviour towards a digital future.

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



Source: Swire Shipping.

There are now more than 65,800 active ANZ Pacific App customers across Fiji, Samoa, Vanuatu, Cook Islands, Tonga, Solomon Islands and Kiribati.

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## SUPPORTING CUSTOMERS IN NEED OF EXTRA CARE



ANZ seeks to support customers in financial hardship or in need of extra care, and ensure our products and services are accessible and inclusive to all people. This aligns to our strategic focus on improving financial wellbeing and the expectations of our regulators, customers and the community.

We continue to make progress implementing our strategy for customers in need of extra care in Australia. We are focused on product design and data use to improve accessibility and limit harm. We are also strengthening frontline capability and undertaking community and industry engagement.

Key areas of progress include:

- Our terms and conditions are being updated for savings and transactions products, including ANZ Plus, to make it clear financial abuse will not be tolerated. We will take action to suspend, cancel or deny access to an account if a customer uses it to cause harm.
- We continue to provide enhanced training to Australian employees through a combination of leader-led meetings and workshops to identify and support customers in need of extra care. Topics include family violence, elder financial abuse, Powers of Attorney, gambling harm, supporting customers with disability and those experiencing bereavement.

### The Extra Care Hub

Our Extra Care Hub is a specialist team who provide support to frontline staff. It has a focus on supporting customers impacted by family violence and financial abuse through early intervention, and reviewing and making changes to their banking arrangements to limit potential harm. The Hub has helped support 800 cases this year.

In one case, branch staff supported a 79-year-old Indigenous customer with limited mobility experiencing cognitive decline. This customer lives in an aged care facility and faces communication challenges as a result of literacy and language barriers. The customer was in receipt of regular government payments. Branch staff noticed suspicious activity such as the customer attending the branch alongside others claiming to be family to make large cash withdrawals as well as online activity that appeared unlikely based on the customer's capacity.

Branch staff referred the matter to the Extra Care Hub for specialist assistance. Legal approval was obtained to engage the aged care facility, who confirmed the customer did not have access to the withdrawn funds and was often unable to meet their daily expenses due to insufficient funds.

With the assistance of the aged care facility, the case was reviewed by the Northern Territory Office of the Public Guardian and an adult guardianship order was granted to manage the customer's finances.



**For more information about how we are responding to scams see page 42.**

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### Supporting Aboriginal and Torres Strait Islander customers

ANZ recognises Aboriginal and Torres Strait Islander customers, particularly those living in remote communities, may experience barriers to banking and financial inclusion.

We continue to support these customers through:

- ANZ's Aboriginal and Torres Strait Islander Customer Support Line which commenced operating as a dedicated team in August this year. If required, overflow calls are taken by trained bankers across the Customer Contact Centre.
- Providing ongoing training to build cultural capability and awareness for staff working on our dedicated Aboriginal and Torres Strait Islander Customer Support Line and in branch.
- Raising awareness of the Aboriginal and Torres Strait Islander Customer Support Line among community groups and the local community.
- Updating the Statement of Referee form, which lists alternative forms of acceptable identification for customers who do not have conventional forms of identification to support more accessible banking. The form now also includes financial counsellors, staff at Services Australia and community lawyers as referees.



**For more information about ANZ's Reconciliation Action Plan see page 56.**

### Broome Circle

ANZ's Customer Advocate team participates in **Broome Circle's** 'Help us understand your way' roundtable which brings together community sector groups, financial counsellors, regulators, essential service providers and banks. The focus of the roundtable is to discuss barriers faced by residents living in remote communities in Western Australia's Kimberley region and to collaborate on ways to improve accessibility and outcomes for this group.

Some of these barriers include costly trips to the closest branch and issues with re-authentication or language. Many customers experience issues with meeting identification requirements and have difficulty opening a bank account, a fundamental part of participating fully in the economy. Broome Circle has also facilitated outreach trips to remote communities, which ANZ has participated in, to better understand the effects of financial exclusion on these communities.

### Supporting diverse language and communication needs

To better support our culturally and linguistically diverse customers, we offer an at-call interpreter service, delivered with an independent provider, that staff can contact to assist customers with limited English. Overall, customer experience and response times have improved, with a broad range of languages and a high quality of interpretation provided.

This year, use of the interpreter service was extended to support more than 5,940 customers in 67 languages. The interpreter service is available across all Australia Retail teams for service enquiries, making it easier for customers to communicate over the phone or in-person in the language of their choice.

We also offer written formats in languages other than English:

- ATMs offer multilingual options covering eight languages (Hindi, Arabic, Traditional Chinese, Simplified Chinese, Korean, Greek, Vietnamese and Italian).
- Our Australian Customer Complaints Guide is available in Easy Read English and a range of languages including Auslan format to support customers whose first language is not English, people with cognitive impairment or low language literacy, and customers who are deaf or hard of hearing. We have seen strong customer use of these accessible formats, representing more than 32% of downloads this year.

### Our branch network

Over the past decade, we have seen a long-term shift in how our customers want to bank with us with the number of customers coming into a branch for transactions reducing significantly.

Closing a branch is never a decision taken lightly and we carefully consider a number of factors. This includes long-term analysis of how many customers are visiting a branch, how they're using it and what the alternative banking options are. As part of this analysis, we look at customer behaviour data, including whether these customers are using ATMs, phone or digital banking.

We understand it's important to speak with our customers at this time and ensure that those requiring assistance with their banking needs are contacted as a priority. We also engage with the local representatives of all levels of government each time we close a branch.

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## SUPPORTING CUSTOMERS IN FINANCIAL HARDSHIP

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

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

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

Data plays an important role in the early identification of customers who may fall into hardship. Analysis of savings, credit and offset account data helps us to understand customers' financial behaviour and potential future outcomes. Further, this data helps us to identify customers who may be receiving unemployment benefits or experiencing a reduction of more than 10% of their income. We can proactively contact these customers, who may be at risk of experiencing hardship, and provide them with information about what assistance ANZ may be able to offer. Additionally, ANZ staff are trained to identify hardship triggers when engaging with customers. When determining what assistance may be suitable, we adopt a holistic approach which takes into account all of the customer's lending facilities.

Hardship experts are embedded across a number of our hardship teams and are responsible for coaching and uplifting the capability of hardship staff and

dealing with escalated and/or complex customer hardship requests. This helps position our teams well to help those who may need assistance through any economic uncertainty and we are ready to support customers through periods of financial hardship. We endeavour to instil a culture of empathy and train our staff to identify and respond appropriately to each customer's needs, assisting them through a difficult period so they can get back on track.

### Using artificial intelligence to help identify stress

This year, ANZ piloted a daily "transaction score" in Australia which can be used for hardship handling, developed in conjunction with global analytics software leader FICO. The transaction score is calculated using banking data fed into machine learning, which provides a score on a customer account where there may be early signs of financial stress. This allows our people to get in touch with customers, by either SMS or telephone, to see if there's anything we can do to help.

Under the new transaction scoring system, ANZ analyses both balance breakdowns and internal dynamics. For example, the solution can pick up when a customer is suddenly spending excessively compared with savings and earnings. It can also capture when there is a high level of internal transfers between savings and transaction accounts or reflect when a customer moves onto government payments.

A total of 5 billion transactions over a 36-month period were analysed to build out the scoring solution. Everyday we are scoring 7.7 million retail and commercial customers with the software which translates to processing 17 million customer accounts and 15 million transactions on a daily basis.

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## Australia

Over the past 12 months, we proactively contacted more than 164,000 home loan customers each month to check-in and ensure the ongoing suitability of their loan arrangements. Assistance ranges from proactive, early hardship offerings to simple repayment reminders to ensure sufficient funds are in the payment account – these reminders have been particularly successful with a 22% improvement in on-time payment for those we reached out to. Despite ongoing interest rate increases this year, our data continues to indicate low levels of financial stress.

This year, we received 26,693 applications for hardship assistance in Australia, a decrease from 36,326 in 2022. Our priority is always to help our customers get back on track, and over 66% of customers who contact us in hardship are back in good shape with their home loan within 12 months.

## New Zealand

Hardship application volumes in New Zealand have increased to 4,441 this year, compared to 3,338 for 2022. Themes of illness, relationship break downs and job loss or reduced hours remained consistent.

Based on a pilot in 2022, we have developed a proactive contact program and marketing campaign to reach out to home loan customers identified using data analytics as potentially in need of support. We contacted 293,169 home loan customers as part of the program including outbound calls to 1,541 customers to discuss whether they required assistance such as restructuring their lending. Contact details are provided should the customer need assistance in the future.

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

## Referral programs

Customers may need extra care for a range of reasons including as a result of loss from family breakup, illness including permanent injury, or natural disasters. In addition to our hardship team working with our customers, accessing financial counselling can be a key step towards improving financial wellbeing and regaining economic stability.

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

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

- **Way Forward Debt Solutions** – this registered charity provides free debt management services to assist people in need of extra care to establish affordable arrangements with their creditors and management of debt repayments. This year, we referred 61 customer accounts with current funds under management of around \$5.4 million.



- **CareRing** – run by Uniting, this program connects customers to a coordinated range of support services including housing support, social workers, drug and alcohol services, home energy assessments and employment services. We referred nearly 500 customers to CareRing this year. Clients of the CareRing program can also be referred to our MoneyMinded program to develop their basic budgeting skills. ANZ also provides a specific program through CareRing for those in need of immediate financial assistance to escape domestic violence. This year, we have assisted 38 customers to access this support, providing a combined total of more than \$29,000 to assist them on their journey to recovery.
- **Fitted for Work (FFW)** – this independent Australian-based not-for-profit organisation supports female-identifying unemployed customers to improve their employment prospects by developing a résumé, writing a cover letter and provisioning appropriate work clothes. This year, 340 hardship customers looking for work were referred to FFW. Since inception, approximately 25% of referred customers who have completed the FFW program have found employment.

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## RESOLVING CUSTOMER COMPLAINTS FAIRLY

We focus on investing in our capabilities, embedding a culture where complaints are valued as an opportunity to learn, and delivering better customer outcomes. We strive to deliver excellent products and services to our customers, but if we get things wrong we want to know, and seek to resolve complaints with empathy and fairness.



Customers are able to lodge a complaint with ANZ via online or customer-facing staff for Retail and Commercial in Australia and New Zealand, enabling the recording and resolution of complaints at first point of contact. In some cases, where additional support is required, complaints are escalated internally to specialist complaint resolution teams who work with the customer to find a resolution.

If a customer is not satisfied with the proposed resolution of their complaint, they can escalate their complaint to the Australian Financial Complaints Authority (AFCA) or the Banking Ombudsman Scheme (BOS) in New Zealand.

Reporting to the CEO, ANZ's Customer Fairness Adviser Evelyn Halls also provides advice to enable a consistent and focused approach to customer fairness. Through this role, Evelyn participates in various internal customer forums as well as advising on the industry's approach to complaints and other complex matters. The focus of Evelyn's work this year has included product design, service delivery and scams.

### Australia

Our ability to identify and analyse complaint data for systemic issues continues to evolve via the use of advanced analytical techniques, including machine learning, to help proactively identify emerging issues from complaints.

The Customer Advocate function supports the fair treatment of bank customers by providing advice and guidance on sensitive and complex customer matters, conducting thematic reviews to identify trends, and leading the Customer Advocacy Forum. Thematic reviews have led to additional awareness-raising for staff of the complexities regarding

non-standard identification documents, family and domestic violence and Powers of Attorney. The Customer Advocacy Forum monitors and oversees identified and emerging issues that may impact retail or small business customers, with a focus on influencing fair customer outcomes and limiting customer harm and detriment. A Complaint Governance Forum, held bi-monthly, provides oversight of the end-to-end complaints management ecosystem, and promotes reduction of key complaint drivers.

In February 2023, ANZ commenced the reporting of internal complaints data to the Australian Securities and Investments Commission (ASIC) on a six-monthly basis. This year, ANZ recorded 328,154 complaints across a broad range of categories including service quality; channel accessibility such as branch or call centre queues and wait times; fees, interest and rewards; account set-up/maintenance; and fraud and scams. Complaints data and insights are regularly reported to senior management and the Board. This year, 5,444 complaints were referred by customers to AFCA, a 16% increase since 2022.

