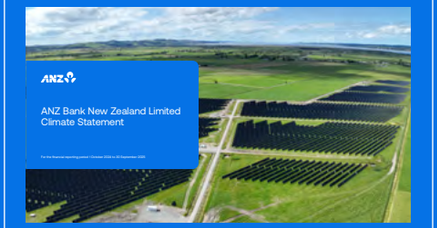
ANZ Bank New Zealand Limited Climate Statement

For the financial reporting period 1 October 2024 to 30 September 2025

Contents



Te Puna Mauri ō Omaru Solar Farm, Ruawai, Northland -
Credit photo Northpower Limited

ANZ NZ provided funding to Northpower Limited in 2024 to construct one of Northland's first grid-scale solar farms, Te Puna Mauri ō Omaru at Ruawai

About this climate statement

This document contains the group climate statement for ANZ Bank New Zealand Limited and its subsidiaries for the financial reporting period 1 October 2024 to 30 September 2025 (**FY25**).

Entities in this climate statement

ANZ Bank New Zealand Limited is a climate reporting entity (**CRE**). It is required to prepare group climate statements under the Financial Markets Conduct Act 2013 (**FMCA**). These statements must comply with Aotearoa New Zealand Climate Standards (**NZ CS**) issued by the External Reporting Board (**XRB**).

In this climate statement, unless the context otherwise requires:

- **ANZ** means ANZ Bank New Zealand Limited.
- **ANZ NZ, we, us** or **our** means ANZ Bank New Zealand Limited and its subsidiaries. Refer to the ANZ Bank New Zealand Limited Disclosure Statement for the year ended 30 September 2025 to see the list of subsidiaries and their business activities.
- **ANZ Group** means ANZ Group Holdings Limited (**ANZGHL**), the ultimate parent company of ANZ, and its subsidiaries.
- **ANZ Investments** means ANZ New Zealand Investments Limited, part of ANZ NZ. This climate statement does not cover ANZ Investments in its role as a fund manager. The climate statements which have been published for the registered schemes managed by ANZ Investments are available at anz.co.nz. ANZ Investments operates under a separate Responsible Investment Framework to maintain its independence when making investment decisions.

Materiality

This climate statement has been prepared for ANZ NZ's existing and potential investors, lenders and other creditors (**primary users**). It has been prepared to include content that we believe could reasonably be expected to influence decisions of primary users to invest in, lend or offer credit to ANZ NZ, but without covering all possible content.

Determining materiality for the purposes of climate-related disclosures is a matter of judgement, considering both qualitative and quantitative factors, and is affected by our perception of the common climate information needs of our primary users as a group. This perception will likely change as climate reporting matures here in Aotearoa New Zealand and globally.

Restatements

ANZ NZ restates climate-related data where we identify that a restatement is appropriate. This may include corrections to errors in prior reporting periods (such as calculation mistakes, misinterpretations or errors in applying the methodology) that we assess as having a material impact on the reported data. ANZ NZ also adjusts climate-related data for any of the following events when it results in a material impact:

- Changes in calculation methodology.
- Structural changes (e.g. mergers, acquisitions and divestments).
- Changes in data availability (e.g. replacing estimates with actuals).[1]

Materiality is assessed based on both qualitative and quantitative factors. For quantitative assessment, a 5% materiality threshold is used as a guide. ANZ NZ may still make restatements based on qualitative factors even if the threshold is not met.

Restatements can impact related information, leading to further adjustments to reflect the restated position. If a restatement changes the operational emissions baseline or sectorial pathway baseline for any specific GHG emissions reduction target, we will review any resulting impact on the target.

Assurance over this climate statement

KPMG has performed the following assurance in respect of this climate statement:

- Reasonable assurance over the Scope 1 and 2 greenhouse gas (**GHG**) emissions disclosed.
- Limited assurance over Scope 3 GHG emissions disclosed.

KPMG's Independent Assurance Report is included at the end of this climate statement.

Statement of compliance

This climate statement has been prepared in compliance with NZ CS. ANZ NZ has elected to use the following adoption provisions in NZ CS 2 for its second reporting period in the table below.

Signed on behalf of ANZ Bank New Zealand Limited on 09 December 2025 by:

Scott St John
Board Chair

Antonia Watson
Executive Director

Adoption provision	Description	ANZ NZ approach
2: Anticipated financial impacts	Exempts ANZ NZ from disclosing the anticipated financial impacts of climate-related risks (**climate risks**) and opportunities reasonably expected by it, and a description of the time horizons over which the anticipated financial impacts could reasonably be expected to occur (NZ CS 1 paragraphs 15(b), (c) and (d)).	Exemption applied.
4: Scope 3 GHG emissions	Exempts ANZ NZ from disclosing all or a selected subset of its Scope 3 GHG emissions (NZ CS 1 paragraph 22(a)(iii)).	Exemption applied in part. We have disclosed GHG emissions for certain categories of Scope 3 emissions and identified those not disclosed – refer to Appendix 2 and 3.
6: Comparatives for metrics	Exempts ANZ NZ from disclosing comparative information for each metric for the immediately preceding two reporting periods, so long as comparative information for metrics is provided for FY24 (NZ CS 3 paragraph 40).	Exemption applied. We have disclosed comparative information for metrics disclosed in our FY24 climate statement as required.
7: Analysis of trends	Exempts ANZ NZ from disclosing an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period (NZ CS 3 paragraph 42).	Exemption applied. We have voluntarily disclosed analysis of certain trends evident from a comparison against metrics disclosed in our FY24 climate statement.

1 – ANZ NZ uses the most current emission factors available for the reporting year, which may be based on forecasts derived from prior year actuals. We do not revise previously reported data when these factors are updated.

Important information

This climate statement contains general information about ANZ NZ's activities as at 30 September 2025.

This climate statement is not an offer document and does not constitute an offer, invitation or recommendation to invest in ANZ NZ.

This climate statement 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. Investors should use their judgement and seek independent advice before deciding to invest in ANZ NZ.

We do not accept any liability whatsoever for any loss arising directly or indirectly from any use of the information contained in this climate statement.

Unless stated otherwise, this climate statement covers the FY25 financial reporting period ended 30 September 2025. Where this climate statement refers to other years expressed as, for example, 'FY24', it means ANZ NZ's financial year ending on 30 September 2024. Monetary amounts are in New Zealand dollars unless stated otherwise.

We caution reliance on forward-looking statements in this climate statement

This climate statement includes forward-looking statements, estimates and opinions, including statements regarding our intentions, belief or current expectations about:

- climate risks, opportunities and impacts
- climate-related targets, goals and ambitions
- climate scenarios, and
- climate projections.

We use this type of language to signal those forward-looking statements and opinions:

Aim	Expect	Modelling	Seek
Ambition	Forecast	Pathway	Should
Anticipate	Goal	Plan	Target
Believe	Intend	Probability	Will
Could	Likelihood	Projection	Would
Estimate	May	Risk	

We caution reliance being placed on forward-looking statements and opinions in this document. These statements are often predictions or estimates based on information available at the time, which may be affected by inaccurate assumptions, known and unknown risks, or other uncertainties (many of which are outside ANZ NZ's control). Actual outcomes may differ materially from those contemplated by these forward-looking statements and opinions. This may affect our ability to meet commitments or targets set out in this climate statement or otherwise made by us. Further information about specific target dependencies is contained in the 'Climate-related targets' section.

We base forward-looking statements and opinions on information that we consider to be reasonable and know now. We don't:

- represent that those statements and opinions won't change or will remain correct after publishing this climate statement, or
- promise to revise or update those statements and opinions if events or circumstances change or unanticipated events happen after publishing this climate statement, unless required to do so by law.

Climate-related information

Statements in this climate statement are subject to significant uncertainty, challenges and limitations that may affect how useful, accurate or complete they are. These uncertainties, challenges and limitations include:

- **Availability and reliability of data**
  There are significant challenges and limitations to the climate-related data we currently use that may affect how useful, accurate and/or complete our understanding of climate risks, opportunities and impacts is. Emissions and climate-related data, including from our customers, continues to evolve and may be incomplete, inconsistent, unreliable or unavailable, meaning that in many cases we have relied on assumptions, estimates or proxies instead. Our understanding of climate change science and impacts continues to evolve. We are working to improve our data and understanding, from both internal and external sources.
- **Third party data**
  We have relied on external data and other information from third parties in some areas. External data or information may change or be uncertain.
- **Uncertain methodologies and modelling**
  Climate models and scenarios that relate to future events or conditions are inherently uncertain and are based on assumptions. Those models and scenarios are not reliable indicators of future events.
- **Lack of universal standards**
  Frameworks and standards used to calculate or model climate-related metrics and climate data are not universally applied, are rapidly evolving and are subject to change. This may impact the data modelling, approaches and targets used to prepare this climate statement.
- **Complex calculations and estimates**
  Estimating financed emissions and other data (including how we assign emissions to financing activities) is complex and relies on assumptions and judgements. When we estimate over long periods of time, the level of accuracy is likely to reduce further.
- **Changing climate-related frameworks**
  Changes to climate-related policy, laws, regulation, market practices and standards, as well as other developments, may impact our assessment of risk.
- **Inconsistent definitions and changes to climate science terminology**
  Definitions and standards for climate-related data and assessment frameworks used across industries and jurisdictions may vary. Terms and concepts relating to climate science and decarbonisation pathways and targets may change over time. These inconsistencies and changes can make comparisons between organisations' climate targets and achievements difficult or imprecise.

These challenges and uncertainties mean some statements, targets, commitments, assumptions, judgements, calculations, estimates or proxies we've made or used may turn out to be incorrect or incomplete. It is the responsibility of the primary users to review future climate statements for updates to information provided in a prior climate reporting period.

Where a website is referred to in this climate statement, the content of that website is not incorporated by reference into this climate statement.

References to any third parties, including any third parties' websites, in this climate statement do not imply an affiliation, sponsorship or endorsement of that third party.

Please read the information in this section with:

- the appendices in this climate statement, and
- specific information relating to uncertainties, limitations and assumptions disclosed throughout the document.

Board oversight

ANZ's Board (**Board**) is ultimately responsible for oversight of climate risks and opportunities.

The purpose of the ANZ Board is to promote the long-term interests of ANZ and to advance ANZ's purpose: 'to shape a world where people and communities thrive' (kia hanga i te ao, e ora ai, e tupu ai te tangata me te kāinga).

The Board's responsibilities include charting and monitoring the long-term implementation of ANZ's strategies, financial objectives and cultural direction; and monitoring ANZ's compliance with regulatory requirements, ethical standards and external commitments. It also has ultimate responsibility for reviewing and approving ANZ NZ's climate statements.

In performing its responsibilities, the Board considers ANZ's environmental, social and governance (**ESG**) objectives (including considering climate risks and opportunities), and the importance of ANZ's relationships with its stakeholders and the communities and environments in which it operates.

The Board considers climate risks and opportunities when developing and overseeing implementation of our strategy. For example, climate risks, opportunities and ANZ NZ's strategic response was considered in preparation for the FY25 Board Strategy Day.

Board committees

The Board is supported by three Board committees with specific roles and responsibilities in relation to climate risks and opportunities:

- Board Audit Committee (**BAC**)
- Board Ethics, Environment, Social and Governance Committee (**BEESGC**)
- Board Risk Committee (**BRC**)

The committees assist the Board to effectively discharge their climate-related responsibilities. All directors are invited to attend committee meetings, which occur before Board meetings. This allows the committees to refer climate-related matters to the Board for consideration or approval as appropriate.

During FY25, the Board was informed directly of climate-related matters at one meeting, the BAC at five meetings, the BEESGC at four meetings and the BRC at one meeting.

BAC

The BAC is responsible for providing oversight of ANZ's climate-related disclosures, the independent assurance of those climate-related disclosures, where applicable, and the compliance of those disclosures with relevant legal and regulatory requirements. The BAC is also responsible for reviewing and constructively challenging ANZ's climate-related disclosures for the accuracy of the information they contain, and, where appropriate, recommending approval of the climate-related disclosures to the Board.

During FY25, the BAC discussed, reviewed and recommended approval of the FY24 climate statement and were also updated on the process of preparing and verifying the FY25 climate statement.

BEESGC

The BEESGC is responsible for setting, monitoring progress against, and overseeing management's achievement of metrics and targets for managing climate risks and opportunities. It is also responsible for overseeing the transition plan aspects of ANZ's strategy (which includes our targets, including interim targets, and actions related to ANZ's transition towards a low-emissions, climate-resilient future).

During FY25, the BEESGC approved the Climate and Environment Strategy[2] and received regular updates on progress to address our climate risks and opportunities including targets.

BRC

The BRC is responsible for overseeing the identification, assessment and management of climate risks, including overseeing the integration of climate risk into relevant parts of ANZ's Risk Management Framework.

During FY25, the Head of Climate Risk updated the BRC on additional climate risks identified from work started in FY24. Climate risk-related topics were also addressed in additional reports and papers provided to the BRC.

Climate-related governance forums across ANZ Group

ANZ NZ representatives participated through the year in several ANZ Group governance and advisory forums with a climate or ESG focus, and ANZ Group representatives also participated in certain ANZ NZ forums with a similar focus. This reciprocal participation enabled us to leverage work carried out across ANZ Group, share insights and best practices, and support greater awareness and alignment of climate and ESG matters across the organisation.

Our Board's climate-related expertise

Board governance and functional skills matrix

Our directors self-assess their capabilities using a matrix that outlines key skill areas the Board collectively is looking to achieve, to enable it to effectively discharge its responsibilities. The matrix includes key climate-related capabilities.

Board education

ANZ has a Board education programme that seeks to ensure directors receive regular training and information on relevant matters including climate. In FY25, the Board received two education sessions on climate-related topics delivered by external experts.

Directors received other climate education and training through their wider governance roles. In addition, most of our independent non-executive directors are supporters of Chapter Zero New Zealand, part of a global network of directors committed to taking action on climate change. The mission of Chapter Zero New Zealand is to mobilise, connect, educate and equip directors and boards to make climate-smart governance decisions, thereby creating long-term value for both shareholders and stakeholders.

2 – Refer to the 'Transition plan aspects of our strategy' section for further details.

Management's role

Climate-related responsibilities are assigned to management committees or positions, including those set out below.

Management committees

ANZ has two management committees with formal climate-related responsibilities.

Ethics, Environmental, Social and Governance Management Committee (EESGMC)

The EESGMC is the primary senior executive management forum responsible for oversight of ANZ's ethical, ESG (including climate-related matters), conduct and culture matters, and the manner in which ANZ provides products and services to its customers. It is also responsible for discussing ANZ's programme of work for identifying and managing climate opportunities.

The EESGMC is co-chaired by the Chief Risk Officer (**CRO**) and General Manager Public, Consumer & Government Affairs (**GM PCGA**). Members are the:

- Chief Executive Officer (**CEO**),
- Chief Financial Officer (**CFO**),
- Chief Information Officer (**CIO**),
- General Counsel and Company Secretary (**GC**),
- General Manager Talent and Culture,
- Managing Director (**MD**) for Business & Agri,
- MD Personal,
- MD Funds Management,
- MD Institutional,
- General Manager Data, Marketing and Customer Experience,
- General Manager Strategic Execution.

This Committee met five times in FY25, receiving climate-related updates at each meeting. It considered matters including progress towards ANZ NZ's climate & ESG FY25 deliverables and transition planning. Matters are escalated to the BEESGC by the GM PCGA or other members of senior management when considered appropriate.

Credit Risk Management Committee (CRMC)

The CRMC is the highest-level credit risk management committee in ANZ. The purpose of the CRMC is to act as a forum to ensure adequate awareness and debate of all significant risk issues and emerging risks that face ANZ NZ in regard to credit risk, including the credit risk-related aspects of climate risk.

The CRMC is chaired by the CRO and members include the CEO, CFO, CIO, GC, and Managing Directors for Business & Agri, Personal, Funds Management and Institutional. This Committee met five times in FY25 and received Climate Risk related updates at three meetings. Matters are escalated to the BRC by the CRO or other senior management when considered appropriate.

Other forums

Climate, Environment, Social and Governance (CESG) Forum

The role of the CESG Forum is to support delivery of climate and ESG matters against strategic objectives and regulatory requirements. It may recommend decisions to the EESGMC, CRMC, BEESGC or other committees as necessary.

The CESG is chaired by the GM PCGA. The CRO is deputy chair. Other members include the CFO, GC and Managing Directors for Business & Agri, Personal and Institutional. This forum met nine times in FY25. It considered matters including referring our Climate & Environment Strategy to the BEESGC for approval and our approach to climate target setting.

