2026 ANZ Social and Environmental Sustainability Target Methodology

ANZ Group Holdings Limited (ANZ) ABN 16 659 510 791

Overview of the ANZ Social and Environmental Sustainability Target

ANZ[1] commenced a new social and environmental sustainability target on 1 April 2023, committing to fund and facilitate at least $100 billion by 30 September 2030 in social and environmental activities through customer transactions and direct investments by ANZ (referred to in this document as 'eligible activities'). This includes initiatives that aim to help lower carbon emissions, protect or restore nature, increase access to affordable housing and promote financial wellbeing, as described in this target methodology ('the Methodology'). This target has now been extended to fund and facilitate at least $200 billion by 30 September 2030.

The $200 billion social and environmental sustainability target ('the target') is aligned to ANZ's purpose and supports the United Nations Sustainable Development Goals (SDGs)[2].

The Methodology should be read with the Disclaimer & Important Notices set out at the end of this document.

Monetary amounts in this document are reported in Australian dollars, unless otherwise stated.

Purpose of this Methodology

This Methodology outlines ANZ's approach for assessing the eligibility of transactions[3] for inclusion in target, and reporting on progress towards the target across the following areas:

1) **Determining eligibility** through:
   a. **Eligible banking activities:** Banking activities that contribute to the target, including funding and facilitation of customer financing, and ANZ's own direct investments, and
   b. **Eligible social and/or environmental activities:** The eligible social and/or environmental activities that contribute to the target.

2) **Governance and reporting processes** to verify the eligibility of transactions and to monitor and report progress towards the target.



1. In this Methodology "ANZ" refers to ANZ Group Holdings Limited (ABN 16 659 510 791) and its subsidiaries. **2.** On 1 January 2016, the SDGs came into effect. The 17 goals are aimed at addressing global challenges, including those related to poverty, inequality, climate change and environmental degradation by 2030. **3.** Where the context permits, the term 'transaction' includes customer transactions and ANZ direct investments.

Overview

1. Determining eligibility
2. Eligible banking activities, assessment and measurement
3. Eligible social and/or environmental activities
4. Governance and reporting
5. Disclaimer and important notices