Unauthorised transaction complaints<sup>1</sup> comprised 21% of complaints that progressed to AFCA this year. These include a high number of customers being targeted by investment scams where funds are moved to various crypto accounts and become untraceable. ANZ impersonator scams also continue to drive complaints despite warnings by ANZ on mobile and internet banking. Staff work with customers and consider individual circumstances to resolve these issues.

The percentage of all complaints resolved within 30 days of receipt remained unchanged at 98% this year (98% in 2022).

### New Zealand

Complaints recorded in New Zealand decreased by 1% from 2022 with 37,475 recorded. We have observed a growing trend of complainants seeking an independent review of their concerns and resolution offer, which has led to a 10% increase in referrals to our internal escalation team and, in turn, referrals to BOS increasing by 41%. We continue to work with BOS to improve our complaints process and support our customers to have confidence we are adequately managing their issues.

Service issues accounted for 40% of total complaints received, with 'request actioned incorrectly' being the top service related issue in 2023. Credit cards, transactional accounts and home loans were the products with the most complaints. Common concerns included account fees, requests actioned incorrectly and maintenance fees.

The percentage of complaints resolved within five working days remained unchanged at 91% (91% in 2022); and the percentage of complaints resolved within 30 calendar days of receipt remained at 97% (97% in 2022).

Data relating to complaints is available in our 2023 ESG Data and Frameworks pack available at [anz.com/esgreport](https://anz.com/esgreport).



**Further information on how ANZ is responding to scams can be found on page 42.**

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Helping customers better manage their money and save with ANZ Plus  
Digital banking in the Pacific  
Supporting customers in need of extra care and hardship  
**Resolving customer complaints fairly**

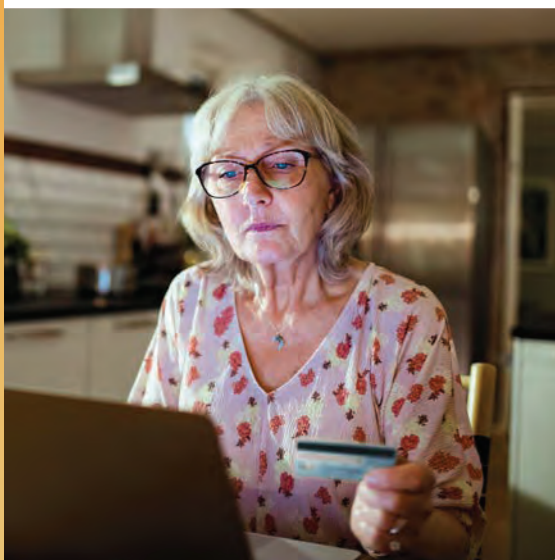
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1. Categorized by AFCA – includes scams where a customer was misled into authorising the transactions, fraud and disputed transactions.

## INFORMATION SECURITY

Cyber events, data breaches, scams and fraud activity continued to rise in 2023, affecting our customers and the community more broadly.

We have a focus on safeguarding the confidentiality, integrity and availability of our systems, services and information to enable successful operations, business growth and the financial wellbeing of our customers.



### Scams

**This year, we continued to review and adjust our capabilities to keep customers safe as new scams emerge and cyber criminals change how they operate. In 2023, our people and our systems stopped more than \$100 million being sent to criminals and our Scam Assist team investigated around 12,300 individual scams impacting retail<sup>1</sup> and commercial customers in Australia.**

We attempt to recover funds reported as scams or fraud. However, the ability to recover funds depends on a number of factors including how quickly it is reported to us and the speed in which funds are transferred on by scammers. In many instances, scammers transfer funds within minutes or use them to purchase cryptocurrency. Given this, we introduced friction and delays to some payment destinations with high scam or fraud density.

We also worked with major telecommunications companies to activate anti-spoofing technologies such as the Do Not Originate (DNO) service and technology to prevent scammers from using the "ANZ" brand in text messages. This practice, known as 'spoofing', has become increasingly common in Australia and involves scammers sending an SMS purporting to be from a legitimate organisation, making it very difficult to spot a scam because it is contained in the same text message thread as previous communication from the company being impersonated.

As an extension to our behavioural biometrics technology delivered last year, ANZ invested in a new security capability designed to detect mule accounts being used to receive funds from scam victims and other criminal activities. By using artificial intelligence and machine learning, the mule detection capability recognises money mules and mule accounts.

A money mule is a person or company recruited by criminals to transfer illegally obtained money or goods on their behalf. Typically, money mules will receive funds into their bank accounts and be instructed to transfer the money to another financial institution, or via alternative payment methods, such as the purchase of cryptocurrency.

This year, the mule detection technology identified nearly 1,400 high risk accounts. Once identified, these accounts are reviewed by our fraud and scam experts and, if it is found to be linked to a potential or realised fraud or scam, the accounts are closed.

**This process is supported by a new and dedicated mule detection team who work alongside more than 400 ANZ customer protection specialists.**

We take the education of our customers and bankers seriously. This includes training our people to recognise new scams, helping them to protect customers and supporting our customers to be more secure through new education resources and regular alerts. For more information visit [anz.com.au/security/fraud-detection/latest-security-alerts/](https://anz.com.au/security/fraud-detection/latest-security-alerts/)

Customers can also take steps to protect themselves by remaining vigilant and suspicious of unsolicited contact or requests for funds from unknown individuals. For more information about how to protect yourself against, or report, a potential scam visit [anz.com.au/security/protect-your-virtual-valuable/scams/](https://anz.com.au/security/protect-your-virtual-valuable/scams/).

### HIGHLIGHT

#### Detection and prevention in New Zealand

There has been a significant rise in fraud and scam events across New Zealand this year with some customers complaining if reimbursement claims are unsuccessful. To address this growing issue, ANZ Bank New Zealand invested in both detection and prevention. We also joined a newly established industry working group whose members include representatives from the New Zealand Banking Association and senior representatives from all the major banks in New Zealand. The CEOs of New Zealand's major banks meet regularly to discuss this issue, among others.

The television education series, "You've Been Scammed" was also funded and promoted by local banks to help educate consumers on how to better protect themselves. It was the fourth most popular show on TVNZ in the month it aired

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1. Excluding ANZ Plus.

## CYBER SECURITY

Our enterprise security strategy is guided by three clear goals: enable business transformation, strengthen our resilience and embed security.

### Under each are a set of priorities outlining a desired target state to:

- allow ANZ to confidently move into new areas of growth by creating a secure, flexible environment for our customers, staff, and partners to do business;
- advance ANZ's readiness to rapidly detect, respond and recover from a major cyber-attack; and
- minimise the likelihood and consequence of a cyber-attack through an in-depth defense approach which includes our people, third parties and controls coverage.

Our strategy, along with prioritised investment, has helped build a security risk posture<sup>1</sup> and operational cyber security capability commensurate with the size and extent of threats to our organisation.

Our information security assurance approach draws on multiple layers of security testing and intelligence, seeking to ensure sustainable security practices are in place to protect information and assets. We have layers of defence within ANZ complemented by robust governance.

We use industry benchmarking as well as a series of exercises to map and simulate potential threats. This helps us identify and understand emerging threats, and adapt processes, technology and education to address the increase in customer fraud and scams. We maintain strong relationships and strategic partnerships with government, industry, community groups and law enforcement agencies locally and internationally to promote cyber security resilience across jurisdictions.

### Fostering a security-centric culture

#### Educating employees

Governance processes and education at all levels of the organisation are essential to fostering a security-centric culture within the organisation. This has helped ANZ to respond to the rapidly changing threat environment, reducing the likelihood of an attack, and maintaining our security risk position.

To help staff understand their responsibilities, annual mandatory learning focused on cyber security is completed by all staff and contractors, including targeted security training for developers and engineers. For more information about mandatory learning see page 46.

The targeted education program has been extended to include a network of 634 cyber security ambassadors from across the organisation and more than 50 divisional representatives who help embed security across the organisation. These representatives share security education resources to promote and support improved security behaviours across ANZ, including with customers, which has led to a 36.2% increase in the internal index we use to measure security behaviours. For more information about employee learning and development see page 64.

This year, we have continued to evolve our comprehensive phishing resilience and capability program, including regular simulated exercises and phishing drills to educate all staff about how to detect suspicious emails aiming to phish for information. Drills and exercises are increasing in both frequency and complexity, informed by threat intelligence to enable readiness against growing sophistication. This year, 11 drills were delivered – an increase from seven in 2022.

### Customers and third parties

Our customer security education service includes training frontline bankers to recognise new scams, helping them to engage with and support customers. We also directly enable customers through educational resources and regular alerts in our digital and branch channels. The education program includes events and seminars, webinars, tips, guides and continued alerts in digital banking channels, social media and via frontline to drive awareness of increasing scams. In particular, we aim to educate customers about how to identify and protect themselves from bank impersonation.

**We ran a campaign in June to align with the end of financial year and tax time which resulted in more than 5,600 customers opening security educational material on the ANZ Security Centre website, followed by a further increase of around 250% following bank impersonation alerts.**

Third parties managing sensitive ANZ information are expected to meet requirements to seek to protect information and management systems. We have a robust management process and mature security testing program in place to comply with the *Australian Prudential Regulation Authority (APRA) CPS 234 Information Security*.



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1. The level of security risk to which a system is exposed. A system with a strong security posture is exposed to a low level of security risk while a system with a weak security posture is exposed to a high level of security risk (The Australian Signals Directorate's Australian Cyber Security Centre).

## FINANCIAL CRIME



We maintain a strong focus on financial crime data collection, monitoring and screening with ongoing upgrades across Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF), sanctions and fraud platforms. These upgrades also improve our ability to collaborate with external parties to fight financial crime.

Our employees and contractors undertake mandatory annual training to ensure they understand their role in preventing financial crime. This year, 96% of employees and contractors completed the training (for more information about our Code of Conduct see page 46). Additional training is tailored for specific roles, including senior management and Board.

### Fraud

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

### Anti-Money Laundering and Counter-Terrorism Financing

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

We perform risk-based due diligence on customers and their activities in proportion to the ML/TF risk posed. We seek to identify unusual or suspicious transactions, activities and/or behaviours through a combination of transaction monitoring and other methods of observation, reporting suspicious activity to appropriate authorities.

### Sanctions compliance

Our sanctions compliance program guides our Group-wide approach to meeting our sanctions obligations. Sanctions risks are assessed to identify, manage and mitigate the potential for breaches.

Customer relationships and activities that pose a higher sanctions risk are subject to enhanced due diligence measures, monitoring and approval. We are enhancing our monitoring of transactions and strengthening customer due diligence processes to seek to continue to support transactions within our risk appetite and in a manner compliant with applicable regulatory obligations.

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

### Abuse in transactions

ANZ is a founding member of the Australian Transaction Reports and Analysis Centre (AUSTRAC) led Fintel Alliance, formed in 2017 to strengthen the finance industry's capability to tackle serious crimes and to better support police investigations.

The Fintel Alliance pays particular attention to abuse and domestic violence threats facilitated through financial transactions. ANZ has measures in place

to help block transactions where abusive language is detected in transaction descriptions. Our Financial Crime team monitors for indicators of abuse, including potential family violence. When these indicators are identified, they are investigated by a specialist team and, where appropriate, referred to AUSTRAC and law enforcement. ANZ referrals have led to arrests and prosecutions in some instances.

Details are also escalated to ANZ's Customer Advocate team for further action, which can include referring customers to support services. If perpetrators are identified, warnings are issued to cease using ANZ platforms for inappropriate behaviour, and controls can be implemented to restrict banking services or close accounts if this behaviour continues. Where the Financial Crime or Customer Advocate teams believe there is a potential imminent threat to life, the matter is escalated to law enforcement and AUSTRAC for immediate attention. ANZ also proactively contacts customers and escalates matters to local police authorities to conduct welfare checks on customers where potential self-harm threats are identified.