We are reviewing the roles of the EESGMC and the CESG Forum and assessing whether a revised management governance structure may be appropriate in FY26.

Executive remuneration

CEO remuneration

At the start of each year, performance objectives and measures are set in the form of the ANZ Group Scorecard, and ANZ NZ Divisional Scorecard approved by the ANZ Board.

The FY25 ANZ Group Scorecard included climate-related objectives.

The CEO's remuneration outcomes take into consideration performance against the ANZ Group and ANZ NZ Divisional NZ Scorecards, along with individual performance.

ANZ Group's Remuneration Report in the 2025 ANZ Group Annual Report, available at anz.com/annualreport, contains further details about how remuneration outcomes for the CEO (and those of the ANZ Group CEO and other disclosed executives) are determined.

Leadership Team remuneration

During FY25, nine members of the Leadership Team each had a climate-related performance objective and/or measure. Performance against that climate-related objective was considered (together with other performance objectives) as part of a holistic review of performance for each individual. This, along with Group and business performance, informs individual remuneration outcomes.

Management positions

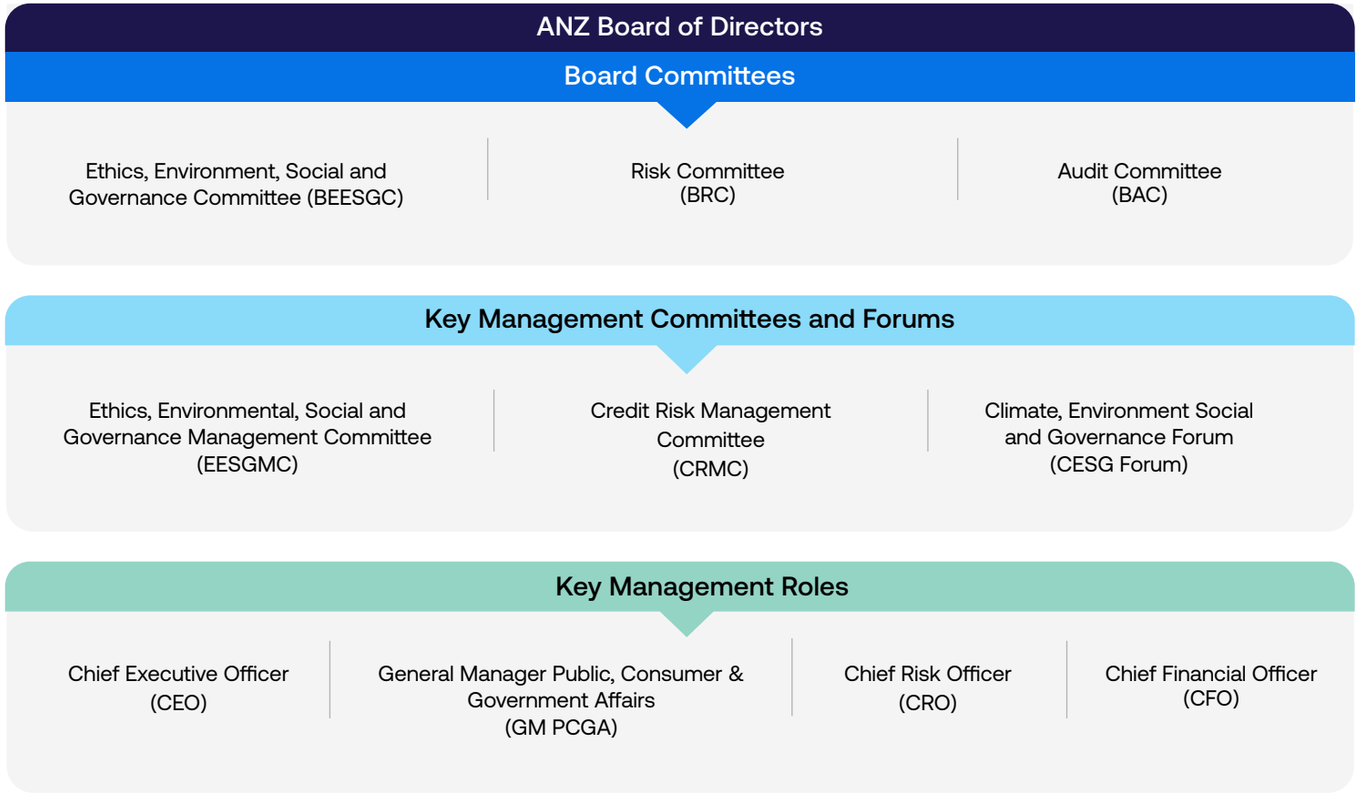
Table 1 – Key ANZ senior management positions with climate-related responsibilities

Management position	Climate-related responsibilities
CEO	• Board delegated the powers necessary for managing, directing and supervising the management of the day-to-day business and affairs of ANZ to the CEO, in accordance with the ANZ Executive Delegations Manual. • Receives reporting on climate-related issues as an ANZ director and member of BEESGC, CRMC and EESGMC.
CFO	• Preparation of climate statements. • Managing operational emissions reduction plan. • Leadership Team member primarily responsible for management's engagement with the BAC. Attends Board, BAC and BRC meetings as required. • Informed the BAC on climate-related matters at five meetings in FY25, usually with the Head of Sustainability Reporting. • Attends the EESGMC, CRMC and CESG Forum meetings.
CRO	• Second Line[a] accountability for Climate Risk, jointly with the Head of Climate Risk. • Oversight of the Risk Management Framework in New Zealand, including the ownership of risk strategies, policies and procedures supporting the management of climate risks. • Leadership Team member primarily responsible for management's engagement with the BRC and one of three Leadership Team members responsible for management's engagement with the BEESGC. Attends Board, BAC, BRC and BEESGC meetings as required. • Climate risk-related matters were received at three CRMC meetings and three BRC meetings in FY25. • Chairs the CRMC, co-chairs the EESGMC and is Deputy Chair for the CESG Forum meetings.
GM PCGA	• Guiding and overseeing transition planning, internal ESG and climate advisory support and managing ESG internal reporting. • One of three Leadership Team members responsible for management's engagement with the BEESGC. Attends Board and BEESGC meetings as required. • The Head of ESG, who reports to the GM PCGA, informed the BEESGC on climate-related matters at four meetings in FY25. • Co-chairs the EESGMC meetings. • Chairs the CESG Forum meeting.

a - Refer to Figure 4 – Three Lines of Defence, in the 'Risk management' section.

Management positions and committees

Figure 1 - Our governance for oversight of climate-related risks and opportunities



Key Support Teams

Finance

Sustainability Reporting:
Compiles and verifies the climate statements, ensures compliance with NZ CS.

Property:
Collects data to measure our operational GHG emissions, developing and implementing an organisational operational GHG emissions reduction plan.

Corporate Affairs ESG Centre of Excellence:
Provides 'subject matter expertise' advice on climate and ESG issues affecting our business.

ESG Data Insights:
Provides key Climate and ESG data services across the Bank for use in ANZ NZ business processes.

Sustainable Finance (Institutional):
Supports engagement with large, high-emitting institutional customers and progress on their transition plans.

Climate Risk:
Oversees and embeds climate risk within our Risk Management Framework and provides support for managing climate risk.

Scenario analysis

How we have used climate scenarios

Our FY25 scenario analysis was partially integrated into our strategy setting.

How we developed scenario narratives

In FY24 our ANZ NZ specific scenarios were developed by a working group of subject matter experts in Climate and ESG, Risk, Strategy, Economics and Te Ao Māori, alongside Banking experts.

Similar to the NZBA sector scenarios, our narratives explored the 'Orderly', 'Too Little Too Late', and 'Hothouse World' quadrants of a scenario matrix. However, we chose pathways that included ANZ's key driving forces to make them more relevant to our business model and strategy than using the sector level scenarios unaltered. This enabled us to test our resilience against trends and outcomes considered by our internal experts to be most relevant to ANZ NZ. The chosen scenarios pose a range of transition risk and physical risk challenges and were informed by data and information from reputable sources of scientific and socioeconomic analysis – refer to Appendix 1, Table 17 – 'Summary of scenario architectures'.

Our scenario narratives were informed by publicly available modelling underpinning reference scenarios (e.g. the Climate Change Commission (**CCC**) and Network for Greening the Financial System (**NGFS**) data) – refer to Appendix 1, Table 17 – 'Summary of scenario architectures'.

We chose NGFS to provide the global energy and emission pathway parameters due to it being designed for use by financial institutions. We chose to use CCC because it has the most up-to-date Aotearoa New Zealand specific transition pathway parameters available. Earth Sciences New Zealand was chosen to provide the Aotearoa New Zealand-specific climate parameters, for comparability, due to its use in the NZBA banking sector scenarios.

Governance

In FY25, the CESG Forum oversaw our approach to our use of scenarios. These narratives had been approved in FY24 by Leadership Team delegates and were developed through a process approved by the Climate Programme Steering Committee with regular updates provided to the EESGMC and BEESGC.

Third party involvement

In FY24 we engaged external consultants to help facilitate scenario workshops; advise on scenario analysis process; and review draft narratives, documentation and use of references.

Limitations and uncertainties in our use of climate scenarios

Climate scenarios include assumptions, estimates and projections that are not exact. While scenarios describe a potential future, these are not a prediction or signal of future conditions or events, and events may turn out very differently to the climate scenarios considered. The publicly available source scenarios and data used to develop the narratives could become out of date and different methods and assumptions in the source narratives may create inconsistency across results. Climate risk drivers are also uncertain. See the 'Important information' section for further information about uncertainties and limitations.

Table 2 – How we developed and used scenarios FY23-FY25

FY23	FY24	FY25
Engaged in developing the New Zealand Banking Association's (**NZBA**) Climate Scenario Narratives for the Banking Sector. Used these sector narratives for climate risk identification purposes.	Developed three ANZ NZ specific climate scenarios: a Net Zero 2050 scenario; Fragmented World; and Current Policies Scenario (refer Appendix 1). Undertook scenario analysis guided by the XRB's six-step approach,[a] to test the resilience of our business model and strategy and to help identify climate risks and opportunities. Insights from this analysis were shared with the Leadership Team as part of FY25 Strategy discussions and were provided as an input to the Board's FY25-27 strategy-setting day.	Streamlined our FY24 scenarios and improved consistency of drivers, risks and opportunities. Each of our three business segments used our climate scenarios in workshops to identify how, and in which timeframe, their current business strategy might need to change to address identified climate risks and opportunities. These workshops identified 'no regrets actions' which helped guide the transition planning aspects of our FY26-28 Strategy. Scenario outputs were discussed with the Leadership Team.

a – XRB Staff Guidance Entity Scenario Development, September 2023.

Table 3 - Scenario and risk assessment time horizons

Short-term	Medium-term	Long-term
FY25 to FY27	**FY28 to FY30**	**FY31 to 2060**
Accounts for: • Existing strategic planning horizon. • Existing financial and economic projections. • Strategic investment - refer to the 'Capital deployment processes' section.	Accounts for: • Strategic outlook, future state planning to at least 2030. • Maximum tenor of wholesale loans. • Climate-related targets – refer to Table 16 – 'Our climate-related targets'. • Climate & Environment Strategy.	Accounts for: • Further materialisation of physical risks. • Maximum 30-year tenor of home loans. • 15-year typical repayment profile for commercial property loans. • Tākiri-ā-Rangi strategy.

Our climate risks, opportunities and anticipated impacts

Climate risks include both physical and transition risks; these may affect us directly, or through our lending to customers:

- Physical risk – includes changes to the frequency and magnitude of extreme weather events (acute risk) as well as longer-term changes in climate (chronic risk).
- Transition risk – risk related to the transition to a lower-emissions economy, such as policy, legal, technology, market and reputation changes.

We set three time horizons to assess our climate risks and opportunities, and conduct our scenario analysis – refer to Table 3.

Our climate opportunities and their anticipated impacts are outlined in Table 5. These opportunities are relevant across all three time horizons.

Our climate risks and anticipated impacts

Our climate risks and their anticipated impacts across our Aotearoa New Zealand business are outlined in Table 4. The table sets out the climate risks assessed using an internally developed risk rating matrix presented on an inherent risk basis. The risk rating matrix was used to identify 'high' or 'very high' rated risks (refer to Climate risk assessment in the 'Risk management' section) in the short-, medium- or long-term time horizons referred to in Table 3 – 'Scenario risk assessment and time horizons.' Some risks are high/very high in all three time horizons, some in only one or two time horizons.

We are identifying existing controls and mitigants to determine residual risk and future strategies in our transition planning.

Table 4 – Climate-related risks and anticipated impacts

Risk conditions and description	ANZ NZ material Risk[a] potentially impacted	Mainly affects	Horizon	Anticipated impacts to ANZ NZ
Insurance retreat More frequent or severe weather events, rising sea levels and greater extent of coastal flooding could lead to changes in the insurance market. This may include higher (unaffordable) insurance premiums and excesses, limits on sum insured, exclusion of cover for some perils and/or properties becoming uninsurable. While impacts to ANZ NZ are primarily expected in the long term, annual review of insurance policies means pricing, terms and availability of insurance could change rapidly, for example following a severe weather event. Regulators may impose requirements on banks and/or insurers to manage financial stability. Refer to the 'Metrics and targets' section for information on lending vulnerable to inland and coastal flooding.	• Credit • Conduct[b]		S, M, L	• Increased costs and time spent managing a small number of affected customers in the short to medium term. • Increasingly material credit losses as property values decline where insurance is unavailable or unaffordable, or uninsured properties are damaged. • Reputation damage if we take actions to manage our credit risk and/or comply with responsible lending requirements that could be seen as not supporting customers, or if we choose to meet customer demand by continuing to lend in areas believed to be at high risk of insurance retreat.

a – Refer to the 'Risk management' section for a list of ANZ NZ's material risks.

b – Indicates a Non-Financial Risk Theme.

Key:

Businesses reliant on specific locations
Commercial Property Lending
Home Loans
Physical - Acute
Physical - Chronic
Property owners

Table 4 – Climate-related risks and anticipated impacts (continued)

Risk conditions and description	ANZ NZ material Risk[a] potentially impacted	Mainly affects	Horizon	Anticipated impacts to ANZ NZ
Reduced primary sector production Changes in regional and seasonal weather patterns and climatic conditions could lead to: • Reduced agricultural production or higher input costs, affecting farmers' profitability and potentially impacting downstream industries and communities reliant on this production. • Inflationary impact on food prices due to reduced supply or increased production costs.	• Credit • Conduct[b]		L	• Reduced returns due to deteriorating customer risk grades requiring us to hold more capital against affected loans. • Credit losses through the default of customers with lower financial resilience who are unable to adapt or repay lending. • Reputation damage if we take actions to manage our credit risk and/or comply with responsible lending requirements that could be seen as not supporting customers.
Unmanaged community relocation As the physical impacts of climate change manifest over time, some locations will likely become dangerous to inhabit and uneconomic to defend. If community relocation is left too late, or is poorly planned or implemented, some ANZ NZ customers may experience: • Inability to obtain insurance. • Local governments unable to fund relocations/property buyout. • Unaffordable rates increase, or withdrawal of local government services and declining infrastructure. • Significant falls in property values. • Relocation of individuals and businesses, reducing revenue and employment opportunities for those that remain.	• Credit • Conduct[b] • Strategic		L	• Credit losses on business lending due to reduced incomes and on property lending if values fall and customers are unable to repay loans. • Reduced income, both through broader economic impacts and wealth erosion, and through loss of customers if we are not seen to treat customers fairly. • Reputation damage if we take actions to manage our credit risk and/or comply with responsible lending requirements that could be seen as not supporting customers, or if we choose to meet customer demand by continuing to lend in areas expected to be at high risk of becoming unviable during the loan term.
Repeated or severe damage to assets and infrastructure Repair and rebuilding costs will financially impact individuals, businesses, and local and central government. Councils may face high costs for recurring infrastructure repairs or reduced revenue if ratepayers move away. At a large enough scale, this may lead to inflation, increased government debt, government credit rating downgrade, wholesale market interest rate increase and devalued New Zealand Dollar.	• Credit • Liquidity & Funding • Market • Conduct[b] • Operational Resilience[b] • Physical Security[b] • Third Party[b]		L	• Credit losses where customers are financially impacted through loss of revenue, employment or increased repair costs. • Increased operating costs for us from business disruption (i.e. through inability of staff and customers to reach our buildings or connect online to conduct business or by the inability of third-party businesses supplying essential goods and services to fulfil contractual obligations).

a – Refer to the 'Risk management' section for a list of ANZ NZ's material risks.
b – Indicates a Non-Financial Risk Theme.