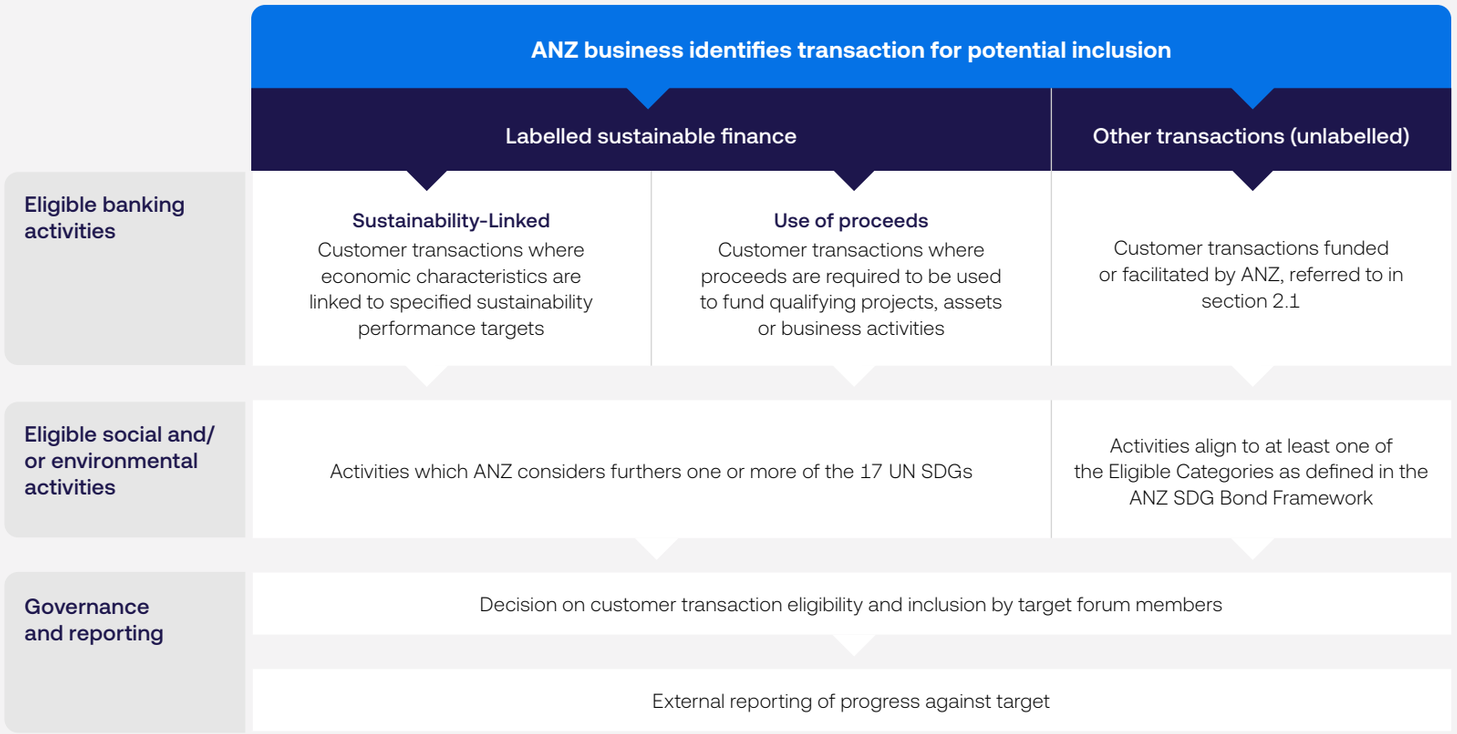
1. Determining eligibility

A transaction is an eligible activity and qualifies for inclusion towards ANZ's target if it meets the criteria for:

- eligible banking activities; and
- eligible social and/or environmental activities

See Figure 1

Figure 1: Summary of how ANZ determines if a customer transaction is eligible for inclusion towards the target.



The eligibility of **ANZ direct investments** towards the target is:

1) subject to the same identification and governance processes depicted in Figure 1[1]; and
2) determined by the nature of the individual investment and the underlying social and/or environmental activity e.g. inclusion of labelled bond purchases would follow the labelled sustainable finance pathway in Figure 1.

1. With the exception that direct investments do not need to be customer-related.

Overview
1. Determining eligibility
2. Eligible banking activities, assessment and measurement
3. Eligible social and/or environmental activities
4. Governance and reporting
5. Disclaimer and important notices

2. Eligible banking activities, assessment and measurement

2.1. Eligible Banking Activities

Eligible banking activities are assessed against ANZ's internal standards, policies and guidelines, as applicable.

ANZ eligible banking activities covered by the target fall under the following categories:

1) **Customer Transactions**:
   a. **Funding** – where ANZ has committed amounts or limits booked to customers for lending, trade and markets products requiring a credit decision.
   b. **Facilitation** – where ANZ has advised, structured, underwritten, coordinated or distributed in relation to a customer's capital raising (e.g. bonds, loans, equity).
2) **ANZ Direct Investments:** including labelled green, social, sustainability and sustainability-linked (GSSS) bond purchases held on balance sheet and equity investments held on balance sheet.

2.2. Assessment

2.2.1. Assessment of labelled sustainable finance transactions

ANZ's internal specialist teams determine whether a transaction qualifies as a labelled sustainable finance transaction for the purposes of the Methodology.

Labelled sustainable finance comprises existing banking products with a specific sustainability related label. ANZ's labelled offering includes:

- **Green, social and sustainability loans and bonds**
- **Sustainability-linked loans and bonds**
- **Green guarantees**
- **Sustainability-linked guarantees**
- **Sustainable supply chain facilities**

To be a 'use of proceeds' transaction as depicted in Figure 1, the proceeds are required to be used for financing qualifying environmental and/or social projects, assets or business activities.

'Sustainability-linked' transactions as depicted in Figure 1, are where the economic characteristics (e.g. pricing outcomes) of the financial instrument are linked to sustainability performance targets. We assess the level of ambition and the materiality of the targets in the context of the customer's sustainability strategy.

For both categories we:

- assess whether the transaction adheres to ANZ's internal standards, policies and guidelines, as applicable;
- draw from recognised market guidelines or principles where applicable, such as the Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA) and Loan Syndications and Trading Association (LSTA) Green Loan Principles, Social Loan Principles and Sustainability-Linked Loan Principles; International Capital Markets Association (ICMA) Green, Social and Sustainability-Linked Bond Principles; ICMA Sustainability Bond Guidelines; and Orange Bond Initiative Orange Bond Principles, as further described in Table 1 on the next page.

Review and verification of each labelled transaction against the eligibility criteria specified in section 1 follows the process outlined in section 4.

2.2.2. Assessment of unlabelled transactions

ANZ's transaction teams identify potential qualifying transactions which conform to the eligible banking activities and eligible social and/or environmental activities as detailed in this document. Review and verification of each unlabelled transaction against the eligibility criteria specified in section 1 follows the process outlined in section 4.

2.3. Measurement

The target includes eligible banking activities since 1 April 2023 above a threshold of $1 million.

The measurement basis of eligible banking activities and the key guidance, principles and frameworks relating to them, are summarised in Table 1 on the next page.