A recent example involved identification of a customer sending abusive messages via financial transactions threatening violence. The perpetrator was arrested and charged for breaching an Apprehended Domestic Violence Order (ADVO) as a direct result of ANZ's reporting.



**For more information about how ANZ is supporting customers in need of extra care refer to pages 37-38.**

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## DATA PROTECTION AND PRIVACY

Assessing applicable data protection and privacy risks is a key aspect of our operations. It is also critical to maintaining the trust of those who share their personal information with us.

Our data event management processes are focused on potential and actual data breaches, and how we can rapidly respond to, and mitigate, the risk of harm to individuals. Data event root cause analysis, post-incident reviews and up-to-date threat intelligence are used in combination to ensure continuous improvement and fine tuning of our approach to data protection, privacy compliance, incident management and education for individuals.

This year, we have continued to invest in a variety of initiatives and measures to seek to ensure we appropriately protect and respect the privacy of the various individuals whose personal information is handled across our business – including internationally – or on our behalf. These individuals include customers, customer representatives, staff, shareholders and a range of third parties.

A key part of this approach is seeking to ensure compliance with applicable privacy and data protection laws and related regulatory requirements. We are continuing to respond to significant, ongoing reform and refinement of privacy laws in numerous jurisdictions including in Indonesia, China and Vietnam. In Australia, we participated in the ongoing consultation on privacy reform to seek to ensure individuals' privacy rights are appropriately protected while enabling ANZ to run its business and efficiently and safely deliver financial products and services.



As unauthorised access to personal information is often enabling of, or central to, cyber incidents and financial crime, many aspects of our approach to protecting personal information rely on multidisciplinary teams and collaboration across relevant stakeholders. This is reflected in the various processes, procedures and response mechanisms we have developed for responding to incidents which do or may involve personal information.

Additionally, with a number of recent, large-scale and high-profile cyberattacks on other companies in Australia, we have assisted a number of our customers who have raised concerns with us about the potential impact of those cyberattacks on the security of the services they receive from ANZ – notwithstanding that our systems, services or data were not subject to the attacks.

We continue to use and refine targeted training and events for staff and customers to improve awareness of good data protection and privacy practices such as the ANZ Privacy Week campaign and carefully crafted customer alerts and communications.

This year, ANZ notified three data breaches to the Office of the Australian Information Commissioner (OAIC) and impacted individuals under the Notifiable Data Breach Scheme (zero in 2022). One of these breaches occurred as a result of a cyberattack on a third-party service provider to ANZ. The other two breaches involved discrete data sets relating to two individual ANZ customers.



**Current updates and information including our privacy policy are available at [anz.com.au/privacy/centre/policy/](https://anz.com.au/privacy/centre/policy/)**

We continue to use and refine targeted training and events for staff and customers to improve awareness of good data protection and privacy practices.



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## IMPROVING CONDUCT AND CULTURE



### Code of conduct

Our Code of Conduct sets expected standards of behaviour and guides us in applying our values.

#### This includes:

- > be ethical and professional;
- > act with integrity;
- > protect competition and the competitive process;
- > treat everyone with dignity and respect;
- > manage conflicts of interest;
- > protect privacy and confidentiality; and
- > call out unacceptable behaviour and stand up for what is right.

Our Code requires all employees and contractors to comply with the law as well as our policies and procedures. It is supported by a suite of policies reviewed regularly to reflect legislative changes and remain fit for purpose.<sup>1</sup> We expect our partners (such as suppliers, service providers and other relevant third parties) to adopt and maintain conduct and ethics principles similar to those outlined in the Code and supporting policies.

All employees and contractors are required to complete training courses within two months of commencing with ANZ and then on a regular basis<sup>2</sup>. Courses include training on 'Living the Code', 'Equal Opportunity Essentials' (includes anti-discrimination and sexual harassment), 'Financial Crime Essentials' (including Anti-Money Laundering), 'Operational Risk', 'Security Essentials' (includes information and cyber security) and 'Privacy, Competition Law and Consumer Protection'.

The Living the Code course reinforces the importance of our values and seeks a declaration of compliance with the Code. By completing the course, participants are confirming they understand the Code's principles and have complied with them over the last 12 months.

This year, 99.6% of our employees and contractors completed their mandatory training courses. Individuals who fail to complete this training or other mandatory learning requirements within 30 days of the due date are (in the absence of genuinely exceptional circumstances) ineligible for any fixed remuneration increase or variable remuneration as part of our annual Performance and Remuneration Review.

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

This year, there were 1,330 employee relations cases involving alleged breaches of our Code, with 501 resulting in a formal consequence or the employee leaving ANZ (down from 518 in 2022). Breaches ranged from compliance/procedural breaches (23.7%) through to general unacceptable behaviour (31.7%), email/systems misuse (9.2%), attendance issues (20.8%), fraud/theft (5.4%), conflict of interest (5.6%), and breaches of our Equal Opportunity, Bullying and Harassment Policy (3.6%). Outcomes following investigations of breaches this year included 314 warnings, 100 terminations and 87 employees otherwise leaving ANZ.

### Encouraging whistleblowers to speak up

The Whistleblower Policy and Program is a key component of our strong and effective conduct risk management and corporate governance framework. We apply Australian whistleblower regulations across the markets in which we operate. Additional jurisdiction-specific regulations imposing higher or contrary obligations are captured in schedules within the Policy.

The Whistleblower Program is one of many channels encouraging and empowering our people to speak up and raise misconduct concerns, freely and without fear of reprisal. The policy and program provide strong protections for individuals who disclose misconduct and play a pivotal role in maintaining the integrity of the organisation. Information received through the Whistleblower channel helps us identify misconduct that may not otherwise be detected and to act on issues which do not support our purpose, values and expected behaviours.

There were 170 new reports made through the Whistleblower Program this year (up from 142 reports in 2022) demonstrating a continued willingness of individuals speaking up to raise misconduct concerns.

### Our focus this year was on continuing to build awareness and confidence in the program, strengthening governance and risk management frameworks, and the timely management of whistleblower matters.

In addition to initiatives run throughout the year, an international awareness campaign was run to mark World Whistleblower Day in June. This included a conversation guide designed to support people leaders with team discussions on the importance of speaking up and promotion of the program.

A Group-wide employee survey indicated continued high levels of awareness and confidence in the program, reporter protections, and appropriate handling of whistleblower reports, with year-on-year

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1. A copy of our Code of Conduct and the full list of policies are available at [anz.com/corporategovernance](https://anz.com/corporategovernance). 2. Due to migration to a new HR technology platform in 2023, some employees and contractors completed training courses with an extension to this timeframe. For more information see page 61.

increases in awareness and confidence levels reported across the organisation. Survey insights enabled opportunities to build ongoing awareness and trust in the program and process and to tailor communication initiatives. In addition, our Group Integrity team delivered 210 awareness sessions to business units (195 in 2022).

All employees and contingent workers are required to undertake annual mandatory learning on their obligations and responsibilities under the Whistleblower Policy. Role-specific training for whistleblower investigators, Whistleblower Protection Officers, and eligible recipients of whistleblower reports (including Executive

Committee members and new Board members) was delivered to ensure relevant employees understand obligations under applicable laws and how to appropriately handle and investigate reports. In 2023, the program ran awareness sessions with 'speak up' advocates across the organisation on whistleblower protections. For more information about mandatory learning see page 46.

**Whistleblower investigation outcomes**

In 2023, the Whistleblower Program received reports covering a broad range of allegations including potential Code of Conduct and other policy breaches; bullying, harassment, and discrimination; conflicts of interest; fraud (internal and external); and privacy and confidentiality breaches.

Of investigated reports, 73% led to recommended actions (76% in 2022), including formal warnings and termination of employment. This is a strong indication the Whistleblower Program is operating as an effective channel to raise misconduct concerns and drive action in response to staff 'speaking up'.

In addition to staff disciplinary actions, substantiated and unsubstantiated matters resulted in other recommendations for management including policy, process, and procedures review and remediation; coaching and informal counselling; improved oversight; additional training; and communications reinforcing expected standards of behaviour.

**Anti-Bribery and Anti-Corruption**

We have zero tolerance for bribery and corruption in our business dealings. Our Anti-Bribery and Anti-Corruption (ABAC) Business Integrity Policy sets out the principles and conduct provisions which apply to employees, customers, and third parties.

**This includes:**

- knowing who we are doing business with;
- doing business with integrity;
- transparency in our relationships; and
- ensuring employee awareness of what constitutes good conduct.

The policy is supported by operating standards and tools that help us to be transparent in disclosing financial and ownership interests and to identify social and governance risks in our third-party relationships.

ABAC training is mandatory for all employees and contractors, and regular risk assessments are undertaken to identify and manage bribery and corruption risks. For more information about mandatory learning see page 46 and for more information about risk assessments see page 48.

We have a dedicated ABAC team focused on responding to growing regulation and social expectations to combat bribery and corruption. Enhancement has been made to our third-party due diligence program to:

- improve visibility of, and transparency in, our dealings with our vendors and suppliers; and
- empower employees through ongoing learning to identify high-risk social and governance factors – such as jurisdiction and industry – so enhanced due diligence can be conducted.



Image: ANZ Centre, Melbourne.

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## OUR SHARED CULTURE AT ANZ

We bring our culture to life through our behaviours which provide a common anchor for everyone at ANZ:

Our new behaviours are:

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



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



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



This year, we have continued to embed our behaviours across the organisation. We invested in uplifting capability to help leaders drive culture, and employees to create habits to demonstrate our behaviours consistently. We launched two multi-level leadership programs with dedicated modules on culture as well as a new Leadership 360° assessment tool which supports leaders in seeking behaviour-framed feedback and insights. You can find more about how we developed leaders and their teams on page 64.

### Measuring our culture

We measure culture by reviewing, understanding and taking action to address the themes identified through the following key metrics:

- Annual risk culture maturity assessments governed by our Operational Risk Executive Committee and Board Risk Committee
- Culture reviews conducted by Internal Audit
- Data collected through our My Voice employee engagement survey and our new 360° behaviour assessment tool



**More information about our survey results and performance against external benchmarks is available on page 62.**

### Annual risk culture assessments

This year we continued to strengthen our risk culture with an improvement in Risk Culture Survey outcomes across the Group, particularly in recognition and reward for effective risk management.

Risk culture is measured annually to support the Board to form a view of ANZ's risk culture by providing insight into how well actions aimed at promoting the importance, understanding and awareness of risk culture have progressed. Risk culture assessments consider our people's perceptions of risk management behaviours and practices, risk and business outcomes, with a focus on how risk is considered in our decision-making. Outcomes of the assessments are a consideration in annual Performance and Remuneration Reviews.

Results of these assessments are reported to the Board and used by executives, senior leaders and people leaders to develop Risk Culture Action Plans. To support leaders and employees in taking action, a Risk Culture Toolkit continues to be promoted to raise awareness and support actions to embed our target risk culture. This includes ethical scenarios that support embedding our target risk culture behaviours; risk culture self-assessment templates for people leaders; and training materials for leaders to raise awareness of risk culture in a meaningful way.

### Culture reviews

This year, Internal Audit completed eight culture reviews (covering nearly 8,000 employees across five divisions/functions) focused on identifying themes, underlying factors, root causes and actions to drive sustainable change toward the bank's cultural framework – our behaviours, underpinned by our values and the Code of Conduct. Each culture review requires the business area to develop an action plan which is monitored, evidenced and reassessed where appropriate to understand cultural shift over time. This year, one of these reassessments was also completed to analyse progress on identified issues.

The reviews highlighted the growing Group-wide focus on further strengthening our culture and embedding our behaviours, enabled by employees doing the right thing to achieve our purpose and strategy. The Internal Audit culture reviews are designed to support:

- the Board and management by providing independent cultural insight; and
- the Board in meeting regulatory requirements such as the Banking Executive Accountability Regime (BEAR) and APRA Prudential Standard CPS 220 Risk Management.