Key:

- Agriculture and related businesses
- All sectors
- ANZ
- Businesses reliant on specific locations
- Commercial Property Lending
- Communities reliant on agriculture
- Home Loans
- Local government
- Physical - Acute
- Physical - Chronic
- Property owners

Table 4 – Climate-related risks and anticipated impacts (continued)

Risk conditions and description	ANZ NZ material Risk[a] potentially impacted	Mainly affects	Horizon	Anticipated impacts to ANZ NZ
Regulatory change – unanticipated, volatile or high volume While climate change-related regulatory and policy changes are almost certain to occur, rapid, volatile, disorderly or high-volume changes are likely to be more costly and difficult for businesses to adapt to and implement. A volatile policy environment can reduce business confidence particularly for long term investments, which may slow economic growth or result in lower resilience. Policy changes could occur in either direction, supporting decarbonisation and climate resilience or the reverse, and may occur either within Aotearoa New Zealand or in our trading partner countries. New Zealand export sectors could lose access to offshore markets, i.e. through breaches of, or changes to, free trade agreements, leading to macroeconomic effects that may impact the New Zealand Dollar or the New Zealand government credit rating.	• Strategic • Regulatory[b] • Credit • Liquidity & Funding • Market	ANZ, Business customers, Emissions intensive sectors, Exporters	M, L	• Increased operating costs to resource regulatory change management programs, likely competing with other banks for relevant expertise. • Reduced returns due to increased probability of default of customers in emissions-intensive sectors that are more likely to be subject to policy changes, or those reliant on export markets who may be caught unaware of offshore changes occurring through their supply chains. • The significant uncertainty around the approach of future governments to climate change mitigation makes the assessment of the plausibility of long-term impacts challenging.
Offshore protectionist policies Other countries may implement protectionist policies or trade barriers for certain sectors (e.g. food production, key commodities) in response to the physical or transition risks they face. This could impact Aotearoa New Zealand businesses and the economy through reduced access to key commodities/inputs, reduced access to export markets, increased costs (e.g. tariffs), reduced production if inputs are unavailable, and reduced revenue.	• Credit	Business customers, Exporters	M, L	• Reduced returns due to increased credit risk requiring us to hold more capital against loans of affected customers. • Credit losses in the longer term should businesses become unable to repay lending.
Market-driven changes in supply chains Changing requirements within supply chains may affect our business customers, particularly exporters. These businesses may need to adapt their practices or incur additional compliance costs. Businesses that are unable or unwilling to adapt in a timely manner may lose access to markets, become less competitive and less profitable.	• Credit	Business customers, Emissions intensive sectors, Exporters	S, M, L	• Reduced returns due to increased probability of default if customers do not adapt and lose market share, requiring us to hold more capital. • Some credit losses.

a – Refer to the 'Risk management' section for a list of ANZ NZ's material risks.

b – Indicates a Non-Financial Risk Theme.

Key:

ANZ
Business customers
Emissions intensive sectors
Exporters
Transition - Market
Transition - Policy and legal

Table 4 – Climate-related risks and anticipated impacts (continued)

Risk conditions and description	ANZ NZ material Risk[a] potentially impacted	Mainly affects	Horizon	Anticipated impacts to ANZ NZ
Technology for managing climate risks New types of data, technology, and complex modelling are required for banks to identify, manage and price climate risks. • We will incur operating costs to source data, build or update systems and models to accommodate new data, and manage these on an ongoing basis. Novelty and complexity of climate data and modelling heighten data, model and technology risks. • If our current credit risk models are not adapted to adequately consider climate risk, we could become uncompetitive and may not sufficiently understand, manage or price the climate risks in our lending book. • Likewise, failure to understand new types of data or over-reliance on third parties in lieu of developing in-house expertise may result in adverse risk selection and unintended consequences. • If we apply new data or technology to a customer and the data is incorrect, or applied incorrectly, it may lead to inappropriate lending/advisory practices. • If we fail to respond nimbly to pivot our strategy in response to technology changes in the banking environment we may face adverse customer selection.	• Data[b] • Model[b] • Technology[b] • Strategic • Credit • Conduct[b]		S, M, L	• Increased operating costs in the short term, including staff to source, build, and manage new data and models. • In the medium to long term, loss of market share leading to reduced balance sheet, revenue and returns if not implemented or poorly executed. • Credit losses in the medium to long term, if not implemented or poorly executed.
Government inquiries If banks continue to fund or facilitate lending to high emitting sectors, or fund properties at risk from physical hazards, they may face government inquiries into lending conduct.	• Regulatory[b] • Strategic • Liquidity & Funding		L	• Increased government scrutiny.
Increased litigation If we continue to fund or facilitate lending to high emitting sectors, or fund properties at risk from physical hazards, we may face increased litigation.	• Strategic • Liquidity & Funding		L	• Increased public scrutiny. • Legal costs incurred to defend litigation. • Remediation costs, fines or other penalties if litigation against us is successful. • Reputation damage, potentially leading to increased cost of funding
Rapid evolution of legal precedent Legal claims presenting novel arguments may create new legal precedent or existing precedent may evolve rapidly (for example in relation to greenwashing). Despite best efforts to comply with the law, businesses, including ANZ NZ, may fail to stay abreast of changes and may inadvertently expose themselves to litigation.	• Conduct[b] • Liquidity & Funding • Credit		L	• Legal costs incurred to defend litigation. • Remediation costs, fines or other penalties if litigation against us is successful. • Increased probability of default, and increased likelihood we are left with stranded assets and credit losses for a small number of large customers subject to successful litigation.

a – Refer to the 'Risk management' section for a list of ANZ NZ's material risks.

b – Indicates a Non-Financial Risk Theme.

Key:

ANZ | Business customers | Emissions intensive sectors | Transition - Policy and legal | Transition - Technology

Table 5 - Climate opportunities and anticipated impacts

ANZ NZ opportunity categories	Opportunity description	Anticipated impacts to ANZ NZ
Partnerships, products and services	**Funding and support** Fund customers' and communities' transition and adaptation activities to mitigate the effects of climate change and build resilience. Engage and support customers to reduce emissions and build resilience.	**Funding** Increased loan balances and net interest income from increased demand for lending to assist customers with climate transition and adaptation. Size of impact depends on ANZ providing products and pricing that are attractive to customers and meet their needs. **Support** Increasing opportunity to engage and support customers with decarbonisation and climate resilience improving customer retention for ANZ NZ.
Capital efficiency	**Data and technology** Use data and technology to differentiate our customers' climate risk profiles.	Improved climate-related data and technology tools increase our understanding of customer profiles, enabling us to direct capital to activities which increase customer resilience and returns.
Reputation	**Climate action collaboration** Work with others (e.g. government, regulators, stakeholders) to address climate change in the real economy - both mitigation and adaptation.	Increased collaboration across the economy will be expected of us. We anticipate this will enable innovative finance solutions to address economy-wide climate challenges, leading to increased market share and confidence in our climate profile.
Operational resilience	**Climate capability** Attract and retain talent bank-wide through climate capability uplift across staff, systems and processes and data.	We expect attracting and retaining talent will assist with increased growth and reputation.
New markets	**Innovative solutions** Enable innovative finance products and propositions to address climate challenges (including addressing social inequities compounded by climate change) through existing and new partnerships.	We expect new and innovative solutions through partnerships will assist us to increase returns.

Current climate-related impacts

During FY25, ANZ NZ and our customers experienced climate-related impacts from both physical and transition-related events or trends. We monitor the significance of these together with the climate-related impacts we identified and disclosed in FY24. In FY25 these impacts have been assessed as not sufficiently material to ANZ NZ for disclosure or quantification.

We continue to support our customers through the provision of lending to home loan and business customers that may help them reduce emissions or improve resilience. Further information on our lending activity is provided in the 'Transition plan aspects of our strategy' and the 'Metrics and targets' sections.

Transition plan aspects of our strategy

ANZ NZ strategy and vision

Our vision is 'to be a better, faster, safer bank for customers, shareholders and the community'. Our strategy is focused on four strategic pillars – customer first, simplicity, resilience and delivering value. Delivering these priorities is supported by ANZ NZ's core enablers: our culture, people and technology.

Our Climate & Environment Strategy (refer Figure 2) aligns with our overall strategy and vision. Our objectives under this strategy are: to be a leader in financing climate solutions, to understand our customers' climate challenges, and to work across the economy to support an inclusive transition for all New Zealanders.

Our ESG Framework supports our Climate & Environment Strategy objectives by aiming 'to help accelerate Aotearoa New Zealand's climate transition and adaptation', and 'to integrate and support the goals of Tākiri-ā-Rangi', our 2040 Te Ao Māori Strategy. Tākiri-ā-Rangi sets out our commitment to support Māori to build their own path to a better future through economic equality and empowerment.

Figure 2 - Our Climate and Environment Strategy

	Climate & Environment Strategy		
Purpose	Supporting Aotearoa New Zealand's transition to a low-emissions, climate resilient economy		
Objective	To be a leader in financing climate solutions; to understand our customers' climate challenges; and to work across the economy to support an inclusive transition for all New Zealanders		
Vision	Financing a sustainable transition		
Business segment focus area	**Institutional** Being a leading bank in supporting customers to transition, and growing our low-emissions and nature related opportunities	**Business & Agri** Delivering insights and propositions to support customers to understand and navigate the transition	**Personal** Provide customers sustainable options for climate resilience, affordable housing
Action pillars	**FY25 activities**	**FY26 and onwards activities**	
Understanding risks and opportunities	Improved Environmental & Social Screening tool, rolled out to frontline staff. Developing climate data governance and roadmap. Reviewed processes for asking customers about the insured status of properties and initiated work to better record this status in internal systems for home loan customers.	Work to improve customer climate-related data coverage and quality. Further work, including engagement with external experts, to help understand the risk of insurance retreat across our portfolio, and options for ANZ to manage this risk.	
Building capability and capacity, while reducing our own emissions	Established target climate competency for roles in all relevant business segments. Completed 'Let's Talk Climate' training for frontline Agri bankers. Retained Toitū Net Carbon Zero certification. Engaged with key suppliers to better understand their emissions reporting and reduction plans. Completed our fleet transition to 100% hybrid vehicles.	Develop and progressively roll out climate capability uplift across key roles and functions. Continue to implement initiatives to further reduce our operational emissions.	
Driving customer engagement and propositions	Engaged 100 Institutional customers to understand and support transition planning progress, tailoring engagement with 20 food, beverage and agribusiness customers. Rolled out Customer Climate Information tool to support engagement with Agri customers. Launched Agri Good Energy loan to support renewable energy and efficiency for farm customers. Reviewed key product criteria.	Deepen our large customer engagement with continued focus on areas of highest risk and opportunity – i.e. emissions-intensive industries, primary sector, exporters. Expand Customer Climate Information tool to further business sectors. Refresh product eligibility criteria to ensure products support customer needs, including efficiency, decarbonisation.	
Collaborating with stakeholders to support an economy-wide transition	Reviewed our key climate partnerships and advocacy approach. Worked with key stakeholders across energy, insurance and Agri sectors; and Māori-owned entities' risks and opportunities. Played active role in industry forums: Climate Leaders Coalition, Toitū Tahua/Centre for Sustainable Finance & Aotearoa Circle. Contributed to development of climate-related policy including via NZBA.	Implement partnership and advocacy plans review and re-set regularly to ensure strategic fit. Sustain and evolve engagement with relevant industry stakeholders. Continue to evolve our strategic partnerships to better support customers. Contribute to climate-related policy issues and advocacy.	

Our business model

We are one of Aotearoa New Zealand's leading banking and financial services groups. Our operations are organised into three major business segments:

- Personal: providing a full range of banking and wealth management services to consumer and private banking customers.
- Business & Agri: providing a full range of banking services to privately owned small and medium enterprises and the agricultural business segment.
- Institutional: servicing government and government-related entities, global institutional and corporate customers through transaction banking, corporate finance and markets.

How our Strategy addresses Transition

Executing our strategy

To support our overall strategy, our Climate & Environment Strategy is integrated into each of our business segment strategies. Each business segment has defined focus areas, which are executed through four key action pillars. At present, we consider our business model and strategy takes into account our identified climate risks and opportunities.

Ambition

The purpose of our Climate & Environment Strategy is to support Aotearoa New Zealand's transition to a low-emissions climate resilient economy.

As part of the ANZ Group, we support and contribute to ANZ Group's Climate & Environment Strategy ambitions which include building capability to help customers understand climate and nature risks, transitioning ANZ Group's lending portfolio to net zero financed emissions and supporting customers' transition and resilience.

We support our large business customers to fund social & environmental activities with a New Zealand target of $20 billion that contributes to the ANZ Group target to fund and facilitate A$100 billion by end of FY30.

We have not made an independent net zero 2050 commitment in respect of our financed emissions. However, a small number of ANZ NZ's large business customers are included in ANZ Group's emissions reduction pathways.[3]

Operational emissions, culture & capability

In addition to our external and customer-focused work, in FY25 ANZ NZ continued to grow and invest in internal activities - including capability building, data improvements and addressing our own operational emissions. We consider this foundational activity that underpins our transition planning - refer to Figure 2 for further detail.

3 – ANZ Group have reported pathways and targets for eight sectors: Power generation, Oil & Gas, Aluminium, Cement, Steel, Large-scale commercial real estate, Transport, (three sub-sectors) and Thermal coal. See ANZ Group's 2025 Climate Report for more information on ANZ Group's commitments, pathways and targets.

4 – Further detail for significant lending can be found in the 'Capital deployment processes' section.

How we support transition

We have identified the climate risks and opportunities most relevant to our business, including through our lending to customers. These may evolve over time as we further enhance our understanding. Engaging with customers and providing tailored products and services that support them to reduce emissions and improve resilience are central to the transition plan aspects of our strategy. We continue to work with industry partners and stakeholders to better understand our customers' needs and help influence broader change in Aotearoa New Zealand. We continue to build the climate capability of our people and work to reduce our own emissions.

We have prioritised our focus on sectors and activities we consider present the greatest risk and opportunity for us:

Supporting the energy transition

To support Aotearoa New Zealand's decarbonisation, in FY25 we:

- Continued to focus on lending to support energy efficiency and renewable energy projects.
- Continued to offer Good Energy Home Loan and Healthy Home Loan Package to households and the Business Green Loan to Business and Agri customers; and launched a new Good Energy Agri Loan.
- Engaged energy sector and industry stakeholders to inform the evolution of our lending products.[4]

We have a target to reduce the emissions intensity of our lending to the power generation sector by 50% by FY30 (from FY20).

The power generation sector's decarbonisation also depends on factors outside our direct control, including the pace of renewable infrastructure development, hydrological conditions and the energy use and behaviour of Aotearoa New Zealand homes and businesses.

These activities address our opportunity to provide funding and support for the energy transition. Funding on-site renewable energy also helps our customers across Aotearoa New Zealand diversify their energy sources, improve resilience and access lower-cost electricity, which may assist in reducing credit risk (improving capital efficiency).

Supporting a resilient, competitive primary sector

Our agribusiness exporter customers, including dairy, are particularly exposed to transition risk through the emissions intensity of their supply chains and global customer requirements. This also presents opportunities for competitive advantage.

In FY24 we investigated a pathway and target to reduce the emissions intensity of our lending to the dairy sector and concluded more clarity on customers' emissions reduction opportunities was required. While this remains our position in FY25, we are continuing to work to better understand industry challenges and support customers. Our work in FY25 included:

- Engaging 20 of our largest food, beverage and agribusiness customers to better understand and support their transition planning.
- Rolling out an on-farm engagement programme and launching an Agri Uplift Finance Loan which offers a discounted interest rate to eligible farmers implementing industry and environmental resilience.
- Continuing to engage closely with industry, including working with dairy processors to improve data consistency, and supporting innovation through the AgriZeroNZ partnership, which aims to help develop and commercialise emissions reduction options for farmers.

These activities support customers to maintain access to important export markets and supply chains, and to be better positioned should market sentiment or trade barriers change in the future.

Insurance & adaptation

We are working to understand and address key insurance challenges arising from physical climate risks, particularly inland and coastal flooding. In FY25 we reviewed internal policy and processes and identified areas for uplift relating to how and when we ask customers about the insured status of properties that secure their home lending. This work will help us understand and manage credit risk as the insurance market and physical risks change over time.

