2025 Climate Change Commitment

Supporting our customers in the net zero transition

November 2025

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

Supporting our customers in the net zero transition

To meet the Paris Agreement goals, significant greenhouse gas emissions reductions are required across all sectors of the economy. Trillions of dollars are needed to invest in new and existing technologies that help reduce emissions.

We expect that the many financing opportunities, linked to our business strategy, will contribute to achieving the Paris Agreement goals and the transition to a net zero economy. The opportunities will also deliver appropriate returns for our shareholders.

ANZ's ambition is to transition its lending portfolio to net zero financed emissions by 2050 in line with the goals of the Paris Agreement.

We support an effective and orderly transition that recognises and responds to social, economic and environmental impacts of a net zero transition. This aligns with our purpose to shape a world in which people and communities thrive.

This Climate Change Commitment supports our Climate and Environment (C&E) Strategy. Additional disclosures and policies are available at **anz.com.au/about-us/esg/**. This Commitment applies to ANZ Group Holdings Limited and its subsidiaries, other than SBGH Limited (the immediate holding company of Suncorp Bank) and New Zealand subsidiaries[1] (unless otherwise indicated).

The opportunity

Society is responding to the shared challenge of creating a pathway to net zero emissions.[2] To achieve the Paris Agreement goals, increased levels of investment and lending is needed from businesses, governments and financial institutions. This creates significant financing opportunities for ANZ.

By anticipating changes to financial markets and financial systems, we seek to better identify and manage climate risks and opportunities.

These changes include:

- **regulatory and legislative expectations, including disclosure requirements;**
- **customer, shareholder and civil society expectations; and**
- **how climate risk is assessed, managed and priced.**

We are responding to these changes and have identified opportunities in four key areas:

1. Supporting our customers' transition and resilience

The most important role we can play in the transition to net zero is to support our customers to reduce emissions and to adapt and become more resilient to a changing environment and economy.

To achieve this, we are:

- Implementing our C&E Strategy to finance a sustainable transition.
- Funding and facilitating at least A$100 billion by the end of 2030, in social and environmental activities through customer transactions and direct investments by ANZ. This includes initiatives that aim to help lower carbon emissions, protect or restore nature, increase access to affordable housing and promote financial wellbeing.[3]
- Continuing to deepen our employees' understanding of climate risks and opportunities, including the potential of emerging technologies, focusing initially on our Institutional bankers.

We believe that these actions help us deliver products and services to meet our customers' needs, for example in:

- Green, social and sustainability-linked loans and bonds.
- Lending and other banking services to help our customers buy, sell and raise capital for low emissions opportunities including renewable energy, carbon capture and storage, and battery storage and manufacturing.
- Lending and other banking services to support the development of long-term sustainable infrastructure such as residential apartment projects that meet environmental as well as social objectives.
- Carbon and environmental markets.

1. Comprising ANZ Holdings (New Zealand) Ltd, ANZ Bank New Zealand Limited and its subsidiaries, Dot Data Limited. ANZ NZ publishes a separate annual climate-related disclosure which can be viewed at **anz.co.nz**. **2.** Net zero emissions in this statement relates to net zero human-induced emissions. **3.** Refer to ANZ's Social and Environmental Sustainability Target Methodology for details of ANZ's approach for assessing the eligibility of transactions for inclusion in target, and reporting on progress towards the target available: **anz.com/esgreport**.

2. Transitioning our lending portfolio to net zero financed emissions

Our success in supporting and accelerating a net zero transition by 2050 will be driven by our ability to help our customers reduce their emissions.

Our work in this area has been focused on developing metrics and interim targets[4] for key sectors, informed by UN Guidance for Climate Target Setting by Banks and globally recognised standards and methodologies, noting there is no single method that covers all relevant sectors and asset classes.

To achieve this, we:

- Seek to further integrate and embed climate risks within our Risk Management Framework. This includes factoring (where relevant) climate risk into our lending for large business customers[5,6] primarily by assessing their exposure to potential climate risks and the maturity of their transition plan, taking into consideration the evolving regulatory landscape. We undertake customer due diligence in accordance with our Social and Environmental Risk Policy, Social and Environmental Risk Standard (including specific requirements for lending to 'sensitive sectors'[7]) and Climate Risk Standard. Due diligence processes are also used within the credit process to help identify, assess and manage climate risks, for example through the application of the Social and Environmental Risk Screening tool and where relevant, the Climate Change Risk Assessment.
- Review and assess the maturity of our LEEP customers'[8] transition plans to understand each customer's transition trajectory, relative to our expectations, including the extent to which climate risks and opportunities are integrated into their strategies, through their targets, governance and disclosure. If we observe that a customer's transition plan approach is not sufficiently progressing or that they are not achieving their objectives, we will engage with the customer and may reduce our support. We may also seek to pivot our financing towards those customers' transition or lower carbon initiatives. In this respect, we recognise that there may be industry specific or market challenges beyond the customer's control, which we seek to understand and take into account.

Approach to energy customers

We recognise that decarbonisation of the energy sector plays a key role in the transition, with around 75% of global emissions attributed to energy use.[9] This is especially the case for the power generation sector which is essential in decarbonising other high emitting sectors such as transportation and buildings.