This year, we launched two multi-level leadership programs with dedicated modules on culture as well as a new Leadership 360° assessment tool which supports leaders in seeking behaviour-framed feedback and insights.

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## SOCIAL AND ENVIRONMENTAL RISK MANAGEMENT



We regularly review our lending practices and policies, taking into account current and emerging social and environmental issues.

These potential issues which, through our lending to customers, could result in risks to the business are also considered by our executive Ethics and Responsible Business Committee (ERBC) and Board Ethics, Environment, Social and Governance Committee (EESG). See pages 8-9 for more information about our ESG governance.

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

- ENERGY 

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- EXTRACTIVE INDUSTRIES 

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- FORESTRY AND FORESTS 

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- HYDROELECTRIC POWER 

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- MILITARY EQUIPMENT 

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- WATER 

The Policy outlines the social and environmental factors to be taken into account by our bankers when considering large business<sup>1</sup> transactions. It incorporates our approach to human rights, including our 'zero tolerance' for land acquisition and involuntary resettlement that we consider improper, as well as labour rights issues such as modern slavery.

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

In 2023, we improved our credit risk assessment process via our Online Customer Profile platform by integrating our Social and Environmental Risk screening tool for large business customers. This allows us to improve our identification of financial and non-financial risks (including reputational risk) we may face through our customer activities, both at an individual customer level and across our portfolio. We intend to extend the application of the screening tool to some large business customers who do not borrow money from us but use other products such as payment and cash management services. This screening is in addition to other screening such as Anti-Money Laundering, Anti-Bribery and Anti-Corruption (ABAC) risk assessments. For more information about our approach to ABAC see page 47.

Educating employees on our policies and standards and how they are applied in practice is important for the effective management of the social and environmental risks associated with lending to our large business customers. Our training focuses on

the Policy, Requirements for 'sensitive sectors' and our approach to human rights. This training is mandatory for new employees authorised to make credit decisions relating to large business customer transactions.

### Animal welfare principles

ANZ is a proud supporter of Australian agriculture, with over 180 years of history in providing banking services to the sector. We believe good animal welfare standards in Australian agriculture are critical to the industry's sustainability and are an important part of our ESG focus. Our Animal Welfare Principles were developed in line with ANZ's approach to managing lending risk – noting animal welfare practices can impact the risk profile of a business. The Principles are available at [anz.com.au/about-us/esg/policies-practices](https://anz.com.au/about-us/esg/policies-practices).

Our agribusiness team in Australia developed online training to increase staff awareness of our animal welfare principles and inform staff of the appropriate channels within our business to seek clarification and support. These modules are available to all ANZ employees and contractors and are recommended for all regional business bankers. This year, nearly 200 employees or contractors have undertaken the learning pathway, with around 15% completing the more detailed learning and assessment process.

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1. Transactions involving our Institutional and Corporate customers.

## Due diligence

Prior to entering into a relationship with a large business customer or entering into any new material transaction, bankers are expected to consider the customer's management of its material social and environmental issues and any associated potential impacts. Bankers must also consider the customer's history of, and approach to dealing with, any potential (or historical) impacts.

Under our credit policy, we review our large business customers at least annually. This includes the consideration of issues specified in our Social and Environmental Risk Policy and, where relevant, sensitive sector Requirements. We expect our customers in all sectors to implement appropriate stakeholder engagement strategies and plans, and we have included this consideration in the Social and Environmental Risk screening tool.

We seek to apply enhanced due diligence and decision-making processes to customers and transactions in the energy sector via our Energy Transactions Escalation Process, which includes reviewing alignment with ANZ's Climate Change Commitment. In this context, the energy sector includes thermal coal, and oil and gas companies. We have also extended the use of our Climate Change Risk Assessment methodology so that by the end of 2024, it will have been used to support our engagement with the revised list of our 100 largest emitting business customers.

For further information on our enhanced due diligence process, customer engagement program, and Net-Zero Banking Alliance (NZBA) aligned sectoral pathways and targets see our Climate-related Financial Disclosures available at [anz.com/esgreport](https://anz.com/esgreport).

We also seek to undertake enhanced human rights due diligence for large business customers operating in higher-risk geographies and sectors. By undertaking enhanced due diligence, we seek to better understand our customers' approach to human rights (including modern slavery), to assess the risk implications, and avoid or mitigate potential impacts.

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



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## EQUATOR PRINCIPLES

The Equator Principles is a risk management framework for determining, assessing and managing social and environmental risks in large infrastructure and industrial projects. As a member of the Equator Principles Association since 2006, we seek to ensure the projects we finance and advise on are developed in a manner that is socially responsible and reflect sound environmental management practices.

We commit to implementing the Equator Principles through our internal environmental and social policies, procedures and standards for financing projects. We will not provide Project Finance, Project-Related Corporate Loans to Projects or Project-Related Refinance and Project-Related Acquisition Finance to projects which do not comply with the relevant Equator Principles requirements<sup>1</sup>. These types of finance we refer to collectively as “Project Finance”.

We use the Equator Principles as a minimum standard for due diligence and monitoring to support responsible decision-making for Project Finance. The Equator Principles complement our sensitive sector Requirements and our Social and Environmental Risk Policy which also apply to Project Finance transactions. For more information about these topics refer to pages 49-50.

If we determine that the Equator Principles apply, we conduct initial due diligence to inform our view of the likely Equator Principles rating. This due diligence includes reviewing any Environmental

Impact Assessment the customer provided as part of the project approval process, as well as considering the project’s alignment with our Social and Environmental Risk Policy and sensitive sector Requirements.

We will engage a third-party expert to prepare a social and environmental due diligence report (EP DD) where our initial due diligence indicates a likely Category A<sup>2</sup> or Category B<sup>2</sup> rating under the Equator Principles. The EP DD will assess the project’s compliance with the Equator Principles and typically considers the following issues:

- Social and environmental risks arising from the project
- Customer capacity to manage social and environmental issues
- How an Environmental Impact Assessment (if any) will be implemented through the company’s Environmental Management System
- The level of community concern regarding potential impacts of the project, for example on water or land, and effectiveness of the company’s stakeholder engagement in response

Where ANZ approves financing following the EP DD, any issues identified in the EP DD will commonly be addressed as conditions in the Project Finance loan documentation.



**Information on this year’s Project Finance Advisory Services and transactions is available in our 2023 ESG Data and Frameworks pack available at [anz.com/esgreport](https://anz.com/esgreport).**

<sup>1</sup> Source: Equator Principles (EP4) July 2020. <sup>2</sup> Category A: Projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented. Category B: Projects with potential limited adverse social and environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. Category C: Projects with minimal or no social or environmental impacts.

### Case study



#### Solar farm in eastern Australia

In 2023 ANZ was invited to participate in a solar farm project on a rural site in eastern Australia.

ANZ undertook initial due diligence and determined the project would require an EP DD to fully examine the potential environmental and social risks associated with the project.

The independent adviser assessed the impacts and appropriate mitigants, and recommended

the project be categorised as a B<sup>2</sup> under the Equator Principles. This means there were some limited adverse environmental and social risks.

As a consequence, ANZ was able to approve the financing on the condition the borrower would meet our requirements and accept regular monitoring throughout construction to ensure impacts were being mitigated in accordance with the EP DD.

#### Solar farm in southern Australia

In 2023 ANZ participated in another solar project in southern Australia, a reflection of the changing dynamics in the power sector.

ANZ determined this transaction required an EP DD.

An independent technical adviser was engaged to prepare the EP DD and recommended the project be categorised as B<sup>2</sup> under the Equator Principles, supporting ANZ’s initial assessment.

Given the location of the project, physical climate change risk was identified as a consideration. Potential increases in temperature and rainfall density were highlighted as risks and the proponent was able to demonstrate design improvements to mitigate these risks.

ANZ subsequently approved the financing on the basis the customer would accept regular monitoring and continue to meet relevant environmental and social laws and permit conditions, as well as actively manage any new issues that may arise.

#### EV battery manufacturer in Europe

In 2023 ANZ provided Project Finance for the development of an EV battery manufacturing plant in Europe.

In conducting our initial due diligence on the project, including of its Environmental Impact Assessment, we categorised the project as a C<sup>2</sup> under the Equator Principles, meaning it had low environmental and social risk.

As the project was located in a “designated country” as defined in the Equator Principles, we were able to rely on the local environmental and social approval and permits by government authorities to ensure appropriate standards were being met.

Financing was approved on the conditions all regulatory requirements continued to be met and compliance with them was monitored regularly.

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## MANAGING ESG RISKS AND OPPORTUNITIES IN OUR SUPPLY CHAIN



In 2023, ANZ spent \$4.9 billion with suppliers procuring goods and services across our 29 operating markets. The majority (90%) was spent in Australia and New Zealand.



Contracted suppliers, including subcontracted suppliers, are screened as part of Group Procurement’s ongoing supplier due diligence using a third-party tool to assess performance against 28 ESG issues across the topics of environmental footprint, community relations, employee relations and corporate governance. In 2023, we undertook nearly 5,300 checks which included our top 100 suppliers, by spend. These checks identified potential issues in 12 instances. We requested further detail from the suppliers to determine whether they had adequate measures in place to resolve the identified issue/s. We worked with these suppliers to understand the issue/s and mitigating steps.

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

We endeavour to include SCOP clauses in new and renewed supplier contracts with 85% of all live supply contracts including the SCOP clause. Since 2021 our usual practice is to include separate contractual clauses covering human rights and modern slavery in ANZ standard contract templates and where we are using the supplier’s standard contract. For more information about our approach to human rights see pages 54-55.

We endeavour to ensure suppliers conduct their business in accordance with our expectations. While not a contractual requirement, we seek an annual attestation of adherence to the SCOP from major suppliers<sup>1</sup> managed under our Operational Contract Management Framework (OCMF).

In 2023, 79% of suppliers provided an attestation of adherence to our SCOP. We also seek attestations from a sample of suppliers each year in countries such as India, China, the Philippines, Vietnam, Papua New Guinea and Pacific nations. We continue to encourage suppliers to attest to the SCOP.

### Working with our suppliers

As a signatory to the Business Council of Australia’s Supplier Payment Code, we are committed to paying Australian small business suppliers within a maximum of 30 days of receiving a correct invoice or otherwise in accordance with the Code, unless the contract stipulates a shorter term. However, our aim is to pay small businesses and all Aboriginal and Torres Strait Islander businesses regardless of size as promptly as possible upon approval of the invoice. On average, payment to small business is made within approximately 14 days of receipt of the invoice. In the latest Australian Government’s Payment Term Reporting Scheme (June 2023) we reported payment to 91% of all small business supplier invoices within 30 days.

In New Zealand, we support the New Zealand Banking Association’s initiative established to assist small-to-medium businesses during COVID-19. To date, we have processed approximately 78% of payments (excluding purchasing card transactions) within the 10 business days target, with average payment made within approximately 8 days of receipt of a valid invoice.

In 2023, we undertook nearly 5,300 checks which included our top 100 suppliers, by spend. These checks identified potential issues in 12 instances.

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1. Supplier relationships whereby those contracted services are deemed to be of critical importance and/or high risk to ANZ, or by nature of the goods and services, require an active management plan.



### Supporting supplier diversity

We are a member of Social Traders, an organisation helping to create jobs for disadvantaged Australians by linking business and government to social enterprises. This year, we spent \$7.1 million<sup>1</sup> with social enterprises.

In New Zealand, we are a member of Ākina, a buyer group to access a wide range of certified social enterprise suppliers. We spent NZ\$144,000 with social enterprises in 2023 and seek to influence our suppliers to also use social enterprises in their own supply chain.

This year, we also joined WEConnect International, a global organisation seeking to promote the use of women-owned businesses in corporate supply chains.

### Procurement with Indigenous businesses in Australia

We spent \$11.7 million with 46 Indigenous businesses in Australia this year. We are a member of both Supply Nation and Kinaway (the Victorian Indigenous Chamber of Commerce) and were proud to be recognised with their Corporate Member of the Year award in 2023.