We continue to advocate for a coordinated approach to insurance retreat and adaptation, including more equal access to data for the public, banks and insurers, to support informed decision making. We also continue to engage with insurance partners on climate related issues to enhance decision making and capability development.

These activities form a foundation to help us better understand and address the risk of insurance retreat.

KEY: Policy and legal | Market | Physical - Chronic | Physical - Acute

Capital deployment processes

External funding and lending

ANZ NZ allocates funding to support customers to respond to climate risks and opportunities through lending policies and risk appetite that aligns with our strategy, including our Climate & Environment Strategy objective to 'be a leader in financing climate solutions'. This includes activities and assets to which we aim to increase funding—such as low-emission technologies and climate resilience—as well as sectors and activities where we aim to reduce our exposure over time, such as upstream fossil fuel extraction and exploration.

At ANZ NZ, lending decisions are made based on our risk appetite. We apply appetite restrictions as set out in our lending policies for thermal coal mining and upstream oil and gas. We continue to provide other banking services, including transactional banking services (such as payroll and company credit cards), trade facilities and market facilities to customers in these sectors.

Our Social and Environmental Risk Policy outlines our approach to the management and mitigation of social and environmental risks arising from Institutional customer activities, including the impacts of climate risks. For sensitive sectors, such as the extractives industry, we have further requirements specific to customers, transactions, or activities relating to these sectors.[5] Refer to Table 6 - 'Climate risk management tools' for more information on screening for Institutional and other customer business segments.

We have no lending[6] over $1m, including no term lending, to coal customers[7] (thermal and metallurgical) as at 30 September 2025. We have exposures at default of less than $2 million relating to mining rehabilitation bonds or performance guarantees for existing coal customers[7] to enable them to fulfil their responsibilities relating to rehabilitation and exiting of mine sites, as at 30 September 2025. The purpose of a rehabilitation bond is related to environmental remediation and not financing of the coal mining activity itself.

We continue to develop how we allocate capital and funding as our approach to climate risks and opportunities matures.

We have summarised our lending policies relating to thermal coal mining and upstream oil and gas customers:

Thermal coal mining

Our lending policy regarding thermal coal mining is not to provide direct lending to new-to-bank extractives customers that derive more than 10% revenue from thermal coal mining and not to directly finance new thermal coal mines or expansions or extensions to the operating life of existing thermal coal mines.[8] We will not directly finance any new coal-fired power plants, including expansions or extensions to the operating life of existing plants, or provide direct lending to new-to-bank customers that derive more than 10% of their revenue, installed capacity or generation from thermal coal.

Upstream oil and gas

We continue to not provide direct financing to new, or expansions of, existing upstream oil and gas[9] projects. We will not on board any new-to-bank customers whose revenue is predominantly derived from upstream oil and gas. Should national energy security issues arise in Aotearoa New Zealand, we will consider exceptions on a case-by-case basis.

Internal funding and decision-making

ANZ NZ's operating and strategic plans reflect its three-year strategy, which is set by the Board with input from business segments. Business segments' strategic priorities, including those that address climate risks and opportunities, are funded via the operating and strategic plans.

ANZ NZ's operating plan is a one-year plan that allocates resources and funding to achieve our short-term objectives, and our strategic plan covers a three-year timeframe. For example, in FY25 this included operational funding for staff in climate-focused roles, capability-building, purchase of climate data, consultancy, and product development. Funding was allocated to our Climate Programme; this programme was wound up during FY25 and climate-related costs absorbed into business-as-usual funding. Funding associated with these operational activities is assessed as not financially material.

5 - For further detail refer to anz.com.au/about-us/esg/policies-practices/social-and-environmental-risk-management/
6 - Applies to lending products only. Excludes other banking products such as transaction banking, credit cards, trade facilities, market facilities (including foreign exchange contracts), performance guarantees and rehabilitation bonds.
7 - Coal customers are those customers allocated by ANZ to ANZSIC codes 1101 (black coal mining) and 1102 (brown coal mining) - excluding any adjacent services or downstream industries. There are limitations to using ANZSIC codes as the basis for calculating our lending or exposure to specific sectors, meaning our lending or exposure may be over or understated. Refer to the definition of 'ANZSIC code' in the Glossary for further information.
8 - Any project or investment that would increase the production capacity, geographic footprint, or operational lifespan of an existing thermal coal mine, or establish a new thermal coal mining operation.
9 - An energy customer within ANZSIC code 1200 – oil and gas extraction.

Processes for identifying, assessing and managing climate risks

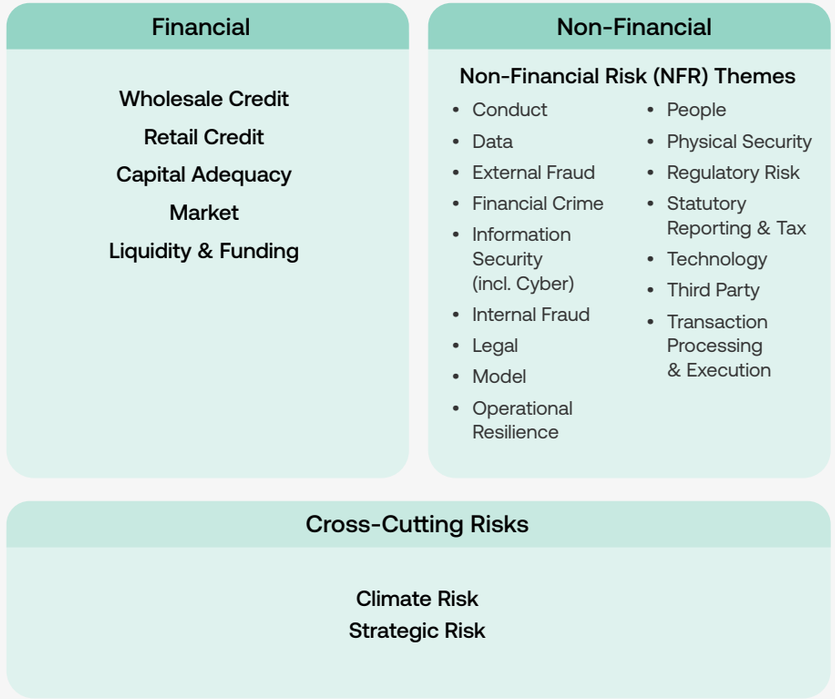
At ANZ, we use our Risk Management Framework to identify, assess and manage risk, including climate risk. We are continuing to integrate climate risk into our Risk Management Framework, the key components of which are set out in Table 7.

Climate risk is classified and managed as a 'material risk' under our Risk Management Strategy, and prioritised in the same manner as our other material risks. It is also classified as a 'cross-cutting' risk that can be a driver of other material risks.

'Material risks' are risks that may significantly impact either ANZ NZ's current or future capital position or significantly affect customers or shareholders, as determined by established qualitative and quantitative criteria documented in our Risk Management Strategy.

Under the category of climate risk, we identify and prioritise individual climate risks to enable targeted assessment and management. The following section describes our approach to identifying, assessing and managing these individual climate risks.

Figure 3 – ANZ NZ's Material Risks



Climate risk identification

Previously, we used STEEP analysis[10] and structured workshops to engage with internal stakeholders from across the business to identify our climate risks. Use of the tools listed in Table 6 supports us as the external environment changes.

Climate risk assessment

We reviewed and qualitatively rated the inherent[11] climate risks by likelihood of occurrence and by consequence using four categories: customer, financial, reputation and compliance. We assessed the climate risks using an internally-developed risk matrix that combines the likelihood and consequence ratings to rank the risks from Very High to Very Low.

In FY25 we built on our understanding of the climate risks by taking early steps towards quantifying their financial impacts. We didn't identify any significant changes in the external environment that triggered a review of our initial assessment.

A traditional approach to risk identification and assessment using a 'likelihood of occurrence' and 'potential consequence of impact' matrix may not fully address the systemic complexities, or the uncertain, inter-related, non-linear and cascading nature of climate risks. Consequently, we continue to review and improve our approach, as best practice evolves.

Climate risk management

At ANZ NZ risk is everyone's responsibility. An enterprise-wide approach is used to manage climate risk.

The following tools and methods are used to identify, and to assess the scope, size and impact of, climate risks.

10 - To assess how external Sociological, Technological, Economic, Environmental and Political (STEEP) factors may impact an organisation.
11 - The 'raw' risk before any internal controls are applied.

Table 6 – Climate risk management tools

Tool	Description	Frequency of assessment	Identify	Assess	Manage
Customer Screening	Customer screening is required for all Wholesale[a] customers at the start of our relationship, at scheduled review, or at significant credit events. Screening can provide information about a customer's climate risks: for example, checking the status of a business' water rights (e.g. consents, shares in irrigation schemes) can help us to understand how the business may mitigate the risk of drought. Targeted screening is required for customers in 'sensitive sectors' such as extractive industries, the energy sector and industries that manage, or could significantly impact, land, forest or water resources. If any issues are identified, we consider these before lending. In addition, our Climate Change Risk Assessment tool is used with certain large Institutional customers[c] to help us understand their potential exposure to physical and transition risks, and their maturity in developing a transition plan. This assessment is also part of the credit process. Our Customer Climate Information tool is used to gain insights into the possible climate risks of some Corporate[d] and Business & Agri customers. We introduced this tool in FY25 and will continue to embed its use throughout FY26.	At inception and annually (at least)[b] Annually, where required	●	●	
Emerging Issues Radar	Used in the Risk Management committees at all levels, from business segments to Board level to note changes in the external environment, including in the Climate Risk sphere.	At Risk Committee meetings	●	●	
Hazard Mapping	We assess physical risks to property-secured lending using third party physical hazard data. We've assessed inland and coastal flood risk to lending secured by residential or commercial properties and, along with drought, to our dairy, sheep and beef farm lending.	As required	●	●	
Horizon Scanning	Examples include subscriptions to specialist climate-related news sources, attending seminars, leveraging our global ANZ network to share knowledge, and participating in working groups such as the NZBA's Climate & Sustainability Working Group, and the Sustainable Business Council's Adaptation Community of Practice, to stay abreast of local developments.	As required	●		
Regulatory Change Monitoring	We monitor the regulatory environment to identify consultations or changes that relate to climate risk. We follow our Regulatory Change Consultation Process to engage in consultations, or adopt new or changed legislation, policy or other requirements as needed.	As required	●	●	
Reputation Risk Radar	A service that monitors reports of notable ESG incidents and allegations against current and prospective ANZ customers.	As required	●		●
Scenario Analysis	Helps us explore and develop an understanding of how climate risks might plausibly impact us over time. Refer to the 'Scenario analysis' section for further information.	As required	●	●	
Sector Reviews	We review sectors in detail to understand their risks drawing on insights from the other tools listed, as well as external research. We focused on the largest parts of our lending book first, exploring physical risks to homes, farms and commercial properties, and exploring transition risks to farms and commercial properties.	As required	●	●	
Stakeholder Engagement	We engage with a wide range of internal stakeholders to identify and deepen our understanding of climate risks to our business. During FY25, we engaged with internal stakeholders through working groups on: • ANZ NZ's approach to managing insurance retreat risk, • Modelling and quantification of anticipated impacts, • Scenario analysis, and • Climate adaptation.	As required	●	●	
Stress Testing and Sensitivity Analysis	Stress testing helps us build our internal climate risk modelling capability and learn how climate risks may impact our lending portfolios. We continue to enhance our ability to assess financial impacts from various physical perils, as well as other climate risks.	As required	●	●	

a – For Business customers typically with lending over $500,000.
b – Extensions may be required on occasion, which may mean that a review period extends beyond 12 months.
c – Refer to target 5 in Table 16 - 'Our climate-related targets'
d – For the purpose of this table, non-listed entities generally with turnover >$50m, lending limits >$20m, complex structures or complex product requirements.

Integrating climate risk

We are continuing to integrate Climate Risk into our Risk Management Framework

We acknowledge that it will take time to design and implement policies, procedures, appetite, and controls for climate risk, which was elevated to a material risk in FY24. We have summarised our progress towards this.

Risk governance, people & accountabilities at ANZ NZ

The Head of Climate Risk Management and the CRO are accountable for enabling the integration and management of climate risk into our Risk Management Framework. Supported by a dedicated Climate Risk Management team, they are working to embed climate risk across our Risk Management Framework (more information about our Risk Management Framework is set out in Table 7).

Risk Management Framework

All aspects of our Risk Management Framework in relation to climate risks were reviewed during FY25 as part of the regular review cycle.

Climate risk topics are discussed as required at CESG Forum, CRMC and BRC meetings. We continue to incorporate climate risk into Business Unit Credit Risk Forums where relevant.

Teams across the Three Lines of Defence (explained in Figure 4) are responsible for managing the climate risks that may materialise through our other material risks and are supported by subject matter expertise from the Climate Risk Management team.

Value chain exclusions

ANZ Investments is a manager of registered schemes, part of ANZ NZ and included in our value chain. However, investment risks (including climate risks) and opportunities associated with the schemes managed by ANZ Investments are not included in our value chain. All published climate statements for the registered schemes managed by ANZ Investments are available at anz.co.nz.

Figure 4 – Three Lines of Defence

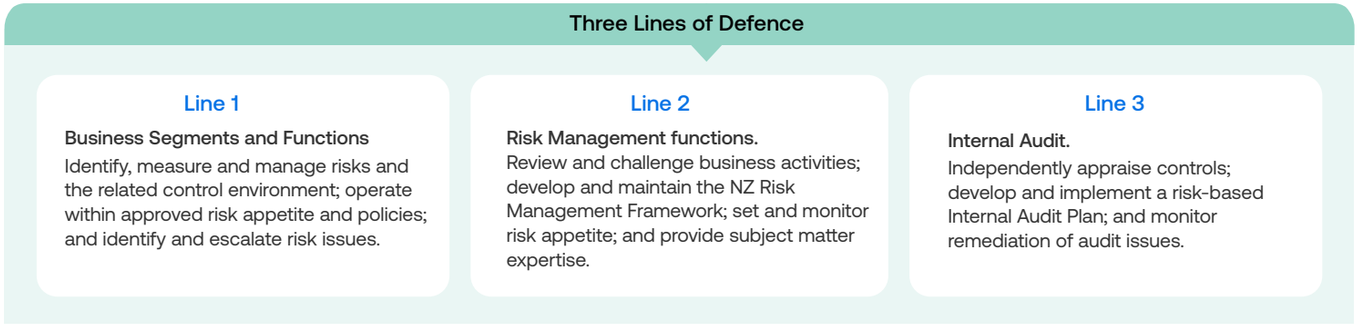


Table 7 – Risk Management Framework

Framework component	Description
Risk culture and risk principles	Risk culture and risk principles apply equally across the organisation in relation to all risks. They include the shared values, behaviours and practices that inform how we consider risk in decision making and set out what we mean by 'the right people, doing the right thing, in the right way'.
Risk Management Strategy	Sets out our approach to identifying, assessing, and managing our material risks. As shown in Figure 3 – ANZ NZ's Material Risks, climate risk is a 'cross-cutting' material risk. Climate risk has been incorporated into the Strategic Risk taxonomy to reflect the interaction of these two cross-cutting risks.
Risk Appetite Statement	Sets out the degree of risk that ANZ NZ is prepared to accept in pursuit of its strategic objectives. Climate risk is integrated into the ANZ NZ Risk Appetite Statement through a qualitative risk statement. Climate risk is increasingly incorporated into lending appetite documents for business segments. We have appetite restrictions and escalations for lending to customers in certain fossil-fuel related sectors, refer to the 'Capital deployment processes' section.
Systems and data	Refer to Table 6 – 'Climate risk management tools' for further detail. We continue to actively develop our data and systems to better incorporate climate risk, particularly in our lending.
Policies, standards, procedures	Under ANZ's 'Credit Principles' and 'Wholesale Judgemental Credit Policy and Requirements' we consider climate risks when lending to Wholesale customers. ANZ Group's Social & Environmental Risk Policy sets out the principles and standards to be followed when lending to Institutional customers; for example, lending to extractive industries such as upstream oil and gas. ANZ Group's Climate Risk Standard is principles-based and seeks to provide a consistent enterprise-wide approach to identifying, assessing, and managing climate risk. In FY25 we documented how ANZ NZ's processes support each of these principles. We also documented and tested our internal climate data and modelling in line with our Model Risk and Data Risk policies and requirements.