Overview
1. Determining eligibility
2. Eligible banking activities, assessment and measurement
3. Eligible social and/or environmental activities
4. Governance and reporting
5. Disclaimer and important notices

Table 1: Measurement of eligible banking activities

Banking Activity[1]	Products & Services include	Measurement basis	Key Guidance, Principles & Frameworks
Funding	Loans[2]	Committed amount or limit booked	**All funding:** • ANZ Social and Environmental Sustainability Target Methodology **Labelled sustainable finance:** • APLMA/LMA/LSTA Sustainability-Linked Loan Principles • APLMA/LMA/LSTA Green Loan Principles • APLMA/LMA/LSTA Social Loan Principles
	Trade e.g. guarantees, standby letters of credit, sustainable supply chain		
	Markets e.g. derivatives		
Facilitation	Bonds	Capital raised where ANZ has a facilitation role	**All facilitation:** • ANZ Social and Environmental Sustainability Target Methodology **Labelled sustainable finance:** • ICMA Sustainability Bond Guidelines • ICMA Sustainability-Linked Bond Principles • ICMA Green Bond Principles • ICMA Social Bond Principles • Orange Bond Principles
	Advisory		
	Loans		
ANZ Direct Investments	Treasury investments[3]	Value of bond purchases held on balance sheet	**Labelled bond purchases:** • ICMA Sustainability Bond Guidelines • ICMA Sustainability-Linked Bond Principles • ICMA Green Bond Principles • ICMA Social Bond Principles • Orange Bond Principles **Equity investments:** • ANZ Social and Environmental Sustainability Target Methodology
	Equity investments:	Total investment amount	

In measuring a funding, investment or facilitation amount for inclusion towards the target, ANZ only takes into account the portion of the transaction that meets the eligibility criteria under the Methodology.

Where ANZ performs a facilitation role in a transaction, a facilitation amount for inclusion towards the target is calculated as a portion of the capital (e.g. equity, bond or loan amount) that is raised or distributed, as follows:

- For loans and equity:
  - where the transaction documents allocate a specific proportion or value in performing the relevant facilitation role (e.g. as an underwriter) – the amount allocated to ANZ;
  - where the transaction documents do not make any allocation in performing the relevant facilitation role – ANZ's proportionate share of the capital raised or distributed based on the number of parties performing the same facilitation role (e.g. one-third of the loan value where there are three joint sustainable finance coordinators appointed).
- For bonds:
  - ANZ's proportionate share of the capital raised or distributed based on the number of parties performing the same facilitation role (e.g. one-half of the bond value where there are two joint sustainable finance coordinators, or one-quarter of the bond value where there are four bookrunners).

To avoid double counting:

- Where ANZ performs more than one facilitation role in a transaction, only one facilitation role may be included towards the target, with the facilitation amount for that role calculated as described above;
- where ANZ is also a funder or investor in the loan, bond or equity, the facilitation amount included towards the target is reduced by ANZ's funding or investment amount (as applicable) included in the target at that time.

1. Includes new transactions, increases to facilities and refinanced transactions. **2.** Refinanced transactions are only included where ANZ is extending the funding term. ANZ excludes: (a) refinancing within 12 months of financial close of prior financing activity (unless the refinancing is replacing bridging finance), and (b) extensions which are included under the original credit decision. **3.** Treasury investments may qualify towards the target where they are liquidity portfolio investments (GSSS bond purchases held on balance sheet). Treasury investments made from 9 November 2026 must be held by ANZ for a minimum of 12 months before the investment may be counted towards the target. If a treasury investment made prior to 9 November 2026 is not held by ANZ for a minimum of 12 months, the investment amount is removed from the target if it has already been attributed to it.

Overview
1. Determining eligibility
2. Eligible banking activities, assessment and measurement
3. Eligible social and/or environmental activities
4. Governance and reporting
5. Disclaimer and important notices

3. Eligible social and/or environmental activities

3.1. Eligible social and/or environmental activities for unlabelled transactions

To be considered an eligible social and/or environmental activity, an unlabelled transaction (including an ANZ equity investment) is assessed to determine if it aligns to one or more of the Eligible Categories as defined in the ANZ SDG Bond Framework published on ANZ's Debt Investors webpage at the time of the transaction. This assessment is validated under the Governance processes covered in section 4 Governance and Reporting.

3.2. Eligible social and/or environmental activities for labelled sustainable finance transactions

An ANZ labelled sustainable finance transaction (including ANZ direct investments in GSSS bonds) will involve an eligible social and/or environmental activity if ANZ considers it furthers one or more of the 17 UN SDGs. Assessment of SDG alignment is undertaken by ANZ's internal specialist teams applying ANZ's own professional judgement, discretion and sustainability knowledge, with further guidance from the UN Global Compact Business Reporting on the SDGs: An Analysis of the Goals and Targets as updated from time to time. ANZ labelled sustainable finance transactions are not limited to the Eligible Categories as defined in the ANZ SDG Bond Framework.