As part of our Reconciliation Action Plan (RAP), we have an objective to spend \$6 million with Aboriginal and Torres Strait Islander-owned businesses. To-date, we have spent \$24.4 million towards this objective. For more information about our RAP refer to page 56.

### Case study



## Enhancing security through opening doors

In 2022 ANZ signed a large multi-year software deal with Supply Nation certified company Baidam Solutions. Baidam distributes 52% of its profits back to community outcomes for First Nations people, including creating employment opportunities in science, technology, engineering and mathematics (STEM) roles through Indigenous student sponsorships, helping create technology role models for young Indigenous kids.

This includes two endowed scholarships for Indigenous STEM students to the Australian National University in Canberra and The University of Queensland. Baidam also recently opened a co-designed Indigenous staffed and managed Security Operations Centre in central Brisbane.

According to Baidam Solutions Group CEO and co-founder Jack Reis, the organisation wants to allow for more Indigenous involvement in the national technology community.

“We are facing a very diverse threat landscape in the cyber security world. We want to harness the critical and problem-solving thought processes of a diverse workforce, including First Nations people,” he said. “Not only does that strengthen our defence against cyber threats, it brings different thinking that will solve problems in a different way. That is the great benefit of diversity in this field.”

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<sup>1</sup>. Includes sponsorship spend.

## OUR APPROACH TO HUMAN RIGHTS



Our Human Rights Statement (Statement) outlines our approach to respecting human rights, and our Human Rights Grievance Mechanism (Mechanism) provides a process for people whose human rights have allegedly been impacted by an ANZ Institutional or Corporate business lending customer, to be raised with ANZ.

### Our Human Rights Statement

ANZ seeks to support and respect the human rights of our employees, customers and the people in our communities. We expect the same commitment to human rights from everyone who works for, or with, us including our employees and people with whom we have business relationships<sup>1</sup>. Our Statement is informed by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and includes:

- No tolerance for retaliation against individuals, communities or human rights defenders;
- Reference to our Climate Change Commitment, which refers to the human rights impacts of the net zero transition;
- Support for an open civic space;
- Our approach when domestic laws conflict with international human rights standards; and
- Our process when a customer's human rights practices are inconsistent with our expectations.

Our approach is consistent with our policies and other relevant documents available at [anz.com](https://anz.com) including:

- **Anti-Bribery and Anti-Corruption Policy:** outlining standards of conduct for ANZ, our employees and our contingent workers, and appropriate due diligence on third parties.
- **Land Acquisition Position Statement:** outlining our support for customers who are implementing appropriate standards for land acquisition and resettlement, including engaging their engagement with the community and other key stakeholders.
- **Approach to Accessibility and Financial Inclusion:** making our products, services, workplace and culture supportive of people with disability and improving outcomes for those at risk of financial exclusion.
- **Climate Change Commitment:** responding to the social, environmental and economic challenges of climate change.
- **Diversity and Inclusion Policy:** committing to strive to a workplace that reflects the communities in which we operate and provides opportunities to underrepresented groups.
- **Equal Opportunity, Bullying and Harassment Policy:** committing to strive to a workplace free from discrimination, harassment, bullying and victimisation.
- **Modern Slavery Statement:** reporting how we identify, assess and manage modern slavery risks including forced labour, child labour and human trafficking.
- **Reconciliation Action Plan:** stating our commitment to social and economic participation of Aboriginal and Torres Strait Islander peoples.
- **Social and Environmental Risk Policy and Screening Tool:** outlining our social and environmental standards and due diligence for large business customers of ANZ.
- **Supplier Code of Practice:** outlining our requirements for suppliers including in relation to labour rights, workplace health and safety and freedom of association.
- **Complaints processes:** providing communication channels to raise complaints including our Human Rights Grievance Mechanism.

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<sup>1</sup>. 'Business relationships' means business customers, suppliers and partners.

## ANZ Human Rights Grievance Mechanism

We support the UNGPs, including via access to our Mechanism. This is available to people and communities who believe their human rights have been impacted by ANZ's Institutional or Corporate lending customers.

For a grievance to be accepted into the Mechanism, the customer must consent to both ANZ disclosing the existence of a current or former lending relationship to the Affected People and to participating in the Mechanism.

The Mechanism is designed to promote responsible business conduct, under a framework through which:

- efforts can be made to resolve grievances; and
- recommendations aimed at strengthening our due diligence processes can be provided.

This year we received one grievance to the Mechanism. At the date of this report, the grievance has not been formally accepted into the Mechanism. Consideration of the grievance is paused whilst a parallel process is underway.

The Grievance Mechanism framework and our grievance reporting is available at [anz.com.au/about-us/esg/fair-responsible-banking/human-rights/](https://anz.com.au/about-us/esg/fair-responsible-banking/human-rights/).

## Modern slavery

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

## Material risks and key exposures

ANZ takes a Group-wide approach to managing modern slavery risks in its operations and supply chain.

ANZ considers that our policies and tools help to mitigate modern slavery risk and support our ability to seek to influence changes in practice and behaviours at a stakeholder level. Modern slavery risk, at a group level, is assessed for three key workstreams and for our people as follows:

- **Supply chain** – higher risk due to volume and breadth of goods and services procured, and our international banking presence in a number of higher risk countries;
- **Customers** – higher risk due to both some of the sectors and some of countries in which we, and our customers, operate;
- **Investments** – moderate to lower risk for investments made by our third-party fund managers and New Zealand fund managers<sup>3</sup> due to risk-based drivers including our overall investment philosophy and selection of fund managers; and
- **People** – lower risk due to the skills required for employment, visibility of employment arrangements, and the location of most of our employees<sup>4</sup>.

This assessment enables us to prioritise programs of work that will have the most effective impact, as a Group, to respond to modern slavery risk.

We comply with both the Australian Commonwealth Modern Slavery Act 2018 and the United Kingdom's Modern Slavery Act 2015. Further detail on our approach to modern slavery is provided in our 2023 Modern Slavery Statement, to be released later this year at [anz.com/esgreport](https://anz.com/esgreport).

## Salient human rights

We have identified our salient human rights issues according to where we could potentially cause or contribute to the most significant negative human rights impacts. These include:

- Safety and security of our people
- Labour rights, including modern slavery
- Privacy and consumer protection
- Corruption and bribery
- Environmental protection
- Land access and rights

Although we cannot control or avoid all of these, we seek to reduce their likelihood and respond appropriately.



You can trace our approach to human rights throughout this report using this symbol

**1.** Serious exploitation of people through threats, coercion or deception, which are used to exploit and undermine victims or deprive them of their freedom – Commonwealth Modern Slavery Act 2018, Guidance for Reporting Entities (2023). **2.** Walk Free, The Global Slavery Index (2023). **3.** External fund managers are used for private bank customers in Australia. ANZ New Zealand Investments Limited (a subsidiary of our New Zealand business) use external and internal fund managers. **4.** Australia and New Zealand have lower prevalence and vulnerability to modern slavery according to the Global Slavery Index (2023).

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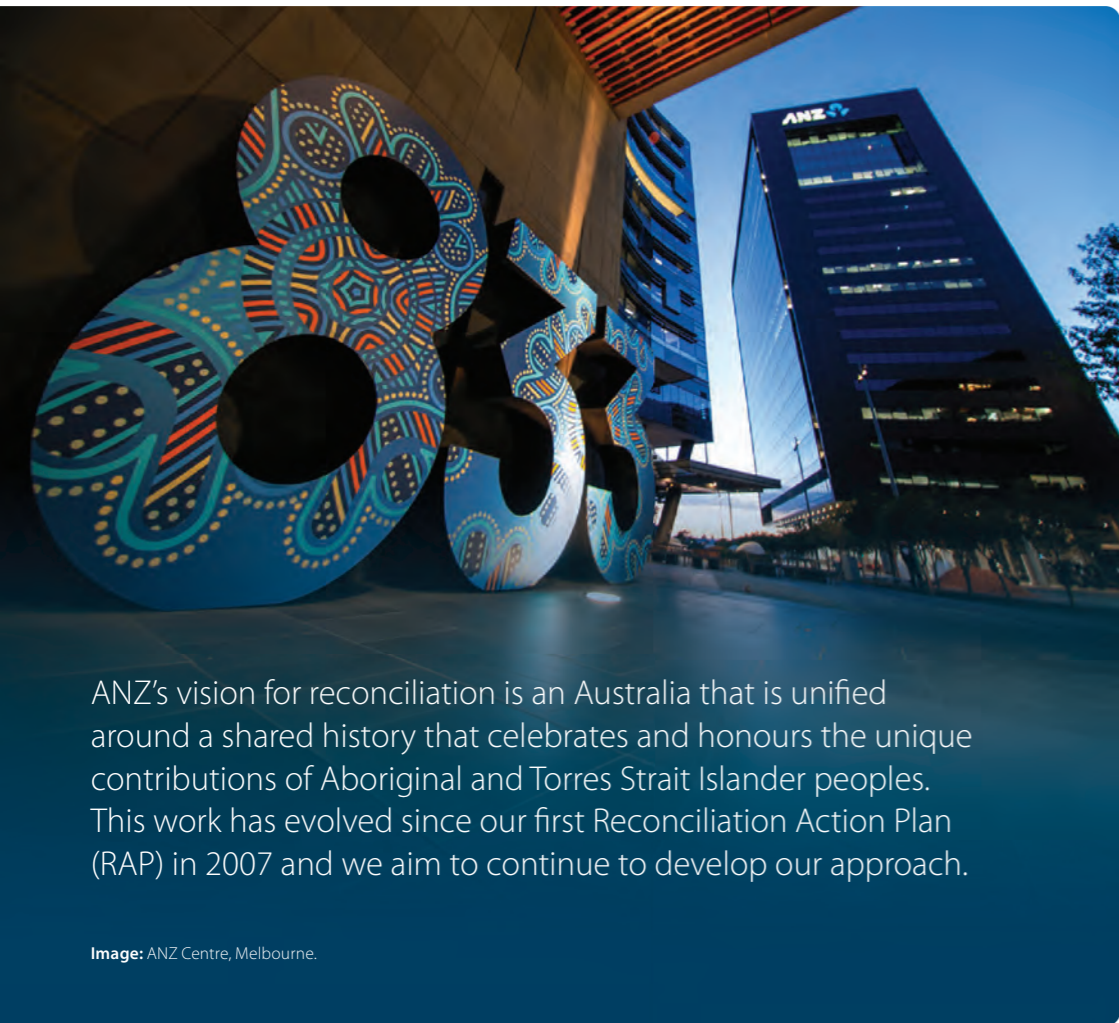
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## CONTRIBUTING TO RECONCILIATION IN AUSTRALIA



ANZ’s vision for reconciliation is an Australia that is unified around a shared history that celebrates and honours the unique contributions of Aboriginal and Torres Strait Islander peoples. This work has evolved since our first Reconciliation Action Plan (RAP) in 2007 and we aim to continue to develop our approach.

Image: ANZ Centre, Melbourne.

Our **2021–2024 Stretch RAP**<sup>1</sup>, focuses on four key areas:

- Improve the financial wellbeing of individuals to develop financial resilience
- Provide employment and career progression opportunities to enable economic participation
- Support the growth of Indigenous businesses and organisations to enable economic participation
- Improve our understanding of Aboriginal and Torres Strait Islander cultures to create culturally safe and supportive spaces, show respect and combat racism

Progress against our RAP is guided and monitored by a Steering Committee of senior leaders from across the business, an external First Nations Advisor and the Chairs of both the Ngarga Wangaddja<sup>2</sup> and the ANZ Reconciliation Network to ensure we deliver on our objectives.

We continue to make good progress against the 17 actions in our RAP, delivering all that fell due in 2023. This year, we:

- Launched a Commercial banking proposition, appointing two Indigenous Small Business Managers to work with our Indigenous Commercial customers, providing tailored financial solutions to help them start, run or grow their businesses.
- Partnered with Indigenous Business Australia to host a one-day CEO Assessment Clinic for the leaders of six Indigenous businesses as part of our objective to actively promote Business Growth training.