Metrics

GHG emissions

Our GHG emissions comprise:

- Scope 1 – our direct emissions from owned or controlled sources,
- Scope 2 – the indirect emissions from purchased electricity, and
- Scope 3 – indirect emissions that occur in our value chain, including financed emissions which are our emissions from the customers we lend to.

In FY25, financed emissions related to drawn lending accounted for 99.7% of our total GHG emissions.[12]

Financed GHG emissions

In FY24, the financed emission calculations were based on Gross Loans and Advances (drawn lending). In FY25, the financed emission calculations are based on our drawn lending and undrawn loan commitments.[13]

Our approach to measuring financed emissions has been based on the Partnership for Carbon Accounting Financials (**PCAF**) Standard.[14] Financed emissions were calculated across the following three asset classes under PCAF:

1. Residential Mortgages
2. Business Loans & Unlisted Equity
3. Commercial Real Estate

Total FY25 financed emissions relating to drawn lending: 4,989 $ktCO_2e$

These classes represent 97.6% of total Gross Loans and Advances and 95.6% of total Gross Loans and Advances and undrawn loan commitments held at 30 September 2025. The remaining amounts are out of scope for financed emissions calculations as there is no available methodology.

In FY26 we will continue to review the application of the PCAF guidance to other balance sheet assets – Sovereign Debt and Corporate Bonds.

Refer to Appendix 2 for further details on exclusions and how we have calculated our financed emissions.

Our insights

- At 74%, residential mortgages are the largest class of drawn lending, but only around 3% of our financed emissions.
- Lending to the agriculture sector represents 10% (a decrease from 11% in FY24) of drawn lending and 65% (a decrease from 70% in FY24) of associated financed emissions.
- The increase in financed emissions from FY24 is predominantly driven by an increase in drawn lending and an increase in emissions factors.
- In FY25 we made further progress towards collecting emissions data directly from a small selection of Agri customers. Where appropriate, this data has been included in our financed emissions calculations. We recognise that it is currently challenging for agriculture customers to reduce GHG emissions due to the lack of available technologies.

Figure 5 provides a breakdown of our drawn lending by sector, Figure 6 provides a breakdown of our financed emissions across our drawn lending, and Table 8 provides more detailed breakdowns of financed emissions from agriculture and other sectors.

Table 8 – Drawn lending and undrawn loan commitments, financed emissions and PCAF data quality scores by asset class and sector

Sector and PCAF Asset Class	30 Sept 24			30 Sept 25					
	Drawn lending	Financed emissions (Scope 1 and 2)		Drawn lending	Financed emissions (Scope 1 and 2)		Drawn lending and undrawn loans	Financed emissions (Scope 1 and 2)	
	$(m)	Value ($ktCO_2e$)	Weighted PCAF data quality score	$(m)	Value ($ktCO_2e$)	Weighted PCAF data quality score	$(m)	Value ($ktCO_2e$)	Weighted PCAF data quality score
Business Loans & Unlisted Equity	**31,913**	**4,732**	**4.0**	**33,023**	**4,770**	**4.0**	**45,825**	**6,129**	**4.1**
Agriculture	16,010	3,440	3.2	16,043	3,245	3.2	17,267	3,551	3.2
Dairy	8,835	2,329	3.1	8,865	2,154	3.0	9,393	2,312	3.1
Other Agri	7,175	1,111	3.1	7,178	1,091	3.3	7,874	1,239	3.3
Manufacturing	1,200	435	4.9	1,293	534	4.8	2,035	836	4.7
Transport, Shipping and Storage	1,028	264	4.8	1,058	391	5.0	1,705	594	4.7
Electricity Supply	366	94	4.9	868	130	4.0	1,984	274	3.8
Food and Beverage Manufacturing	1,249	169	4.6	1,056	136	4.7	1,972	254	4.1
Other Utilities	222	46	4.4	394	71	4.7	781	143	4.8
Other Services	3,869	53	5.0	4,176	59	5.0	6,044	83	5.0
Construction	926	53	5.0	1,053	72	5.0	1,905	130	5.0
Mining*	159	90	2.6	83	35	2.8	155	65	2.8
Coal		0	5.0		0	5.0		0	5.0
Oil & Gas		83	2.0		30	2.0		56	2.1
Other		7	5.0		**5**	**5.0**		**9**	**5.0**
Other	6,884	88	4.9	6,999	97	4.9	11,977	199	4.8
Commercial Real Estate	**8,336**	**39**	**4.3**	**8,082**	**51**	**4.4**	**8,146**	**52**	**4.4**
Residential Mortgages	**109,469**	**137**	**4.0**	**114,375**	**168**	**4.0**	**124,226**	**184**	**4.0**
TOTAL	**149,718**	**4,908**	**4.0**	**155,480**	**4,989**	**4.1**	**178,197**	**6,365**	**4.1**

*Mining – As there are only a few customers in this sector, we have not disclosed drawn lending and undrawn loan commitment details to protect their anonymity.

12 - GHG emissions from financed emissions relating to drawn lending and operational emissions.
13 - Drawn lending and undrawn loan commitments are defined in the Glossary.
14 - PCAF (2022) The Global GHG Accounting and Reporting Standard Part A: Financed Emissions, Second Edition.

Assumptions and limitations in our calculations

In most instances we did not have actual customer emissions data to input into our calculation to estimate financed emissions. For these customers, we used the applicable methodology based on the customer's relevant sector. Refer to Appendix 2 for further information.

Customers have been allocated to industry sectors based on Australian and New Zealand Standard Industrial Classification codes (**ANZSIC codes**).

The 'All other sectors' category in Figures 5 and 6 includes: manufacturing, transport, shipping and storage, electricity supply, food and beverage manufacturing, other utilities, other services, construction, mining and other.

Emissions intensity for financed emissions

Financed emissions intensity is calculated as the $ktCO_2e$ that ANZ NZ finances divided by the drawn lending in millions.

Table 9 - Financed emissions intensity

	FY24	FY25
Financed emissions related to drawn lending (Scope 1 and 2, $ktCO_2e$)	4,908	4,989
Drawn lending ($m)	149,718	155,480
Emissions Intensity ($ktCO_2e$ per $m lent)	**0.03**	**0.03**

Figure 5 – Drawn lending by sector

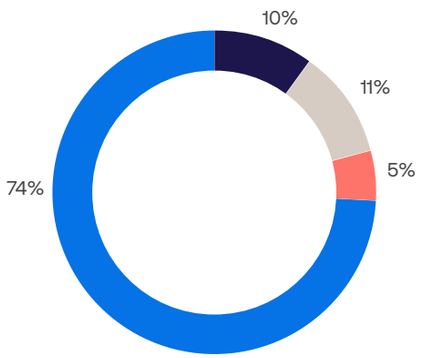
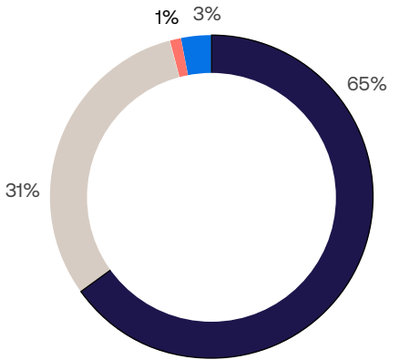


Figure 6 – Financed emissions by sector related to drawn lending



Agriculture · All Other Sectors · Commercial Real Estate · Residential Mortgages

Operational GHG emissions

Our operational emissions are Scope 1, 2 and 3 GHG emissions associated with operating our business, and exclude financed emissions. For this disclosure we only measured certain categories of Scope 3 operational emissions, for more details see Table 20 in Appendix 3.

Scope 2 emissions from the generation of purchased electricity can be accounted for in two ways, using the location-based method or the market-based method. NZ CS require location-based reporting, reflecting the emissions intensity of the national electricity grid, as shown in Table 10. In Table 11 we also report market-based Scope 2 emissions as we have a market-based target for Scope 1 and 2 operational emissions reduction – see the 'Climate-related targets' section. The market-based method reflects the zero net emissions from electricity that we have chosen to purchase via Renewable Energy Certificates (**RECs**). In FY25 we have not changed from a market to location-based target however we may do so in future reporting.

In FY25 we matched 100% of our electricity consumption to RECs from Meridian Energy Limited, thereby reducing our market-based Scope 2 emissions to zero tCO_2e.[15]

For FY25 our measured location-based operational GHG emissions were 16,337 tCO_2e. This is 995 tCO_2e more than our comparable emissions in FY24, primarily due to substantial increases in emissions factors for electricity and postage. The electricity emissions factor published in May 2025 was 39% higher than in the previous year, so despite an 8% reduction in purchased kWh from FY24 to FY25, our

Table 10 – Measured location-based operational GHG emissions by Scope (tCO_2e)

	FY15 Base Year	FY24	FY25
Scope 1[a]	4,535	1,611	1,524
Scope 2	4,548	1,685	2,161
Total Scope 1 & 2	9,083	3,296	3,685
Scope 3 original categories (excl. Employee commuting)[b]	7,073	4,008	4,054
Scope 3 Employee commuting[b]	3,372	5,984	6,098
Scope 3 categories added in 2023[b]		2,054	2,500
Total measured Scope 3[b]	10,445	12,046	12,652
Total measured Scope 1, 2 & 3 operational emissions	19,528	15,342	16,337

a - In FY25 we added one additional Scope 1 category: refrigerants used in our properties, which is not included in the FY15 base year or in FY24. This contributed 1 tCO_2e to our Scope 1 emissions for FY25.

b - In FY25, to improve accuracy and completeness we changed the methodology of our Scope 3 Category 7 Employee commuting and Working from home emissions, from an approach that covered only our main corporate sites, to a survey approach that allowed us to estimate emissions for staff at all of our sites. Using FY24 survey data, we have restated our FY24 comparative for Category 7 Employee commuting emissions from 3,612 to 5,984 tCO_2e, an increase of 2,372 tCO_2e (66%), and our Category 7 Working from home emissions (included in Scope 3 categories added in 2023) from 233 to 204 tCO_2e, a decrease of 29 tCO_2e (12%). Note that our FY24 and FY25 commuting emissions use this survey methodology whereas our FY15 base year uses our old methodology and does not include Working from home, so is not comparable.

Table 11 – Measured market-based operational Scope 1 & 2 GHG emissions (tCO_2e)

	FY15 Base Year	FY24	FY25
Scope 2 market-based	4,548	234	0
Total Scope 1 & 2 market-based emissions	9,083	1,845	1,524

15 - Tonnes of carbon dioxide equivalent.

reported Scope 2 purchased electricity emissions increased 28%. Likewise, although our postal volumes dropped 7%, higher emissions per item meant reported emissions increased 29%. Further details on how we calculated our operational emissions are provided in Appendix 3.

How we offset our operational emissions

To meet the Toitū Net Carbon Zero programme requirements we offset the following operational emissions:

- Scope 1,
- Scope 2 residual emissions after the purchase of RECs, and
- Scope 3 categories as required by the Toitū programme: Energy transmission and distribution losses, Waste to landfill, Business travel (excluding Accommodation), Postage and Freight.

For FY25, we offset these residual emissions with credits sourced from a Gold Standard Water Purifier Project in Maharashtra, India.

Emissions intensity for operational emissions

In FY24, ANZ NZ measured operational emissions intensity using the number of full-time equivalent staff as the denominator. In FY25 we transitioned to using operating income as the denominator, allowing more effective comparison of this metric with our industry peers in New Zealand. We have also recalculated our FY24 operational emissions intensity on the same basis for comparison.

Operational emissions intensity is calculated using our total measured Scope 1, 2 and 3 operational emissions using location-based Scope 2 electricity emissions, divided by ANZ NZ's operating income. This decreased from 3.14 in FY24 to 2.94 in FY25, as operating income increased more than operational emissions.

Table 12 - Operational emissions intensity

	FY24	FY25
Total Scope 1, 2 & 3 Operational emissions (tCO_2e)	15,342[a]	16,337
Operating income ($m)	4,882	5,554
Emissions Intensity (tCO_2e per $m operating income)	**3.14**	**2.94**

a - FY24 Total Scope 1, 2 & 3 Operational emissions has been restated from the figure reported in our FY24 climate statement to reflect our updated Employee commuting and Working from home methodology. See Table 10 - 'Measured location-based operational GHG emissions by Scope' for details.

Transition risks

ANZ considers that businesses with a higher emissions intensity are likely to be more vulnerable to transition risks than those with lower emissions intensity. We referenced work completed by the Ministry of Business, Innovation and Employment, Hīkina Whakatutuki (**MBIE**) in 2021[16] that calculated emissions intensity[17] for 106 sub-industries across the Aotearoa New Zealand economy and grouped them into categories of emissions intensity. We map our lending exposures to those sub-industries in the high-emissions intensity category.

10% of our drawn lending ($15.5 billion) is lending to businesses in a high emissions intensity category, therefore we have assessed these as vulnerable to transition risk. Approximately 88% of exposure in the high-emissions categories is in Agriculture. The high emissions intensity categories include dairy, sheep and beef, electricity supply and parts of the other sectors.

Table 13 - Drawn lending to high emission intensity categories

FY24	FY25
10%	10%

Physical risks

We identified inland flood, coastal flood, and drought (Agri only) as priority physical perils to assess based on our work in FY23 including stress testing and exploration of scenarios. Due to data constraints, we have only been able to assess these risks to lending linked to property security.

We assess the financial risk to ANZ as the proportion of 'Vulnerable Lending' to 'Total ANZ Lending linked to a mortgage over real estate' (**in-scope lending**). 'Vulnerable Lending' reflects the amount of lending secured by a vulnerable property (see our definition in the Vulnerability box). Where lending is secured by multiple properties, the lending is first calculated against non-vulnerable properties, up to defined internal limits. Any remaining lending is considered 'vulnerable'.

2.31% ($3.3 billion) of lending linked to a security property is considered to be vulnerable to inland flood, coastal flood, or drought (Agri only) in FY25. This rises to 3.75%, $5.4 billion at 2050 under a 'Current Policies' scenario (NZ-downscaled RCP 8.5) assuming our portfolio remains unchanged.

Vulnerability

We consider a property to be vulnerable when:

Inland flooding – damage exceeds 0.5% of Total Insurable Value.

Coastal inundation – coastal flooding touches any building on the property.

Drought (Agri only) – average annual potential evapotranspiration deficit (PED) is more than 300mm, indicating water shortfall representative of drought conditions.

Table 14 - Proportion of in-scope lending vulnerable to each peril

	30 September 2024 portfolio		30 September 2025 portfolio	
	30 Sept 2024	2050 (RCP 8.5)	30 Sept 2025	2050 (RCP 8.5)
Inland Flooding Only	0.49%	0.55%	0.53%	0.61%
Coastal Inundation Only	0.94%	1.19%	0.92%	1.19%
Drought (Agri Only)	0.77%	1.71%	0.75%	1.69%
Multiple Perils	0.12%	0.29%	0.11%	0.26%
Total	**2.32%**	**3.74%**	**2.31%**	**3.75%**

16 - "The Emissions Exposure of Workers, Firms and Regions"; Ministry of Business, Innovation and Employment. Occasional paper 21/01, March 2021.
17 - Calculated emissions intensity is the tonnes of carbon dioxide equivalent emissions per dollar of gross output.

Climate opportunities and capital deployment

ANZ NZ's assets aligned with climate opportunities, and amount of capital deployed towards these opportunities, include lending activities. These activities support our customers experiencing physical and transition impacts from climate and are consistent with a transition to a low-emissions, climate-resilient future.

Funding, facilitating and direct investments in social and environmental activities through our $20 billion target

In FY25 we contributed $6.13 billion towards our new target (commencing 1 October 2024) to fund and facilitate at least $20 billion by the end of FY30 in social and environmental activities through customer transactions and direct investments.[18]

Table 15 breaks down how we have funded $1.94 billion, facilitated $3.36 billion and directly invested $0.83 billion through eligible bond purchases held on our balance sheet. This includes activities that aim to help lower emissions, protect or restore nature, increase access to affordable housing and promote financial wellbeing.