Information about our lending policies including their scope as applicable to energy customers, as well as related targets are detailed in our 2025 Energy Customer Approach and 2025 Climate Report.[10]

3. Collaborating with stakeholders to support an economy wide transition

We recognise it is vital to work collaboratively with our stakeholders to help support the transition to net zero emissions. That is why we are:

- Engaging with stakeholders on climate change through Environmental, Social and Governance (ESG) investor briefings, and other avenues.[11]
- Disclosing how we identify, assess and manage climate risks and opportunities informed by climate reporting guidance or requirements as they are implemented across the markets in which we operate.
- Disclosing metrics on the impact of our financing and setting financed and facilitated emissions reduction targets relating to our lending and facilitation activities.
- Engaging with regulators, as appropriate, with the purpose of maintaining constructive two-way dialogue, including in relation to non-financial risk management.
- Engaging, as appropriate, in public policy discussion on climate change. This includes disclosing the key industry associations we are members of and periodically reviewing alignment with strategy, ANZ's position on policy and advocacy, along with other relevant considerations.

4. Reducing emissions from our operations

We are committed to reducing our operations' greenhouse gas emissions to manage our climate impact.[12] That is why we are seeking to:

- Reduce combined Scope 1 and 2 (market-based) emissions by 85% by 2030 (against a 2024 baseline, which includes Suncorp Bank).
- Support our employees to live more sustainably by providing education and pathways to take action.

4. Our targets are in the metrics and targets section of our 2025 Climate Report, available at **anz.com/esgreport**. That report also contains important notices about forward-looking statements and about the uncertainties, challenges and risks associated with climate-related information. **5.** Customers of ANZ Institutional division where ANZ has a credit exposure. **6.** Our lending is informed by our evolving social, environmental and credit policies. Information on our policies is available here: **anz.com.au/social-and-environmental-risk-management**. **7.** These include energy industry, extractives industry, land and forest management, and water management. **8.** The meaning of our 'LEEP customers' is explained in the glossary of our 2025 Climate Report, available at **anz.com/esgreport** **9.** Energy use includes transport in addition to the power generation sector. The percentage of global emissions from energy use is sourced from the International Energy Agency (IEA), **https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer** **10.** Our Energy Customer Approach is available at **anz.com/esgreport** and the meaning of 'energy customers' is explained in the glossary of that document. Our 2025 Climate Report is also available at **anz.com/esgreport** **11.** This includes an avenue for complaints that is available to stakeholders who have concerns about whether our business lending is consistent with our Climate Change Commitment. Complaints can be made by contacting the Group General Manager, Climate or Chief Risk Officer. **12.** See Appendix 7 ANZ Scope 1, Scope 2 and Scope 3 Operational GHG Emissions Methodology of our 2025 Climate Report for the relevant boundaries of operational emissions, available at **anz.com/esgreport**.

Nature, including biodiversity loss

Our C&E Strategy reflects our acknowledgment of the importance of, and links between, climate and nature. Our approach is guided by our ambition to build our capability to help customers understand both climate and nature risks.

We also acknowledge the need to protect and restore nature and mitigate biodiversity loss, including as a result of species extinction or decline, ecosystem degradation and nature loss.

Nature loss is classified as an emerging risk to ANZ under our Risk Management Strategy. We are seeking to improve our understanding of the impacts and dependencies – positive and negative – nature and biodiversity can have on our customers, including how customers are managing and mitigating material risks and impacts. We consider that nature and biodiversity risks can arise from lending to customers that have material impacts or dependencies on nature. These risks can also arise from legal and regulatory changes, which may impact ANZ directly or indirectly through our customers. Failure to manage these risks may lead to financial and non-financial risks to ANZ.

We recognise the contribution we can make by working with our customers to understand nature risks and opportunities relevant to their business operations and how they manage them.

We seek to understand nature-related risks from lending to our large business customers, including through the application of our Social and Environmental Risk Policy[13], and related tools and processes.

We are:

- Continuing our engagement with our LEEP customers and other relevant customers to include nature considerations. We seek to apply what we learn from this engagement to help refine our relevant customer screening tools and processes, improve our knowledge and enhance our capacity, including in relation to customer engagement.
- Collaborating with industry groups and customers to identify examples of investments that have improved nature outcomes and commercial benefits.

We support the work of the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum in 2021. We recognise the TNFD's important role in driving improved disclosure of nature impacts and dependencies. We continue to draw on the TNFD's recommendations to help inform our disclosures.

Social impacts of the transition

The transition will create significant employment and lending opportunities. However, the social costs of a net zero transition could be significant for workers, businesses and the community in regions currently dependent on fossil fuels for employment.

We expect large business customers to avoid or manage potential adverse social impacts, including for customers with large coal-fired power plants – by developing closure plans that provide at least three years advance notice of closures and engaging with all of their stakeholders to minimise the impact on their workers, local communities, and downstream energy users.

We also recognise the physical impacts of climate change and potential threats to some vulnerable communities, particularly Indigenous[14], agricultural and coastal communities. We recognise Indigenous peoples' unique connection to the land, which includes management practices such as annual early burning and wildfire suppression activities in Australia that contribute to reducing emissions.

13. Applies to ANZ Bank Group. See ANZ's 2025 Climate Report on pages 18 to 20 for more information, including how we apply our policy, available at **anz.com/esgreport** **14.** We use the term 'Indigenous' as a generic term recognising that in some countries or groups there may be preference for other terms, such as First Nations peoples, or tangata whenua. Respect should be shown to these preferences as guided in the UN Factsheet.