- Spent \$11.7 million with Indigenous businesses (\$24.4 million since the RAP commenced), towards our objective of \$6 million by 2024 (refer page 53 for more information).
- Implemented a Cultural Learning Strategy designed to improve the cultural competency of Australia-based non-Indigenous employees to meet the needs of Aboriginal and Torres Strait Islander customers, employees and community partners.
- Embedded First Nations principles into the design concepts for key offices and branch refurbishments or new builds, in consultation with local Traditional Owners.
- Developed and implemented ANZ’s First Nations Recruitment, Retention and Professional Development strategy (2024-2026) to drive greater representation across all levels of the organisation and empower our First Nations employees to build meaningful careers at ANZ.
- Partnered with BlackCard<sup>3</sup> to provide face-to-face cultural capability training to more than 280 Australia-based employees (nearly 900 since the RAP commenced), exceeding our objective of 300 employees by 2024.
- Delivered eight MoneyBusiness coach training sessions to community workers and financial counsellors working in remote communities (14 since the RAP commenced). For more information on MoneyBusiness see page 30.

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<sup>1</sup>. Per Reconciliation Australia’s RAP Framework, a “Stretch RAP” spans a two or three year period, and is focused on longer-term strategies, and working towards defined measurable targets and goals. <sup>2</sup>. Ngarga Wangaddja means mob talking in the language of the Nungga people, and was the name chosen for the employee reference group formed to represent the voices of Aboriginal & Torres Strait Islander employees at ANZ. <sup>3</sup>. BlackCard is a 100% Aboriginal owned specialist consultancy providing cultural capability training and consultancy services to enable people and organisations to work effectively with members of the Aboriginal community.



## LEADING INDIGENOUS TRANSFORMATIONAL CHANGE IN AOTEAROA NEW ZEALAND

Launched in 2022, ANZ Bank New Zealand's **Tākiri-Ā-Rangi strategy** aims to:

- Develop stronger relationships with Māori, *iwi* (tribe) and *hapū* (sub-tribe) across the country, acknowledging the growing contribution Māori businesses make to the economy;
- Support indigenous financial inclusion to improve Māori financial wellbeing; and
- Conduct a program to enhance ANZ's own understanding of *Te Ao Māori* (the 'Māori world view').



The strategy will be implemented until 2040 and aims to deepen ANZ's understanding of the values that are intrinsic to Māori, with a purpose to *kia hanga i te ao e ora ai, e tipu ai te tangata me te kāinga* (shape a world where people and communities thrive).

This year, we have made substantial progress against these goals, including:

- Arranging our first loan agreement with a Māori business which includes a statement of intent in *Te Reo Māori* (the Māori language).
- Launching *Te Waka-Ā-Reo* ANZ's own *reo Māori* program. The online and facilitated language courses were designed to increase proficiency and confidence in the language, with more than 1,200 online modules completed this year.
- As part of *Te Tohu o Matariki o ANZ* – which introduced Māori design, photography and language to our brand assets, marketing campaigns and branches – over 2,900 customers applied for a new bank card featuring the work of Māori artist Geoff Popham during our Matariki (Māori New Year) 'My Photo Card' campaign, exceeding the target of 400 applications.

- Releasing ANZ's *Watch Wāhine Win* report, which recognised and celebrated the women who make up New Zealand's rich cultural fabric, and restated ANZ's support for Māori women to build their own path to a better future through economic equality.
- Changing ANZ Bank New Zealand's social media handles to 'ANZ Aotearoa' to reflect the Māori language name for New Zealand.
- Launching *Ngā Whetū E Pīata Mai Ana* – an innovative recruitment program, partnering with a private training entity to find and educate our next generation of Māori bankers.
- Introducing *Te Taumata o Tākiri-ā-Nuku*, a biannual gathering of Māori staff to hear their voices and views in supporting the long-term objectives of *Tākiri-Ā-Rangi*.

### Engaging with the community

This year, ANZ also hosted Dame Annette King (the High Commissioner of New Zealand to Australia) who, alongside ANZ CEO Shayne Elliott, opened the ANZ



*Te Tiriti O Waitangi* (the Treaty of Waitangi) Exhibition at our headquarters in Melbourne. The art exhibition recognised the 40th Anniversary of the Australia-New Zealand Closer Economic Relationship Trade Agreement between Aotearoa New Zealand and Australia.

Launching the exhibition Shayne said, "ANZ has a long and proud history in New Zealand, dating all the way back to 1840, when barely a month after the signing of the Treaty of Waitangi, the Union Bank of Australia opened its first branch in Petone, across the harbour from Wellington City."

ANZ Bank New Zealand's leadership team also met with Māori leaders from across Aotearoa New Zealand to talk about *Te Tiriti O Waitangi*, the 'price of citizenship' and role being played by Māori Trusts to help rebuild their regions after extreme weather events. This ongoing *kōrero rangatira* (chiefly conversation) was led by ANZ Bank New Zealand Chairman Sir John Key and ANZ Group Executive and CEO New Zealand Antonia Watson. Antonia and her leadership team continued this conversation with a meeting at Waitangi in September.



**Image 1:** ANZ Bank New Zealand bank cards featuring the work of Māori artist Geoff Popham. **Image 2:** ANZ *Te Kaitohu Rautaki Māori* Karleen Everitt. **Image 3:** ANZ Bank New Zealand Group Executive and CEO Antonia Watson at the launch of the *Watch Wāhine Win* report.

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## OUR APPROACH TO ACCESSIBILITY AND INCLUSION



Our refreshed 2023-2025 **Accessibility and Inclusion Plan** is registered with the Australian Human Rights Commission. The Plan includes a refined set of obligations for ANZ to continue to build a more accessible bank for our customers, employees and the community. Importantly, the Plan now extends to New Zealand for the first time.

Our new obligations are the result of extensive consultation including with employees via the ANZ Abilities Network and a survey with non-governmental organisations. Recommendations from the 2021 Access and Inclusion Index Benchmark Report by the Australian Network on Disability were also considered to inform priority areas.

### The new obligations in the Accessibility and Inclusion Plan are grouped across four areas:

#### INCLUSIVE DESIGN



We use inclusive design principles so as many people as possible can use our products, services and working environments with dignity, convenience and independence.

#### EMPLOYEE EXPERIENCE



As a disability-confident workforce, we create safe and welcoming working environments where people with disability can thrive. We anticipate the needs of employees with disability and make the necessary adjustments to support high engagement and performance.

#### CUSTOMER EXPERIENCE



We identify and address barriers to banking to promote equitable access for everyone in the community. We embrace and integrate intuitive and innovative accessibility features into our products and services.

#### COMMUNITY AND PARTNERS



Through a wide range of partnerships and ongoing consultation with leading disability organisations, changemakers, and industry groups, we are a voice for change, raising awareness and closing social and economic gaps for people with disability.

Many of the obligations are a continuation of existing focus areas, such as seeking to:

- Build disability confidence and capability across ANZ for people leaders, recruiters and customer services employees through training and resources and by strengthening the employee Abilities Network.
- Ensure employee and customer technology solutions are accessible and inclusive for all.
- Improve analytics, insights and reporting on the experience of our workforce using both quantitative (e.g. representation in leadership) and qualitative (e.g. employee My Voice survey) data.
- Embed inclusive design by actively consulting with people with disability in the design, development, testing and implementation of banking solutions.

Key areas of progress this year include:

- Our Australian Digital Team launched the Deque Axe tool for software engineers to create accessible digital experiences. The tool integrates into engineer workflows and monitors ANZ web pages for compliance to industry accessibility standards.
- More than 170 Australian employees completed accredited Mental Health First Aid training.
- Improved the workplace adjustments process for new and existing employees, including Personal Emergency Evacuation Plans (PEEP) as part of onboarding or cross boarding to enhance workplace safety for all employees.
- Published research results on the financial wellbeing, attitudes and behaviours of people with disability or a long-term health condition, sharing these insights with key stakeholder groups.



**For more information about employee wellbeing see page 62.**



Image: *The Wind* by Victoria Atkinson.

More than 170 Australian employees completed accredited Mental Health First Aid training.

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- Our approach to human rights
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**HIGHLIGHT**

**Financial wellbeing of people with disability or long-term health conditions**

To support the delivery of obligations in our new Accessibility and Inclusion Plan, ANZ released research examining the financial confidence and wellbeing of Australians living with disability or long-term health conditions. The research found people with disability or long-term health conditions, particularly those of working age, had much lower financial wellbeing than other Australians.

Reduced earning potential, employment opportunities and poor mental health all contributed to lower levels of financial

wellbeing, particularly for working age Australians with disability. Housing security and access to social support also played a significant role.

People with disability were budgeting, planning and regularly monitoring their finances with three-quarters making a budget for how they used their income – on par with people without disability. Despite this, socio-economic factors were impacting their ability to build a savings buffer with 22% reporting they had no savings compared to only 11% of those without disability. This reduced resilience made it more difficult to deal with unexpected expenses.

Financial confidence and the capacity to build long-term security also impacted their financial wellbeing. Only half of working age Australians with disability or long-term health conditions felt confident in their ability to plan their financial future compared to 66% of all Australians. One-third of Australians with disability who wanted to own a home did not feel it was a realistic goal for them compared to 15% of people without a disability or long-term health condition.

Programs and tools to help develop financial confidence and positive saving and spending habits such as MoneyMinded and Saver Plus can provide skills to lessen the impact of socio-economic

disruptions on financial wellbeing. However, these insights highlight the importance of addressing structural supports to enable full inclusion. Reducing barriers to employment, providing formal and informal social support, and improving housing security all have a role to play in enabling people to participate socially and economically to their full potential. Refer to pages 26-31 for further detail on ANZ's approach to financial wellbeing.



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

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## MANAGING OUR INDUSTRY ASSOCIATIONS AND TAX

### Contribution to public policy

We seek to contribute constructively to public policy formation and understand the perspectives of our community's elected representatives, policy makers and regulators.

This includes business, economic, social and environmental focus areas. We work in a collaborative and open way as members of associations that have similar interests and approaches to ours.

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

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

### Managing our tax affairs

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



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

### In 2023, our key membership payments included:

> Australian Banking Association

\$3,040,391

> Business Council of Australia

\$104,500

> New Zealand Banking Association

NZ\$2,260,248

> Business New Zealand

NZ\$46,460

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## MEETING THE NEEDS OF A CHANGING WORKFORCE



We're responding to the needs of a changing organisation by investing in simple and seamless core human resources (HR)-related tools and services, supporting our people to adapt and progress so they can focus on, and deliver, what matters.

We launched a new HR platform this year, helping create a connected technology experience for our people across recruitment, onboarding, performance management, learning, career development, progression, reward and recognition, pay and offboarding.

**This investment in our HR technology infrastructure is designed to deliver business benefits and an enhanced experience for our people long-term.**

Through new position management structures, data and insights capabilities, and people cost controls we are well positioned to make data-driven decisions to achieve this strategy for our workforce.



Image: ANZ Centre, Melbourne.

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## WELLBEING AND ENGAGEMENT

We continue to focus on providing programs to support the wellbeing of our people across all domains, including physical, mental, social and financial wellbeing.



Image: ANZ Centre, Melbourne.

Our regular wellbeing webinars continue to have strong engagement, with nearly 4,450 employees attending throughout the year.

We commenced a Group-wide review to explore the factors which have the greatest influence on the mental health and wellbeing on our people. The outcomes of this review will help us to understand how we can continue to uplift our risk controls.

In Australia, we implemented Mental Health First Aid training, with more than 170 employees now accredited to support colleagues experiencing mental health issues. We also introduced suicide and self-harm guidelines in India, in addition to those already used in Australia, New Zealand and Manila. For more information about our Accessibility and Inclusion plan see page 58.

This year, nearly 2,080 employees across the Group were supported by our Employee Assistance Program.

Customer aggression continues to be one of the key risks to employee wellbeing. In recognition of this, a refreshed capability framework was developed and revised inappropriate customer behaviour training is in development. Both initiatives aim to support our frontline employees to safely de-escalate instances of customer aggression.