To count towards the $20 billion target, transactions are assessed against the criteria for eligible banking activities and eligible social and/or environmental activities specified in the methodology for this target. They may include labelled sustainable finance, unlabelled banking activities and direct investments.[19]

Table 15 - Breakdown of activity

	Customer transactions(#)	Funded ($bn)	Direct Treasury Investments ($bn)	Facilitated ($bn)	Total ($bn)
Energy	7	0.55	-	0.03	0.58
Green building	3	0.21	-	0.27	0.48
Other social & environment	4	0.03	0.83	0.31	1.17
Sustainability-linked facilities	8	1.15	-	2.75	3.90
Total	22	1.94	0.83	3.36	6.13

Other climate metrics

We do not use an internal emissions price. The relationship between climate risks, opportunities, and management remuneration in FY25 is discussed in the 'Governance' section. The calculation of financed emissions is considered an industry-based metric, detailed in Table 8. Key performance indicators used to measure and manage metrics and targets are disclosed within this section.

18 - This metric was updated in FY25 to include eligible labelled and unlabelled sustainable finance deals, and direct investments. In FY24 only sustainable labelled finance deals were reported as disclosed at page 38 of the FY24 Climate Statement (with ANZ share/Hold of $484 million).
19 - For further detail on ANZ's approach for assessing the eligibility of transactions for inclusion towards the target, refer to the ANZ Social and Environmental Sustainability Target Methodology available at anz.com/esgreport.

Climate-related targets

Table 16 sets out our key climate-related targets, and our performance against each target in FY25. ANZ NZ's ability to meet the targets is dependent on a number of factors, including data availability, government regulations and policy settings, and third-party input. Further information about specific target dependencies is contained in the footnotes below. See also the 'Important information' section at the beginning of this document.

Table 16 – Our climate-related targets

Ref:	Targets	End date	Start date	Performance against target
1.	Helping Aotearoa New Zealand homeowners improve the sustainability of their homes and/or reduce their transport emissions through discounted lending of at least $825m in aggregate to at least 19,700 households by end FY25.[a, b]	FY25	FY20	Achieved Since October 2020 23,397 households into healthier homes and lent $938.86 million.[a]
2.	Fund and facilitate at least NZ$20 billion by the end of FY30 in social and environmental activities through customer transactions and direct investments by ANZ (commencing October 2024).[c] This includes initiatives that aim to help lower GHG emissions, protect or restore nature, increase access to affordable housing and promote financial well-being.	FY30	FY25	$6.13 billion towards the target of $20 billion. We have funded $1.94 billion, facilitated $3.36 billion and directly invested $0.83 billion through eligible bond purchases held on our balance sheet, since the target commenced on 1 October 2024.
3.	Establish sectoral decarbonisation targets for two Aotearoa New Zealand industry sectors.	FY25	FY23	Not achieved In FY24 we established a decarbonisation target for our lending to the Power Generation sector – see Appendix 5 for further information. In FY25 we explored the feasibility of further sectoral pathway options. We concluded that given the make-up of our portfolio and diverse range of customer types, sectoral pathways may not be the most appropriate target-setting approach. We will continue to explore target-setting options in FY26.
4.	Reduce the emissions intensity of ANZ's lending to the Power Generation sector by 50% by the end of FY30, from a FY20 base year.[c]	FY30	FY24	Off track. Low rainfall impacted hydro lake conditions and increased reliance on coal and gas to produce electricity, which meant that absolute emissions from power generation increased significantly in FY24. However, we continue to see ANZ lending and industry investment increase towards renewable energy projects, which can lower both the grid intensity and the emissions intensity of our lending to the Power Generation sector - refer to Appendix 5.
5.	Engage with 20 of our largest food, beverage and agribusiness customers in Aotearoa New Zealand to support the progress of their transition plans. Working towards these customers having climate transition plans in place by the end of FY27.	FY27	FY25	Underway and discussed further in the 'Transition plan aspects of our strategy' section.
6.	Reduce combined Scope 1 and 2 operational GHG emissions by 90% by FY30 against FY15 base year (using a market-based method for Scope 2 calculations).[d]	FY30	FY15	We have reduced our combined market-based Scope 1 and 2 operational GHG emissions by 83% since our FY15 base year. This is a 17% improvement in these emissions since FY24, primarily as a result of purchasing additional RECs to match 100% of our electricity consumption.

a - The target consists of drawn lending, is cumulative and includes the following products: Healthy Home Loan Package, Interest-free Insulation Loans (product discontinued in July 2022) and Good Energy Home Loan top ups. To meet this target, ANZ NZ is dependent on market demand and the availability of qualifying products on the Aotearoa New Zealand market. These dependencies can be influenced by Government regulation and policies.

b - This target includes lending for social and non-climate related sustainability initiatives which may not reduce climate change risk. To meet this target, ANZ is dependent on market demand which can be influenced by Government regulation and policies.

c - Refer to Appendix 5: Climate-related target 4: Power Generation Target for assumptions and dependencies in relation to this target.

d - This is an absolute target which we consider to be science-aligned as it was set using the Science-Based Targets Initiative (SBTi) tools to limit warming to 1.5°C above pre-industrial levels. This target has not been validated by the SBTi. We do not rely on carbon credit offsets to achieve our operational emissions targets.

Appendix 1:
Our scenarios

Table 17 – Summary of scenario architectures

	Net Zero 2050	Fragmented World	Current Policies
Approximate warming at 2100	1.5°C	2.5°C	3°C
Global socio-economic, energy and emissions pathway parameters and temperature	NGFS[a] Net Zero 2050	NGFS Fragmented World	NGFS Current Policies
Aotearoa New Zealand-specific parameters[b]	NZ downscaled RCP 2.6	NZ downscaled RCP 4.5	NZ downscaled RCP 8.5
Aotearoa New Zealand-specific transition pathway parameters	CCC[c] High Technology High Systems Change	CCC Low Technology Low Systems Change	CCC Reference Scenario
Aotearoa New Zealand vs global climate action	Aotearoa New Zealand is in step with global climate trends	Aotearoa New Zealand is out of step with global climate trends	Aotearoa New Zealand is in step with global climate action trends
Aotearoa New Zealand climate policy	Immediate, stringent policy action	Immediate and moderately stringent policy action	Not coordinated or stringent policy action (current policies are maintained)
Regional policy variation	Medium variation	High variation including policy changes	Low variation
Technology change[d]	Fast	Fragmented	Slow
(i) Carbon sequestration (global)[c] Afforestation (ii) Carbon capture and storage (**CCS**)	(i) Low increase (4,788 Mha in 2060) (ii) Medium-high use (10,398 $MtCO_2$ per year in 2060)	(i) Medium increase (4,913 Mha in 2060) (ii) Low-medium use (7,522 $MtCO_2$ per year in 2060)	(i) Medium increase (4,935 Mha in 2060) (ii) Low use (1,621 $MtCO_2$ per year in 2060)
Population characteristics	United with openness to systems change and behaviour change	Divided with mixed openness to systems change and behaviour change	United with little openness to systems change and behaviour change
Macro-economic trends[e]	The economy adjusts to the climate transition as the benefits of early action gain traction. Growth rates improve and inflation pressures ease	In the short-term, competitiveness is impacted by climate-related policies that constrain output, but over time there is a comparative advantage as other economies then adopt tighter climate policies	There is increasingly volatile economic performance, lower productivity and greater sectoral distortions. The Government's ability to respond to events is constrained by a deteriorating fiscal position

a – Using NGFS Phase IV Climate Scenarios Technical Documentation v4.2 (November 2023).
b – NZ downscaled data for RCPs 2.6, 4.5 and 8.5 is IPCC CMIP-5 global model outputs downscaled for New Zealand by Earth Sciences New Zealand.
c – Using the Climate Change Commission data and modelling outputs from their 'Draft advice on the fourth emissions budget period' – April 2024.
d – There are no specific mentions of carbon sequestration from nature-based solutions or negative emissions technologies in the scenario narratives. However, assumptions about afforestation and CCS are reflected in the temperature pathway.
e – ANZ's economist unit produced the macro-economic trend assumptions to reflect the climate scenario narratives constructed by the Climate Scenarios Working Group, which were informed by the data sources above.

Net Zero 2050 (a 1.5°C global temperature increase by 2100)

Characterised by high short-term transition risk with rapid, radical progress towards a low-emissions, climate-resilient economy. Initially the transition is costly and disruptive but in the long-term, physical impacts are moderate.

Net global emissions reach zero by 2050 through consistent policy action and rapid technological innovation and uptake, globally and domestically. Regulation to decarbonise and increase physical resilience delay economic growth and create inflation pressures initially. This eases by 2050.

The Aotearoa New Zealand Government implements regulatory change that increases electrification, renewable electricity generation and low-carbon infrastructure; and reduces on-farm and waste emissions. This increases demand for climate-related green and sustainability-linked financial products and services, and businesses move to financiers seen as leading on climate action. Industries with the highest emissions intensity and transition costs face challenges, but sustainable producers and the Māori economy benefit from global demand for positive social and low-carbon credentials. Some farms convert to forestry due to the high cost of on-farm emission reduction. We meet our national 2050 net zero carbon target and the higher end of the methane target.[20]

While global warming is limited to 1.5°C above pre-industrial levels by 2100 and the worst long-term physical impacts of climate change are avoided, climate change results in sea level rise and increased incidence of extreme weather events, particularly flooding, severe storms and drought, in Aotearoa New Zealand. Impacts are minimised through national adaptation planning, improved building resilience and community relocation. Insured losses reach a new high, bringing increased premiums and excesses, and risk-based pricing, but premature insurance retreat is limited. Agricultural production is reduced by drought, but this is partially mitigated through effective adaptation measures.

Fragmented World (a 2.5°C global temperature increase by 2100)

Climate action globally increases sharply from 2030, with countries following different emission reduction paths. Aotearoa New Zealand takes an early leadership role. Policy changes and inconsistent progress lead to substantial physical impacts in the long-term.

The global climate response is delayed and divergent with limited technological innovation and fragmented uptake. Transition impacts occur alongside physical impacts bought about by increasingly frequent and severe weather events. As a first mover, Aotearoa New Zealand's competitiveness in the short-term is constrained by stringent climate-related policies, but over time it gains comparative advantage as other economies tighten climate regulation. In the long-term, the physical impacts of climate events become more frequent and severe, creating economic volatility.

In Aotearoa New Zealand, moderate regulation brings reduced emissions in the transport, industry, and building sectors and, to a lesser extent, agriculture and waste sectors. Aotearoa New Zealand meets its 2050 net zero carbon target and the lower end of the methane target. Global green investment remains steady, and Aotearoa New Zealand's share increases with its perception as a climate leader.

Demand for green and sustainability-linked financial products and services increases due to public and private sector spending on both adaptation and emissions reduction. From 2030, the international shadow carbon price increases substantially, bringing supply chain shocks and cost increases for industries reliant on imports. Mitigation technology for the agricultural sector is cost prohibitive, and demand for products slows. As a result, some farms convert to forestry.

Climate change drives sea level rise and more frequent and intense flooding, severe storms and drought in Aotearoa New Zealand. All insurers move to risk-based pricing, which substantially increases premiums for high-risk properties, causing affordability concerns. From 2028 until 2045 the Government institutes a flood insurance subsidy scheme, after which at-risk homes fall significantly in value. A lack of support for relocations and overemphasis on short-term adaptation worsens the impact of extreme weather events, and litigation increases where banks are seen to have facilitated the building or purchasing of at-risk homes. With inconsistent uptake of adaptation measures, drought leads to reduced agricultural production and land values.

Current Policies (a 3°C global temperature increase by 2100)

The world continues its current path, with short-term economic growth offset by more extreme physical impacts in the long-term. Current activities continue, characterised by low transition risk and more severe physical impacts.

Current climate action trends continue globally, with limited technological innovation and uptake. While economic growth maintains its current path in the near to mid-term, the lack of transition action reduces climate resilience in the long-term. As weather events become more frequent and long-term chronic climate change effects manifest, growth is reduced and inflation increases.

There is no climate action in Aotearoa New Zealand beyond currently implemented policies. This results in limited decarbonisation of all sectors excluding transport, where moderate electrification occurs, and very limited reduction in biogenic methane emissions. While the Aotearoa New Zealand 2050 net zero carbon target is met through afforestation, the methane target is not achieved. With no material uplift in Government or private sector spending for climate mitigation and adaptation, demand for green and sustainability-linked financial products and services is low. Substitution of existing product and services with lower emission options is limited in the absence of material carbon pricing, initially maintaining growth in traditional meat and dairy products.

The physical impacts of climate change worsen. Aotearoa New Zealand is affected by rising sea levels and more frequent and intense flooding, severe storms and drought. Insured losses from natural catastrophes continue to grow and insurers move to risk-based pricing and, in some areas, withdraw insurance cover for flood damage. Without a national adaptation fund, subsidised insurance, or a nationwide approach to community relocation, many homeowners lack the resources to repair or relocate and some remain in unsafe housing. A decline in agricultural production from climate events, worsened by limited investment in adaptation, leads to food shortages and higher food prices, contributing to elevated inflation and reduced consumer spending.

20 – New Zealand's domestic emissions reduction target under the Climate Change Response Act includes a 24% - 47% reduction below 2017 biogenic methane emissions by 2050.

Appendix 2: Financed emissions

We calculated the financed emissions for ANZ NZ from drawn lending and undrawn loan commitments as at 30 September 2025, across three asset classes as defined in the PCAF Standard:

- **Business Loans & Unlisted Equity**
  Loans and lines of credit drawn by businesses, non-profits, and other organisations that aren't traded on a market, and are for general corporate purposes.
- **Residential Mortgages**
  Loans to buy or refinance residential property, including individual homes and multi-family housing with few units.
- **Commercial Real Estate**
  Loans to buy or refinance commercial real estate, and on-balance sheet investments in commercial real estate when the financial institution has no control over the property.

We took the following steps to calculate financed emissions in the above categories:

- Estimated total emissions[21] of borrowers' Scope 1 and Scope 2 emissions sources.
- Excluded Scope 3 emissions from our customers in this year's reporting due to limited availability of customer reported emissions.
- Calculated share of each customer's asset base financed through ANZ lending (**attribution factor**).
- Multiplied the estimated total emissions by the attribution factor.
- Totalled financed emissions estimates by industry sector, using ANZSIC codes.

Our method for business loans and unlisted equities

We used the default, Agri, or actual emissions data methods to calculate financed emissions for business loans.

Default method

We used sector-specific debt-based emissions factors ($tCO_2e/\$$) multiplied by the drawn lending and undrawn loan commitments.

To calculate debt-based emissions factors, we used:

- Statistics New Zealand's Greenhouse Gas Inventory
- The Energy Efficiency and Conservation Authority's Energy Usage
- The Ministry for the Environment emission factors, and
- Reserve Bank of New Zealand (**RBNZ**) official lending data.

We calculated attribution factors at a sector level using combined annual customer financial information, then assigned attribution factors to each customer based on their ANZSIC code.

If we could use customer specific data, we replaced the default method with the Agri or actual emissions data method.

Agri method

We used an estimate of actual emissions where customers had complete annual financial information covering expenses and livestock.

We used financial data to estimate a customer's production and consumption figures and multiplied this by Ministry for the Environment emissions factors to estimate total emissions.

We based:

- consumption estimates on commodity price data for fuel, electricity, and fertiliser from external sources, and
- production estimates on livestock units (heads).

We calculated attribution factors for each customer by dividing their drawn and undrawn loan balances by total assets.

Actual emissions data method

We used actual emissions results where available for some listed entities.

To calculate the attribution factor for each entity, we divided the drawn lending and undrawn loan commitments by total company value, being enterprise value including cash.

Our method for residential mortgages

We calculated attribution factors using drawn lending and undrawn loan commitments as a proportion of the property's value. Where mortgages secure lending across a group, we calculated the attribution factor at customer group level, combining all lending and all property values.[22]

To calculate emissions, we applied the relevant emissions factor at a property level. We used an emissions factor:

- per square metre where we know floor area, or an emissions factor per dwelling, otherwise
- per dollar of debt where residential security wasn't directly linked to the lending.

We used the business loans method for any home loans for business purposes.

Our method for commercial real estate

We calculated the attribution factor using the drawn lending and undrawn loan commitments as a proportion of the property's value. Where mortgages secure lending across a group, we calculated the attribution factor at the customer group level, combining all lending and property values.[22]

We used an emissions factor:

- per square metre where we know floor area, or an average floor area per building, otherwise
- per dollar of debt where a commercial building wasn't directly linked to the lending.

Where a business owns premises under a non-property related ANZSIC code, financed emissions for these loans are calculated by the business loan asset class.

Some things to know about our financed emissions calculations

Timing differences in data used

We've used the most recent internal and external data available to estimate financed emissions. Sometimes, the data source we've used doesn't align with our reporting period. We also haven't had external data independently verified.