4. Governance and reporting

ANZ has a governance process in place to validate eligible activities and monitor and report progress towards the target. Each transaction that potentially qualifies as an eligible activity is reviewed against the target eligibility criteria under this Methodology.

Potentially eligible activities are recorded in a central repository and subject to a validation process which may involve further enquiries to determine whether it should be included in the target. The target forum[1] members are responsible for reviewing all potentially eligible activities for eligibility against the criteria. The forum has the authority to decide whether transactions meet the criteria for eligible activities and should be included towards the target. The forum also has the authority to later remove a transaction from the target. These steps are overseen by the governance function, with progress towards the target reported through ANZ's half-year and annual reporting.

ANZ may review this Methodology against evolving social and environmental financing market developments including guidelines, frameworks, standards, principles and regulatory requirements to evaluate if any amendments may be required.

ANZ may amend this Methodology which may result in the inclusion of new eligible activities and ANZ will publish any updated Methodology. Changes in Methodology and the target eligibility criteria will not be applied retrospectively.

1. The target forum includes representation from across ANZ.

Overview
1. Determining eligibility
2. Eligible banking activities, assessment and measurement
3. Eligible social and/or environmental activities
4. Governance and reporting
5. Disclaimer and important notices

5. Disclaimer and important notices

The Methodology has a sustainability focus and does not reflect the totality of ANZ's business activities. For a more comprehensive overview of ANZ's business, see the ANZ Annual Report available at anz.com/shareholder/centre/.

It is not intended to be and should not be relied upon as financial 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 Methodology may contain certain forward-looking statements including statements regarding our intent, belief or current expectations with respect to ANZ's business operations, market conditions, results of operations and financial condition, sustainability objectives or targets and risk management practices. These matters are subject to risks and uncertainties that could cause the actual results and financial position of ANZ to differ materially from the information presented herein. Such forward-looking statements are made as at the date of publication and are provided to assist with the understanding of ANZ and its activities. When used in the Methodology, the words 'goal', 'target', 'pathway', 'may', 'will', 'would', 'should' and similar expressions, as they relate to ANZ and its management, are intended to identify forward-looking statements.

Forward-looking statements may also be otherwise identified within this Methodology, including by the use of footnotes.

Those statements, including in respect of immediate priorities and targets, are not guarantees or predictors of future performance, and may be affected by inaccurate assumptions or unknown risks and uncertainties or other factors, many of which are beyond the control of ANZ or may not be known to ANZ at the time of the preparation of the Methodology, such as instability in global economic conditions, external exchange rates, competition in the markets in which ANZ will operate, and the regulatory environment. Each of these statements and related actions is also subject to a range of assumptions and contingencies, including the actions of third parties, interdependencies between strategic and regulatory programs of work, management decisions, execution risk, and is based on corporate plans that are subject to change and may vary materially as plans continue to be developed. As such, these statements should not be relied upon in isolation when making investment decisions. There can be no assurance that actual outcomes will not differ materially from any forward-looking statements contained herein. To the maximum extent permitted by law, ANZ makes no assurance, guarantee or warranty (express or implied) that the forward-looking statements will be realised.

The forward-looking statements only speak as at the date of publication and no representation is made as to their correctness after this date. Unless required by law, no member of the ANZ group undertakes any obligation to publicly release the result of any revisions to these statements to reflect events or circumstances after this date.

Climate-related information

This Methodology may contain climate-related statements, including in relation to climate-related targets, goals and ambitions. While prepared in good faith, climate-related statements are subject to significant limitations, including:

1. Emissions and climate-related data may be limited or imprecise, including where information depends on external sources (including information from ANZ's customers). Assumptions, estimates or proxies may be required where data is limited or unavailable.
2. Methodologies, frameworks and standards used for climate-related metrics, modelling and data are not universally applied, are rapidly evolving and subject to change.
3. Scenario analysis is further limited by its reliance on assumptions, estimates and projections that are not exact.
4. Estimating financed or facilitated emissions and emissions reduction is complex and relies on assumptions and judgments, often over long periods.
5. Climate-related policy, laws, regulations, market practices, standards, definitions and climate-science terminology may change over time and may differ across sectors and jurisdictions. This can affect comparability between organisations and reporting groups.

Readers should take these limitations into account when considering the statements, assumptions, judgments, calculations, estimates or proxies made or used by ANZ in or in relation to this Methodology.

The information in this notice should be read with the qualifications, limitations and guidance included throughout the Methodology.

Overview
1. Determining eligibility
2. Eligible banking activities, assessment and measurement
3. Eligible social and/or environmental activities
4. Governance and reporting
5. Disclaimer and important notices

ANZ Social and Environment Sustainability Target Methodology version history

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3.0	**November 2026**