We also support employees to achieve positive health outcomes, irrespective of whether the injury or illness is work-related. This year, 324 employees across Australia have received assistance for non work-related illness or injury.

### Engagement

Our bi-annual Group-wide engagement survey, My Voice, continues to be one of the primary ways we receive feedback from our people and understand their experience of working at ANZ.

Our results continue to exceed the global Finance & Insurance (F&I) benchmark on all items – and, in some cases, exceed the Global Best in Class (GBIC) benchmark (top 10% of organisations globally). Our engagement scores are level with the GBIC benchmark and 6 ppt above the global F&I industry average. Further, 89% of respondents said they would recommend ANZ as a great place to work.

Psychological safety is fundamental to our risk culture. This year, we continued to focus on ensuring all our employees feel motivated and empowered to do the right thing and challenge constructively. Since the introduction of our ‘Speak Up’ index in the August 2022 My Voice survey, our result has remained strong at 84%, up 1ppt since March. For more information on risk culture see page 48.

Other key areas of improvement identified this year include creating opportunities for people to achieve their career goals at ANZ and building work processes which allow us to be as productive as possible.

#### August 2023 My Voice survey results:

Employee engagement  
**87%**  
March 2023: 87%

Inclusion  
**85%**  
March 2023: 87%

Wellbeing  
**83%**  
March 2023: 83%

Experience matches expectations  
**92%**  
March 2023: 92%

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## ATTRACTING AND RETAINING EMPLOYEES

Our employee attrition rate<sup>1</sup> fell to 9.5% this year – down from 13.9% in 2022 and slightly below our pre-COVID rate of 10.6%.

We have observed an easing of the highly competitive labour market seen in previous years across our major geographies, with applications per job ad increasing and overall job ads declining. However, with ongoing low unemployment in Australia (3.6%<sup>2</sup>) and New Zealand (3.6%<sup>3</sup>), competition in some role types remains tight, particularly for engineers and data professionals.

Other role types where candidate supply remains a key focus include compliance and non-financial risk, credit risk, and customer relationship roles. Our focus on attracting and retaining talent in Bengaluru is ongoing as competitors continue to expand, driving demand for talent in artificial intelligence, operations and digital.

We implemented a range of initiatives this year, including:

- A campaign in Bengaluru focused on engaging with engineers and data professionals to build the awareness of our brand in anticipation of increasing need for these capabilities.
- Redesigning the New Zealand careers website to better showcase our culture, diversity and opportunities. Built with the candidate experience in mind, the site provides the information candidates require at each stage of their job search to encourage applications.
- Ongoing investment in leadership capabilities across the bank, refer to page 64 for details.

### Focusing on key strategic capability areas Engineering, Cloud, Data and Security

The Engineering Career Pathways program launched this year, is designed to help attract, grow and retain these critical skill sets. The pathways comprise eight specialisations and seven craft levels, providing career progression to people focused on mastering the craft of engineering.

**This year, we continued to grow our early talent engineering pipeline, hiring more than 1,180 engineers, with approximately 60% of ANZ's early talent in engineering roles.**

We also introduced new "capability channels" learning content designed to further support our engineers to uplift their skills across a range of technical areas including security, Cloud and DevOps.

### Building capabilities in ESG

Our Mindset 2030 learning program supports our employees to better understand our Environmental Sustainability strategy, research and publications, and how we are engaging with our customers in line with our Climate Change Commitment.

This year, we added new modules to the learning program, covering ESG topics such as financial wellbeing and risk management. Around 4,300 people have commenced the renamed ESG@ANZ learning program, with more than 8,800 modules completed. We also ran 25 speaker events covering key ESG concepts to further embed the learning. Our newly established champion network includes more than 200 volunteers across our geographies to create awareness and uplift capability more broadly. For more information see our Climate-related Financial Disclosures available at [anz.com/esgreport](https://anz.com/esgreport).

### Aotearoa New Zealand Skills Pledge

ANZ Bank New Zealand continues investing in the personal and professional growth of our people, achieving nearly 122,000 hours of learning (from a 2020 baseline of 35,000 hours) in support of the Aotearoa New Zealand Skills Pledge which commits signatories to doubling investment in re-skilling and training hours by 2025, and report annually on progress.

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## LEARNING AND DEVELOPMENT

### Developing our leaders and their teams

We continued to invest in developing the capability of our people this year with more than 1.36 million hours of learning delivered through our digital learning platforms. This included around 616,000 hours of compliance training and more than 484,000 hours of self-directed learning. A further 149,000 hours were dedicated to continuing professional development.

We implemented a new Learning Management System this year, with nearly 814,745 courses completed since its launch in April. Our Way of Learning (OWL) platform also continues to be well used with over 10,000 users a month.

Since launching our Executive Leadership Series last year, we delivered two modules targeted to senior leadership focusing on topics related to our strategy. The module on performance and culture was attended by over 70% of senior leadership with around 86% of attendees indicating it helped improve their leadership approach.

Targeting all our people across the organisation, we strengthened culture capability by launching a Group-wide learning program focused on deeper understanding, engagement, habit formation and skill building to directly support our culture.

The newly launched LEAD@ANZ program is designed to empower people leaders across the organisation and equip them with the skills and confidence to be an exceptional leader.

Since launch, the program has been attended by more than 5,400 of our people across 29 markets. Topics covered include what it takes to be a great leader and how to bring our purpose and strategy to life.

The 1% Better program was launched this year to support our people to be aware of our cultural behaviours, building the desired habits and skills to demonstrate these every day. To date, over 5,000 participants have attended the modules with more than 90% indicating they could better demonstrate our behaviours.



Image: ANZ Centre, Melbourne.

The newly launched LEAD@ANZ program is designed to empower people leaders across the organisation and equip them with the skills and confidence to be an exceptional leader.

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## ACHIEVING GENDER BALANCE IN OUR BUSINESS

We are pleased to have increased Women in Leadership<sup>1</sup> (WIL) to 37.3% in 2023, exceeding our target of 36.9% (an increase of 1.4 ppt since 2022). Women in revenue generating leadership roles<sup>2</sup> improved by 2 ppt to 32.2% this year.

In 2024 our target is to again increase WIL by 1 ppt, to 38.3%. We anticipate the changing shape of our business and increased focus on traditionally male-dominated roles may make it challenging to achieve the progress in WIL that we are seeking.

To help support the achievement of this target, this year we developed an enterprise Women in Leadership (WIL) Action Plan which has a focus on increasing the representation of WIL and 'building the pipeline', and includes a sustained focus on prioritised segments such as Institutional and Technology, both of which have large leadership populations – a higher proportion of which are men.

This year, we established:

- Group Executive and CEO New Zealand Antonia Watson and Group Executive Institutional Mark Whelan as executive sponsors of the plan, to champion and advocate the criticality of the WIL agenda across the organisation;
- a Business Leader Reference Group comprising senior leaders – of all genders and from across various geographies and divisions – who provide input into the WIL efforts from the perspective of both their lived experience as a business leader and the division they represent; and
- a WIL Taskforce with representatives from the prioritised segments and Talent & Culture to align WIL efforts on the initiatives that will have the greatest impact, drive momentum and provide a disciplined focus for the WIL agenda.

We also included additional gender equity questions in our My Voice engagement survey this year to better understand gender equality perceptions and the factors that can act as enablers or barriers to the achievement of gender equality in our workplace.

We developed an enterprise Sponsorship Playbook to provide guidance for groups across the bank looking to run a sponsorship program, and completed a stocktake of our people policies, processes and practices to identify opportunities

for improvement. Some of the adjustments we are now making include improvements to our exit interview process and providing additional guidance for hiring managers on inclusive recruitment.

ANZ is signatory to the 40:40 Vision, an investor-led initiative which aims to achieve gender balance (40:40:20) in executive leadership teams of ASX300 companies by 2030. As at 30 September 2023, women as Key Management Personnel (KMP)<sup>3</sup> had decreased to 30% (below the 40% target). This number included Richard Howell, who was Acting Group Executive Talent & Culture for three months during 2023. Elisa Clements was announced permanent Group Executive Talent & Culture commencing 9 October at which time women as KMP increased to 40%. Three of the four KMP roles with profit and loss accountability are held by women – our Group Executive Australia Retail Maile Carnegie, Group Executive Australia Commercial Clare Morgan, and Group Executive and CEO New Zealand Antonia Watson.

Further detail on our gender diversity targets can be found in our Corporate Governance Statement and our Diversity and Inclusion Policy available at [anz.com/corporategovernance](https://anz.com/corporategovernance). For more information about employee gender breakdowns see our ESG Data and Frameworks pack available at [anz.com/esgreport](https://anz.com/esgreport).

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1. Measures representation at the Senior Manager, Executive and Senior Executive levels. Includes all employees regardless of leave status but not contractors (which are included in FTE). 2. Representation of women at the Senior Manager, Executive and Senior Executive levels based on 'revenue proximity' field. 3. CEO and Disclosed Executives as set out in the Remuneration Report contained within the Annual Report.

## A FOCUS ON GENDER PAY EQUALITY

We further evolved our approach to gender pay reporting by disclosing our total remuneration<sup>1</sup> gender pay gap in Australia for the first time this year (see table below).

The overall figure represents the difference between what women and men<sup>2</sup> earn across all roles based in Australia, complementing our historical reporting methodology, available in our ESG Data and Frameworks Pack available at [anz.com/esgreport](https://anz.com/esgreport). We have chosen to report the difference in total remuneration rather than salary<sup>3</sup> this year, reaffirming our ambition to publish more transparent pay equity data and bridge the gender pay gap.

In early 2024, the Australian Workplace Gender Equality Agency (WGEA) will be publishing private sector employer pay gaps for the first time. ANZ's gender pay gap is 19.9% which, while still much higher than we would like, is below the average gender pay gap for the financial and insurance services industry of 28.6% and the national average of 22.8%<sup>4</sup>.

Like the industry overall, ANZ has a majority female workforce (50.8%) but lower representation of women in leadership (37.3%). The key to closing the gender pay gap continues to be increasing the representation of women in senior and higher-paying roles which is why implementing our Women in Leadership Action plan is so critical.

### Measuring gender pay equality

In calculating the overall gender pay gap<sup>5</sup>, we assessed the overall differences in both average<sup>6</sup> and median<sup>7</sup> total remuneration. Unlike average total remuneration which can be influenced by outliers and can skew the result, the median is a closer representation of the earnings typical of our male and female employees.

A range of factors determine the level of variable pay at ANZ, so our overall gender pay gap may fluctuate year-on-year.

We were pleased to further reduce our overall gender pay gap in Australia this year, as measured by both the average and median remuneration. We have achieved this primarily by increasing the number of women in more senior and higher paying roles.

Our overall pay equity gap<sup>8</sup> – which compares the total remuneration of women and men in the same or similar roles – in Australia regressed marginally since last year when the pay equity gap slightly favoured women, to now slightly favouring men. Although our overall pay equity gap remains minimal, we recognise there are areas where this gap is wider and we have more work to do.

We actively monitor and review both our gender pay gap and pay equity gap, including as part of our annual Performance and Remuneration Review process and by the CEO, aiming to take positive action to adjust where necessary.

This year, ANZ Bank New Zealand publicly reported its **gender pay gap** for the second time (20.5%<sup>9</sup> favouring men in 2022). For the first time, the **Māori and Pasifika pay gap** – the difference between the average pay for Māori and Pasifika and for European/Pākehā – was also disclosed at 23.3%<sup>10</sup> in 2022 favouring European/Pākehā employees.

For comparable data measuring the average salary breakdowns by job category and for women and men in the same or similar roles see our ESG Data and Frameworks pack available at [anz.com/esgreport](https://anz.com/esgreport). More information about ANZ's remuneration report can be found in the 2023 Annual Report available at [anz.com/annualreport](https://anz.com/annualreport).