We know there are timing differences of up to two years between our FY25 reporting period and Statistics New Zealand, the Energy Efficiency and Conservation Authority, and RBNZ data used. Livestock units are taken at the customer's financial year end and don't reflect changes in herd sizes over the year. We don't account for unintentional residential property or commercial real estate emissions.

Other asset classes

We've included motor vehicle loans (~0.1% of drawn lending) and Project Finance instruments (~0.5% of drawn lending) in our business loans method due to data limitations.

Exclusions

We have applied Adoption Provision 4: Scope 3 GHG emissions to remaining on-balance sheet financial assets (Sovereign Debt and Corporate Bonds) and have not reported on these in FY25. We have also applied Adoption Provision 4 to exclude Scope 3 emissions from our customers in FY25 reporting due to limited availability of customer reported emissions.

Exclusions from Gross Loans and Advances and undrawn loan commitments based on the application of PCAF, include funding of certain construction activity, vacant land, non-residential mortgage lending to consumers and deferred acquisition costs (amounting to 2.4% of Gross Loans and Advances and 4.4% of Gross Loans and Advances and undrawn loan commitments).

Discretionary Investment Management Service

ANZ is a licensed provider of a Discretionary Investment Management Service (**DIMS**). DIMS allows ANZ customers to invest into a diversified portfolio of investments managed at ANZ's discretion, based on an agreed strategy. ANZ Custodial Services New Zealand Limited, a wholly owned subsidiary of ANZ, holds investments on trust for DIMS investors.

DIMS portfolios are predominantly invested into unregistered managed investment schemes managed by ANZ Investments and, to a lesser extent, directly held securities. All DIMS portfolios are invested and managed in accordance with ANZ Investments' Responsible Investment Framework, including its list of excluded companies.

Financed emissions from DIMS portfolios are not included in our estimate of financed emissions. ANZ does not consider that these emissions are attributable to ANZ's corporate activities as the investments are held on trust for clients, and do not represent assets or liabilities of ANZ.

21 – Total Emissions are equivalent to Absolute Emissions, defined as emissions attributed to a financial institution's lending and investing activity. Expressed in tonnes CO_2e. (Page 131 – PCAF (2002) The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition).
22 – Property values are those at the most recent lending event, where available, or otherwise default to the current Council Valuation.

From time to time some DIMS portfolios may invest into the ANZ International Property Fund within the ANZ Investments Single-Asset-Class Scheme (**SAC**),[23] a registered scheme managed by ANZ Investments. ANZ Investments has disclosed the financed emissions from the ANZ International Property Fund in the SAC's climate statement for the period 1 April 2024 to 31 March 2025.

We may overstate or understate emissions

Using several data sources and ways of calculating estimates of emissions may mean we've understated or overstated emissions across sectors or asset classes.

We've based:

- results on drawn lending and undrawn loan commitments as at 30 September 2025.
- customer annual financial information on the most recent financial data available at our reporting date, regardless of the customer's financial year end.
- expense line items for customers assuming they're a mix of products reflecting the generic consumption breakdown of Aotearoa New Zealand's Agri sector.

We've also assumed that:

- all actual emissions data we've been able to source aligns to the GHG Protocol or other industry standards, but the data may be unaudited.
- we've identified our securities correctly, including whether properties are residential or commercial.

External data sources we used

Table 18 sets out the external data sources used to help estimate financed emissions.

Table 18 – External data sources used

Asset class	Description	Name of source
Mortgages	Dwelling counts and number of building consents	Stats NZ Tatauranga Aotearoa. Estimated Private Dwellings NZ (Q2 2025) Annual Building Consents by Territorial Authority (2024, Dec 31).
	Household GHG (Scope 1)	Stats NZ Tatauranga Aotearoa. Greenhouse gas emissions (industry and household): December 2024 quarter Greenhouse gas emissions by region (industry and household): Year ended 2023
	Electricity connections & electricity consumption figures	Electricity Authority Te Mana Hiko. Electricity connections snapshot by regional council (2025, Jun 30) Residential consumption trends, regional and national. (12 months to Dec 2024)
	Building type emissions	U.S. Energy Information Administration. Residential Energy Consumption Survey (2020)
Mortgages / Commercial Real Estate	Emissions factor of Scope 2 (electricity) and Scope 1 (natural gas)	Ministry for the Environment Manatū Mō Te Taiao. Measuring emissions guide 2025
	Dwelling type, floor area of house/building	Valocity NZ (2025, Sep 30)
Commercial Real Estate	Average energy consumption of commercial buildings across NZ	Building Energy End-Use Study (2014)
	Commercial building consents and floor areas	Stats NZ Tatauranga Aotearoa. Annual Building Consents by region (2024, Sep 30).
Business Loans & Unlisted Equities	Debt per industry	Reserve Bank of New Zealand Te Pūtea Matua. Banks: Assets – Loans and repos by industry (S34). (2025, May 31).
	Electricity used per industry	Energy Efficiency & Conservation Authority Te Tari Tiaki Pūngao. Energy End Use Database (2023)
	Emissions per industry	Stats NZ Tatauranga Aotearoa. (2024, May 30). Greenhouse gas emissions (industry and household): Year ended 2023.
Business Loans & Unlisted Equities – Agri	Emissions factors for different livestock types and for electricity, fuel, and fertiliser	Ministry for the Environment Manatū Mō Te Taiao. Measuring emissions guide 2025
	Emissions prices for nitrogen fertiliser and lime	Ravensdown & Ballance Current Price Lists. (collected quarterly and averaged over 18 months)
	Electricity pricing and fuel commodity pricing for petrol and diesel	Ministry of Business, Innovation & Employment Hīkina Whakatutuki. (n.d.). Energy prices (2025) Weekly fuel price monitoring (2025, Jun 30)
Business Loans & Unlisted Equities – Listed Entities	Actual reported customer emissions	Bloomberg (2025, Sep 30)

23 – This scheme is marketed as the OneAnswer Single-Asset-Class Funds.

Appendix 3: Operational GHG emissions

Table 19 describes the basis on which our operational emissions have been identified and calculated, including the standards used for measurement and our consolidation approach.

GHG emissions methodology

Activity data provided by suppliers was used for most emission sources, multiplied by the relevant GHG emissions factor. For other sources an estimation approach was used, or the emissions were calculated by suppliers. Further details can be found in Table 20 - 'How we calculated our operational GHG emissions'.

Emissions factors used

In most cases, we used Aotearoa New Zealand-specific emissions factors published by the Ministry for the Environment in 2025.

In addition to the Ministry for the Environment factors, we also used:

- United Kingdom's Department for Environment, Food, and Rural Affairs (**DEFRA**) factors for international air travel and international accommodation, to ensure that calculations across all ANZ geographies are consistent. We calculated these emissions using a blended approach and including radiative forcing for air travel.
- Cornell Hotel Sustainability Benchmarking Index factors for accommodation in countries where DEFRA factors are not available, such as Papua New Guinea.
- Environmental Protection Authority Victoria factors for office paper and some customer paper.
- Product-specific emissions factors where provided by our customer paper suppliers.

All of our significant emissions factor sources used Global Warming Potentials from the Intergovernmental Panel on Climate Change (**IPCC**) Fifth Assessment Report (AR5), which is our preferred global warming potential conversion.

We calculated our emissions using the latest factors that were available at the time - refer to the Restatements section for more details.

Emissions uncertainty

We assumed that data provided to us by suppliers in their reports and invoices was complete and accurate.

As not all data was available within our reporting deadlines, we estimated some activity data using the average of the latest 12 months.

Table 19 – Basis of calculation of our operational GHG emissions

Detail	Basis/Approach
Standards used	We use The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (**GHG Protocol**) supplemented by the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, to calculate our GHG emissions.
Consolidation approach	We use an operational control basis, as defined in the GHG Protocol.
Organisational boundary	Our operational GHG emissions inventory includes Scope 1 and Scope 2 emissions arising from activities undertaken at facilities under operational control for all or part of the reporting year. These facilities include the New Zealand-based corporate offices, retail branches, business centres, data centres and ATMs. We also include: • Emissions outside the above locations which come under the 'overall control' of ANZ NZ such as the emissions arising from 'tool-of-trade' vehicles driven by our employees. • A number of indirect (Scope 3) emissions that occur as a consequence of activities undertaken by us but arising from sources outside our direct operational control, such as emissions created by air travel for business purposes.

Table 20 – How we calculated our operational GHG emissions

Scope	GHG Protocol category	Included	Data sources, assumptions and uncertainty	Excluded
1	Direct emissions	Petrol and diesel used in fleet cars	All activity data came from supplier reports on the quantity (L) of diesel, premium and standard petrol purchased, based on fuel card usage. We assumed that drivers of our fleet vehicles pay for all refuelling of vehicles with an ANZ fuel card.	No known exclusions.
		Natural gas	All activity data came from supplier reports on the quantity of natural gas (GJ) used in ANZ properties.	
		Stationary diesel	All activity data came from supplier reports on the quantity of diesel (L) used to run backup generators in ANZ properties.	
		Refrigerants	In FY25 we added Refrigerants to our GHG inventory. All data came from supplier reports on top-ups to air conditioning units and other high-use appliances in ANZ properties.	

Table 20 – How we calculated our operational GHG emissions (continued)

Scope	GHG Protocol category		Included	Data sources, assumptions and uncertainty	Excluded
2		Electricity	Purchased electricity	Most activity data came from supplier reports on electricity consumed (kWh) in our data centres, corporate and retail sites, and metered ATMs. A small portion of data was estimated for unmetered ATM's based on average machine electricity use.	No known exclusions.
3	1	Purchased goods and services	Cloud computing	All data came from emissions reports pre-calculated by our suppliers (tCO_2e).	Other goods and services such as professional services and software, as data was not readily available.
			Customer paper	All activity data came from supplier reports on the amount of paper (t) used in producing customer communications.	
			Office paper	All activity data came from supplier reports on the amount of paper (t) used in ANZ offices.	
			Water	Most activity data came from supplier reports for metered and invoiced water (kL) provided to our sites. We used this data to calculate both water and wastewater emissions. Some activity data was estimated based on site size, where meter data was not available.	
3	2	Capital goods			Excluded as data was not readily available.
3	3	Fuel- and energy-related activities	Energy transmission and distribution losses	This includes generation, extraction, production and distribution of the energy and fuels consumed in our Scope 1 and 2 sources. Based on Scope 1 activity data for Fleet and Stationary fuels and Scope 2 electricity consumption.	No known exclusions.
3	4	Upstream transportation and distribution	Freight	All data came from emissions reports pre-calculated by our suppliers (tCO_2e).	Other sources of upstream distribution, as data was not readily available.
			Postage	All data came from emissions reports pre-calculated by our suppliers (tCO_2e).	
3	5	Waste generated in operations	Waste to landfill	Activity data came from supplier reports on the weight of waste (t), calculated as office waste of unknown composition. Following a change in service provider, waste data was not collected from April to September, so data for these months was estimated based on weights from previous months. All waste was sent to gas-generating landfills where possible.	Recycling and other non-general waste streams, as data was not readily available.
3	6	Business travel	Accommodation	All activity data came from supplier reports on the number of stays (nights) per location.	
			Air travel	All activity data came from supplier reports on passenger class and distance (km). In FY25 we updated our methodology to use Ministry for the Environment factors for domestic New Zealand flights rather than DEFRA short-haul factors which we used previously.	No known material exclusions.
			Private vehicles	All activity data came from mileage claims for staff reimbursement ($), converted to kms using the current reimbursement rate. We used an emissions factor for mid-sized petrol cars. We assumed completeness and accuracy of staff mileage claims.	
			Taxis	All activity data came from ANZ's internal expense claim system ($) which requires an upload of the taxi receipt or invoice. We used a spend-based emissions factor. We assumed completeness and accuracy of taxi travel claims.	
			Rental cars	All data came from emissions reports pre-calculated by our suppliers (tCO_2e).	

Table 20 – How we calculated our operational GHG emissions (continued)

Scope	GHG Protocol category		Included	Data sources, assumptions and uncertainty	Excluded
3	7	Employee commuting	Employee commuting	Emissions were calculated by Abley CarbonWise using a staff commuting survey and their methodology. To improve accuracy and completeness, in FY25 we changed to this new methodology that enables us to estimate emissions for staff at all of our sites, to replace an approach that covered only our main corporate sites. We also restated our FY24 emissions using 2024 survey data. The survey captured one week's activity data and had a response rate of 28% which has been extrapolated to the full staff count across the full year. Employee commuting emissions have greater uncertainty than other emission sources, because the methodology assumes survey respondents represent all employees and commuting patterns stay consistent year-round.	No known exclusions apart from data limitations as noted.
			Working from home	Emissions were calculated using data and methodology from a staff commuting survey run by Abley CarbonWise. To improve accuracy and completeness, in FY25 we changed to this new methodology that enables us to estimate emissions for staff at all of our sites, to replace an approach that covered only our main corporate sites. We also restated our FY24 emissions using 2024 survey activity data. The survey captured one week's activity data and had a response rate of 28% which has been extrapolated to the full staff count across the full year. Working from home emissions have greater uncertainty than other emission sources, because the methodology assumes survey respondents represent all employees and working from home frequency stays consistent year-round.	
3	8	Upstream leased assets			Excluded as data was not readily available.
3	9	Downstream transportation and distribution			Excluded as data was not readily available.
3	10	Processing of sold products			Not applicable.
3	11	Use of sold products			Excluded as data was not readily available.
3	12	End-of-life treatment of sold products			Not applicable.
3	13	Downstream leased assets			Excluded as data was not readily available.
3	14	Franchises			Not applicable.
3	15	Investments		Financed emissions are reported separately – refer to the 'Metrics' section.	

Appendix 4: Physical and transition risk metrics

Physical risk

We've mapped hazard data to ANZ's mortgage security portfolio using geo-located property identifiers. 3.3% of ANZ mortgage securities are unable to be matched to physical locations and are not included in the calculation.

We've sourced data from the third parties shown in Table 21.

We assess the financial risk to ANZ as the proportion of 'Vulnerable Lending' to 'Total ANZ Lending linked to a mortgage over real estate'.

Vulnerability

We consider a property to be vulnerable when:

Inland flooding – damage exceeds 0.5% of Total Insurable Value.

Coastal inundation – coastal flooding touches any building on the property.

Drought (Agri only) – average annual potential evapotranspiration deficit (PED) is more than 300mm, indicating water shortfall representative of drought conditions.

We have only modelled vulnerability for lending associated with a mortgaged security property as we are able to geolocate properties held as security, whereas data limitations currently prevent us from geolocating lending that is not associated with a mortgaged security property. We have not assessed physical risk for ANZ owned or leased buildings such as corporate sites, data centres, branches and offsite ATMs within this metric.

We assess risk for present day and 2050 for the ANZ 'Current Policies' scenario. This scenario corresponds to the IPCC Representative Concentration Pathway (**RCP**) 8.5 scenario downscaled by Earth Sciences New Zealand (formerly NIWA) and was selected to model higher physical risks than occur under the 'Net Zero 2050' or 'Fragmented World' scenarios to gain a better understanding of the magnitude of physical risks ANZ may be exposed to. The year 2050 was selected as it lies within the long-term (2031-2060) horizon used for identifying, assessing and managing climate risks at ANZ and corresponds to the longest on-balance sheet asset life (30-year home loan) while also aligning with available data from Earth Sciences New Zealand (formerly NIWA) for drought risk (2031-2050 period).

Table 21 – Third party data sources used

Provider	Data
Valocity	Property location & type data
Earth Sciences New Zealand (formerly NIWA)	Coastal flood & drought hazard modelling
Moody's RMS	Inland flood hazard modelling

Coastal flooding

Earth Sciences New Zealand's data maps the depth and extent above the land of flooding from mean sea level rise with storm-tide and wave setup from a storm with a 100-year annual recurrence interval (**ARI**). While sea level rise is itself a chronic hazard, the addition of storm surge data adds in an acute risk element as well. Data is provided in 10cm sea level rise increments plus storm surge impacts. ANZ worked with our data providers to map the datasets to RCP 8.5, selecting 30cm of sea level rise above the 1986-2005 baseline period and 100-year ARI storm surge selected for 2050 and 10cm of sea level rise above the baseline period with a 100-year ARI storm surge selected for current conditions.

Inland flooding

We sourced data from Moody's RMS who use a proprietary method to model anticipated damage to New Zealand properties from flooding caused by extreme rainfall or the overflow of rivers or streams.