	AVERAGE		MEDIAN	
	2023	YoY change	2023	YoY change
Gender pay gap	19.9%	⬇️ 1.9 ppt	23.1%	⬇️ 1.5 ppt
Pay equity gap	0.3%	⬆️ 0.7 ppt	0.01%	⬆️ 0.5 ppt

⬆️ Increase (in favour of men)    ⬇️ Decrease (in favour of women)

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**1.** Includes both fixed and variable remuneration, such as bonuses. **2.** Gender data reported using binary female and male categories to ensure confidentiality of our non-binary and gender diverse employees. ANZ recognises and respects diverse gender identities and is committed to providing a safe, respectful and inclusive workplace. **3.** Fixed remuneration, such as base salary and superannuation. **4.** Australia only. Includes Executive Committee, permanent, casual & temporary (fixed-term) employees, and trainees/interns. Excludes ANZ CEO and independent contractors. Effective date 9 September 2022. **5.** Includes both fixed and variable remuneration. Fixed remuneration data reflects actual earnings over 12-months (grossed up to 1 FTE and annualised). Variable pay is based on FY22 outcomes. **6.** Calculated by summing all values in total number of values. **7.** Calculated by sorting all values from highest to lowest and identifying the middle value in each data set. **8.** Referred to in prior reporting as "like-for-like". From 2023 measures total remuneration, not just base salary. **9.** This data is permanent employees of ANZ Bank New Zealand Limited, excluding the New Zealand CEO. Percentages are based on full-time equivalent average Total Pay (salary and superannuation, where it forms part of a fixed remuneration package, plus variable pay). Values are provided by ANZ on a voluntary basis and are as at 30 September of the relevant year. **10.** The number of permanent employees of ANZ Bank New Zealand Limited who identify as Māori or Pasifika is 8.7% of the total permanent employee population, including employees who have not declared an ethnicity. Employees who haven't provided ethnicity data aren't included in the ethnicity pay gap calculation. We recognise that our ethnicity pay gap is based on less than half of our workforce and does not provide a complete picture. Values are provided by ANZ Bank New Zealand Limited employees on a voluntary basis and are as at 30 September 2022.

## WORKPLACE DIVERSITY AND INCLUSION

By having a diverse workforce and inclusive culture we aim to improve the quality of ANZ’s decision-making and drive innovation, making us a better bank for our customers.

### We are making good progress against our five diversity and inclusion strategic priorities:

- Create an inclusive culture and improve the experience of our employees who represent all dimensions of diversity
- Build the confidence and capability of people leaders to lead diverse and inclusive teams
- Improve the diversity of our leadership population
- Strengthen and empower our employee networks
- Improve accountability and governance

### Our employee networks: creating an inclusive culture

Our employee networks continue to play a critical role in shaping our inclusive culture and their importance is reflected in our Diversity and Inclusion Strategy. Groups representing our diverse workforce include Abilities, Reconciliation, Mental Health & Wellbeing, Cultural Inc, ForWARD, Faith, and Pride.

We have begun establishing our first neurodiverse employee network to support and build connections with our neurodiverse community within ANZ. For the first time this year, we asked a question in our engagement survey to understand the representation and experience of our neurodivergent colleagues.



Image: ANZ Centre, Melbourne.

Our ForWARD gender equity network, in collaboration with Pride, hosted a virtual panel event on “None of the Above: Life Isn’t Binary” for this year’s International Non-Binary People’s Day to celebrate the non-binary community. In addition to celebrating other important days on the diversity and inclusion calendar, an employee networks marketplace was held in celebration of International Women’s Day to promote awareness of the events, resources and different support systems the networks make available to their members across the bank globally.

Our Abilities Network was a finalist in the ‘Disability Employee Network of the Year’ category of the annual Disability Confidence Awards run by the Australian Network on Disability, recognising the significant work being done to create a more accessible bank. For more information about our Accessibility and Inclusion plan see page 58.

### Return to Work Program

This year saw the expansion of our Return to Work program which supports individuals who have been out of the workforce for two or more years back into meaningful employment. With opportunities across Technology, Commercial, Institutional and Retail, more than 40 new employees were hired across Australia and India. Women represented 90% of these employees, with nearly 70% of the full cohort indicating caring responsibilities were a reason for their career break and half having been out of the workforce for a period of 4-5 years or more. We are pleased that 77% of participants from the last two cohorts of this program have been retained.

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## PARTICIPATION OF UNDER-REPRESENTED GROUPS IN OUR WORKFORCE

We are focused on continuously improving our recruitment and selection processes to ensure they are inclusive, barrier-free and accessible. This year, we introduced the ability for all applicants to include pronouns, select Mx salutation and identify as non-binary in the recruitment process.

**We also continue to run a range of employment programs designed to increase the diversity of our workforce, including:**

- **Indigenous traineeships – 41 trainees (25 full-time and 16 school-based) in 2023**
- **Two new Spectrum program participants this year, in addition to continuing to support autistic secondary school students with 19 work experience placements**
- **More than 260 participants in our Summer internships and graduate programs**

### Chance For All

In 2022, the Brotherhood of St Laurence (BSL) invited ANZ to participate in the “Chance For All” pilot, which expands on the Given the Chance program to include people with disability, recognising the barriers to employment that can also be experienced by this group. This year, three of the eight pilot participants continued their careers with ANZ. For more information about our Accessibility and Inclusion plan see page 58.

### Given the Chance

Since 2007, we have partnered with BSL on the Given the Chance program to assist refugee and asylum seekers with six to 12-month work placements, providing them with invaluable work experience to enter the local workforce. This year, we have placed 46 participants into work placements at ANZ. Approximately 57% of participants from the 2022 cohort have retained ongoing careers with us.

During Refugee Week in June, we celebrated 15 years of the program at our Melbourne headquarters with a panel of program alumni who spoke about their experiences and how impactful the organisations’ supported was.

BSL’s Executive Director, Travers McLeod, said staff from refugee backgrounds not only bring a second language but also an understanding of the cultural context of the community.

“This can include knowledge about what’s happening in their home country or region which may impact their banking needs,” he said. “Trust and inside knowledge like this can’t be purchased.”

### Case study



### A family affair

Through the Given the Chance Program, ANZ welcomed three siblings from a refugee background into three different locations across our New South Wales branch network. Ayesha was the first to join ANZ, commencing her role as a trainee Banking Consultant in February 2023. She reflected on ANZ being a welcoming place for new people where she didn’t feel judged. Inspired by her older sister’s experience, Rubesha Angel applied to join the bank as a trainee Banking Consultant and commenced her new role in June.

Upon hearing how much his two older sisters were enjoying working at ANZ, Yashua also applied through the Given the Chance Program and commenced work as a trainee Banking Consultant in July.

Originally from Pakistan, the three siblings fled to Bangkok where they lived for nearly a decade while waiting for their humanitarian visas, eventually arriving in Sydney in 2022.

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## EXPLANATORY NOTES

Target to fund and facilitate \$10 billion in affordable, secure and sustainable housing by 2030 across Australia and New Zealand.

'Affordable, secure and sustainable housing' is defined as the products and services provided to our customers in Australia to the extent they are related to the defined activities below.

The \$10 billion target is reported as at 30 September 2023 and is a twelve-year Australia and New Zealand target, from 2018 to 2030. It includes all financing either funded or facilitated by ANZ through its products and services, including, but not limited to, loans, guarantees and bonds, markets products and advisory services. It also includes certain labelled sustainable finance products such as social/sustainability bonds and sustainability-linked loans (SLLs).

Our approach to our \$10 billion target:

- aligns to United Nations Sustainable Development Goals (SDGs), specifically SDG 9 Industry, Innovation and Infrastructure and 11 Sustainable Cities and Communities; and
- commits to conducting an annual review of activities and methodologies used to guide activities that qualify for the \$10 billion target. This may result in the inclusion of new activities and any material changes will be transparently disclosed. The inclusion of new activities will not be applied retrospectively.

The \$10 billion target activities specifically include the construction of, or investment in, Australian and New Zealand housing supply that supports positive market change, including the following aims:

- supporting social housing for vulnerable communities;
- expanding the availability of affordable housing for rental or purchase;
- increasing the availability of accessible housing that provides better design to support disability and aged persons;
- delivering security of tenure for rental and/ or including the opportunity to purchase; and
- improving housing sustainability via design and features above minimum standards.

The target includes products and services that have been provided since 1 October 2018 above a threshold of \$1 million. Transactions that qualify for this target (excluding deferred deals) contributed to the \$50 billion target from 1 October 2019 to 31 March 2023, and contribute to the \$100 billion target from 1 April 2023.

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### Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the ANZ 2023 ESG Reporting, which has been prepared by ANZ in accordance with the Criteria for the year ending 30 September 2023.

### Information Subject to Assurance

ANZ Group Holdings Limited (ANZ) engaged KPMG to perform a limited assurance engagement in relation to the 2023 ESG Supplement and 2023 ESG Data and Frameworks Pack. KPMG's scope of work comprises limited assurance over all material text and data claims presented in the 2023 ESG Supplement, and all data tabs and the GRI Index tab in the 2023 ESG Data and Frameworks Pack ("2023 ESG Reporting").

The ANZ 2023 ESG Supplement is attached to this assurance report, and the 2023 ESG Data and Frameworks Pack is available at [anz.com/esgreport](https://anz.com/esgreport).

The 2023 ESG Reporting covers ANZ's consolidated group operations for year ended 30 September 2023 unless otherwise indicated.

### Criteria Used as the Basis of Reporting

The 2023 ESG Reporting is prepared in accordance with the GRI Universal Standards published by the Global Reporting Initiative (GRI) version dated 2021 and management's basis of reporting. A summary of management's basis of reporting is included in the Explanatory Notes in the ANZ 2023 ESG Supplement and the ANZ's Social and Environmental Sustainability Target Methodology, available at [anz.com/esgreport](https://anz.com/esgreport).

### Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the 2023 ESG Reporting, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

### Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- Enquiries with management to understand ANZ's process for determining material ESG issues; and implementation of these across the business;
- Interviews with relevant ANZ management and staff concerning ANZ's approach to ESG and policies for material ESG issues, and the implementation of these across the business;
- Interviews with relevant staff responsible for developing the content (text and data) within the 2023 ESG Reporting to understand the approach for management, monitoring, collation and reporting of such information and the accuracy, completeness and existence of reported text and data within the 2023 ESG Reporting;
- Comparing text and data (on a sample basis) presented in the 2023 ESG Reporting to underlying sources. This included considering whether all material matters are included, whether any are excluded and whether the reported text and data is accurately drawn from the underlying information;
- Testing over ANZ's 2023 ESG targets and the disclosed progress or achievement;
- Reading the 2023 ESG Reporting (in its entirety) to ensure it is consistent with KPMG's overall knowledge of, and experience with, the ESG performance of ANZ;
- Performing a consistency check of ANZ's ESG Disclosures included within the Climate-related Financial Disclosures Report
- Reviewing ANZ's assessment of the disclosures in relation to the GRI.

### How the Standard Defines Limited Assurance and Material Misstatement

A limited assurance engagement is restricted primarily to enquiries and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of ANZ.

### Use of this Assurance Report

This report has been prepared for the Directors of ANZ Group Holdings Limited for the purpose of providing an assurance conclusion on the 2023 ESG reporting and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of ANZ, or for any other purpose than that for which it was prepared.

Overview and governance  
Environmental sustainability  
Housing  
Financial wellbeing  
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### ANZ's Responsibility

ANZ's Management are responsible for:

- determining that the Criteria is appropriate to meet their needs;
- preparing and presenting the 2023 ESG Reporting and other ESG related information in accordance with the Criteria; and
- establishing internal controls that enable the preparation and presentation of the 2023 ESG Reporting that is free from material misstatement, whether due to fraud or error.

### Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the 2023 ESG Reporting for the year ended 30 September 2023, and to issue an assurance report that includes our conclusion.

### Our Independence and Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to maintain a comprehensive system of quality management. We have also complied with ANZ's Stakeholder Engagement Model for Relationship with External Auditor (available on [anz.com](http://anz.com)).



KPMG

**Adrian King**  
Partner

KPMG Melbourne  
10 November 2023

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