Moody's RMS generates Flood Risk Scores using a physics-based flood model (also called catastrophe model) designed for the insurance industry to predict potential damage and financial loss from major flood events.

The model explores probable and potential flood events, accounting for the effect of flood defences. The model reflects a property's vulnerability to a specific flood intensity, using location and building information. Where that information isn't available for a property, the model uses assumptions based on building inventory.

We've used Moody's RMS model for a 1% Annual Exceedance Probability (AEP, the chance of flooding in any given year at the location of interest), colloquially referred to as a 1-in-100-year flood event. The model assesses there is a 1% chance in any given year of the event happening at that location. An event that has a 1% chance of happening in any given year has a 26% chance of happening during the 30-year term of a home loan (calculated as 1-(1 - Annual Exceedance Probability) ^ years).

We've used current 1% AEP for 'present day' and forecasted 1% AEP 2050 under scenario RCP 8.5.

Drought

ANZ uses annual average PED, supplied by Earth Sciences New Zealand, as an indicator for drought.[24] In practice, PED represents the amount of water required from irrigation or rainfall, to maintain plant growth at levels unconstrained by soil water shortage.

Base period PED is an average of the annual accumulated PED (mm) over the 20 year period 1986-2005. This is what we've used as a proxy for present day drought vulnerability. The climate scenario forecast we've used is the average change in annual accumulated PED (mm) under scenario RCP 8.5 over the 2031-2050 period. To model drought conditions, we've followed Earth Sciences New Zealand guidance that accumulated annual PED of greater than 300mm may serve as a reasonable proxy for drought conditions.[25, 26]

We've relied on third party data to assess physical risks

We assume that ANZ's security locations are correctly geolocated and the outlines of titles and building footprints are accurately identified. For modelling future dates, we assume a static lending and securities portfolio.

For coastal flooding risk, we assume:

- the Earth Sciences New Zealand sea level rise data modelling accurately represents the flooding area.
- a property is 'vulnerable' when coastal flooding touches any building on the property.

Given data constraints, we use sea level rise projection rounded up to the nearest 10cm and the selected storm surge intensity. We don't reflect increasing variability in the hazard data sets over time (time horizon uncertainty) or vertical land movement.

24 – Ministry for the Environment; Climate Change Projections for New Zealand, page 30 "A key factor in the water balance is evapotranspiration, which is the combined loss of soil water by transpiration through plants and evaporative loss from the soil and other surfaces. The measure for lack of soil moisture, a major source of plant stress, is potential evapotranspiration deficit (PED). Days when water demand is not met, and pasture growth is reduced, are often referred to as days of potential evapotranspiration deficit."

25 – Ministry for Primary Industries; Water Availability and Security in Aotearoa New Zealand, page 14. "Drought conditions are considered to be accumulated annual PED of greater than 300mm a NIWA rule of thumb guide." Footnoted reference Pers.Commun. Dr Andrew Tait - Earth Sciences New Zealand Chief Scientist Climate, Atmosphere and Hazards.

26 – National Institute of Water and Atmospheric Research (NIWA), page 35 NIWA Climate Change projections and impacts on agricultural systems (2019) prepared for the Regional councils "Accumulations of PED greater than 300mm indicate very dry conditions", and "with average annual totals above 300 mm (indicating very dry conditions becoming more common)".

For inland flooding risks:

- We rely on third party data that classes flooding risk under the proprietary method used by Moody's RMS assuming those models accurately represent watershed area and depths.
- We deem a property is 'vulnerable' when damage exceeds 0.5% of Total Insurable Value, a proxy for sum insured included in Moody's RMS modelling.

We've reported flood risk scores for all property types. Where known, the model reflects a building's number of storeys, construction material, and year built. Where that data is unknown, the model uses building inventory to calculate weighted averages for missing characteristics.

We assume that Moody's RMS damage ratios fairly reflect the property type and likely proportional impact on total insurable value.

For drought risks:

- We assume that Earth Sciences New Zealand provides an accurate representation of PED, under the various climate scenarios, and that this is an appropriate proxy for drought.
- We've reported drought vulnerability for farms and forestry property types only.
- This measure is to assess which customers may be vulnerable to chronic drought conditions and acknowledge that individual drought events may impact customers not assessed as vulnerable in this metric.
- We do not take into account any mitigation measures, such as irrigation or farming systems, in determining whether a property is 'vulnerable' to drought. We acknowledge this is a conservative approach as some customers effectively employ these measures and farm to these conditions presently.

Transition risk

We have used the high emissions intensity industries identified by MBIE in 2021,[27] which we mapped to our industry classifications used by ANZ. We then determined the total gross loans and advances associated with these codes and divided this by the total ANZ gross loans and advances to give a proportion of ANZ assets vulnerable to transition risk.

There are a number of limitations associated with this approach:

- While emissions intensity is one measure of transition risk, it does not reflect the full spectrum of impacts different industries may face during the transition to a low-emissions economy, many of which can be difficult to predict.
- This method does not consider the different mitigating actions that may be available to different industries, such as lower-cost abatement options or access to novel technologies.
- The approach does not account for impacts across the supply chain, such as low-emissions firms servicing high-emissions firms.
- Government policy decisions, both now and in the future, will significantly affect the timing and scale of transition risk impacts.
- Due to Government policy, different sectors will transition over different time scales (e.g. the NZ Government target for reductions of biogenic methane is separated from its target for carbon dioxide reductions). Under the NZ ETS, some industries (e.g agriculture) are excluded from emissions pricing, and other industries benefiting from government-allocated carbon credits. This will affect the impact of some elements of transition risk on different industries. The data used by MBIE to determine emissions intensity is from 2015. The combined impacts of transition and physical risks have not been considered.

27 – 2021, MBIE. The emissions exposure of workers, firms and regions.

Appendix 5: Climate-related target 4: Power Generation Target

ANZ NZ's power generation sector decarbonisation target is to reduce emissions intensity by 50% by the end of FY30, from a FY20 baseline. Starting from our FY20 baseline of 0.076 tCO_2e/MWh, our 50% reduction target means that we will be aiming to reach 0.038 tCO_2e/MWh by FY30. This is an emissions intensity reduction target.

This target was benchmarked to the International Energy Agency (**IEA**) 2050 Net Zero scenario (2023) and further validated using the Science Based Targets initiative (**SBTi**) tools. The IEA 2050 scenario models a 70% reduction target in the global intensity of this sector, although off a much higher global baseline compared to the existing low-emissions intensity of Aotearoa New Zealand's electricity grid.

Our target of a 50% reduction in emissions intensity has been reviewed and recommended by an external adviser as aligned with the IEA 2050 Net Zero scenario (2023) which contemplates the widespread deployment of clean energy technologies without reliance on offsets from land use measures. Renewable generation plays a key role in this transition, with the scenario anticipating a renewable share of electricity generation of 59% by FY30 and 89% by 2050.[28] Although our 50% reduction target is less than the 70% reduction modelled for the global power generation sector, Aotearoa New Zealand is well below the global baseline and already generates 84%[29] of electricity supply from renewables (average over the last 5 years). Our FY20 baseline of 0.076 tCO_2e/MWh emission intensity is less than half the global intensity required by 2030 to limit a rise in global temperature to 1.5°C under the IEA 2050 Net Zero scenario (2023). Therefore, we believe our target helps to ensure we contribute to global efforts to reach a net zero energy sector by 2050.

To achieve this target, we will need to steer our exposures to new renewable power generation, and away from non-renewable generation; however no offsets will be used. Achieving the target is dependent on normal/wet years leading into FY30 ensuring normal hydro generation is achieved. Refer to 'Methodology' and 'Key assumptions to achieve the target' below.

FY20 Baseline vs Target

The forecast reduction will not be linear and will be dependent on new renewable projects coming online, as well as external factors.

We use the publicly available emissions intensity figures available at 30 June 2025 supplied by electricity generators. This generally results in reporting being one year in arrears. The pathway in the above graph has been flatlined to reflect a 50% reduction. The emissions intensity for FY20 (our baseline year) was 0.076 tCO_2e/MWh. The emissions intensity for FY24 (our most recent period of data), was 0.083 tCO_2e/MWh up from 0.070 tCO_2e/MWh in FY23. This result was in line with our expectations of a higher intensity across the New Zealand grid driven by low hydro lake levels. Lending towards lower emissions intensity operators increased over the year which would have lowered our intensity if not for the hydro lake conditions. We expect actual results to fluctuate year on year depending on several factors – including hydro lake conditions.

Methodology

We created a sample group consisting of all customers classified as an electricity generator under the ANZSIC code system or with known electricity generation assets. We only consider customers with at least $1m of exposure at default (**EAD**).

The methodology we used to set our Power Generation target incorporates recommendations and guidance provided by the PCAF Standard, SBTi and the IEA. We also engaged with an external advisory firm to support the technical work required for the pathway, and worked consistently, where feasible, with the Group methodology and pathway.

Key assumptions to achieve the target

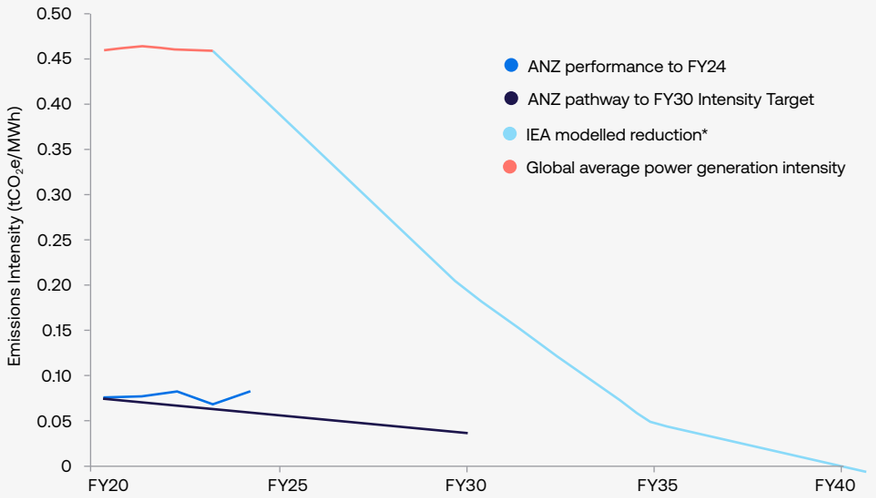
While we believe that the 50% reduction by FY30 target is challenging but achievable, some key assumptions have been made. There are three key external factors outside of our control that could make it more difficult for us to achieve this target. These are:

- If there is a dry year with low hydro lake volumes and more reliance on thermal generation.
- An unexpected outage of generation plant occurs which may require thermal generation to compensate for the production outage.
- Growth in demand for electricity outpaces new renewable supply forcing the use of thermal generation to meet future increases in demand.

Other factors which may impact the achievement of this target include:

- All major electricity generators have a renewable energy investment roadmap, and their own climate targets they are working towards. If there are delays in these generators achieving their published commitments, there may be a risk of the target not being achieved.
- We have assumed that geothermal generation will continue to reduce emissions intensity at 6% p/a (based on historic trends).

Figure 7 – ANZ NZ Power Generation Sector Pathway: FY20 baseline vs FY30 Intensity Target



* International Energy Agency – World Energy Outlook 2024 Free Dataset

Table 22 – Modelling assumptions

Key Target Elements	Approach Selected
Baseline Year	FY20
Baseline Intensity	0.076 tCO_2e/MWh
Target Year	FY30
Target Intensity	0.038 tCO_2e/MWh
Sector Coverage (ANZSICs)	3611 – Electricity Generation
Reference Scenario	IEA NZE 2023 version
Emissions Scope	Scope 1
Target Metric	tCO_2e/MWh
Target Reduction	50%
Financing Scope	EAD (RBNZ)

28 – International Energy Agency, Net Zero Emissions by 2050 Scenario.
29 – Electricity statistics, Ministry of Business, Innovation & Employment (mbie.govt.nz).

Glossary

Term	Definition
ANZSIC code	Australian and New Zealand Standard Industrial Classification code. A way to analyse customers by their main industry. ANZ applies the 1993 ANZSIC codes, which ANZ may adapt where it considers appropriate, to allocate customers to industry sectors. The ANZSIC codes are allocated in ANZ's system by customer-facing employees or customer on-boarding back-office functions. The allocation is intended to reflect the primary business activity of the customer in terms of revenue. Where a customer operates in more than one industry, ANZ uses the ANZSIC code of the industry that generates most of the revenue. Where the customer is a parent company of subsidiaries operating in more than one industry, ANZ uses the ANZSIC code of the industry that generates most of their revenue. If the customer is a subsidiary, ANZ uses the ANZSIC code of the industry that generates most of the revenue of the subsidiary. There are several limitations to using ANZSIC codes, including where diversified customers are allocated to a specific sector, the estimated emissions and/or statements regarding our lending or exposure to a specific sector may not be reflective of customers' actual business activities and therefore be over or understated. Due to the manual nature of code application there is a possibility of error in assigning ANZSIC codes. ANZSIC codes are allocated at the time of customer onboarding (except for some customers who have their allocated code reviewed annually). Therefore, the allocated ANZSIC code may not reflect changes in customer activities over time or as a result of transactions such as acquisitions and divestments.
Climate Programme	ANZ's Climate and Environmental Sustainability Programme. This was a working group which provided analysis, support and guidance to the Climate Programme Steering Committee and key stakeholders, facilitating the NZ CS programme delivery and strategic transition issues referred for direction.
Directly finance/Direct financing	Financing that has a direct nexus to an asset, such as limited recourse project financing or a 'use-of-proceeds' or 'project-related' corporate loan. It does not include general purpose corporate lending.
Direct lending	Applies to lending products only, i.e. excludes transaction banking, credit cards and performance guarantees, meaning that only lending products that will help 'fund' their activities would not be provided.
Drawn lending	Includes all gross loans and advances, capitalised brokerage and other origination costs less unearned income, across the three following asset classes under the PCAF standard • Residential Mortgages • Business Loans & Unlisted Equity • Commercial Real Estate
Exposure at default (EAD)	The expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest at the time of the default.
Extractives customer	An Institutional customer of ANZ involved in exploration, mining and/or primary mineral processing, oil or gas exploration and production, development, extraction, processing, storage and transport, associated facilities including major infrastructure, mining contracting and haulage, or smelters and metals refineries but excludes customers that only operate downstream secondary metals processing (other than in the case of smelters).
Financed Emissions	Estimated GHG emissions linked to or resulting from lending activities. Our financed emissions are set out in the 'Metrics' section.
Greenhouse gas (GHG)	The greenhouse gases listed in the Kyoto Protocol are carbon dioxide (CO_2); methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF_3), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6).
Gross Loans and Advances	Gross Loans and Advances comprises gross loans and advances, capitalised brokerage and other origination costs less unearned income.
Labelled sustainable finance	Existing finance banking products with a specific sustainability related label.
Leadership Team	Members of the ANZ NZ leadership team include the CEO, who leads the team, the GC, CIO, General Manager Data, Marketing & Customer Experience, General Manager, Talent & Culture, CRO, Managing Director Personal Banking, Managing Director Business, Managing Director Funds Management, Managing Director Institutional, CFO, GM PCGA and the General Manager, Strategic Execution.
Network for Greening the Financial System (NGFS)	A network of central banks and financial supervisors that aims to accelerate the scaling up of green finance and develop recommendations for central banks' role for climate change.

Glossary

Term	Definition
New-to-bank	Customers where ANZ has had no meaningful lending relationship within the last 12 months. Entities or assets acquired from existing customers are not classified as new-to-bank customers.
NIWA	National Institute of Water and Atmospheric Research Taihoro Nukurangi, now known as Earth Sciences New Zealand.
Operating income	Comprises Net Interest Income plus Other Operating Income as reported in the ANZ Bank New Zealand Limited Annual Report And Registered Bank Disclosure Statement for the relevant reporting period.
Paris Agreement	A legally binding international treaty on climate change adopted at the UN Climate Change Conference (COP21) in Paris in 2015. Its overarching goal is to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels".
Partnership for Carbon Accounting Financials (PCAF)	A global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the GHG emissions associated with their loans and investments.
Potential evapotranspiration deficit (PED)	A measure of soil moisture shortage, the difference between water demand and water availability. PED can be used as an indicator of drought, with a higher PED representing a greater water shortfall for optimum plant growth.
Physical impacts	Climate-related impacts arising from physical events.
Representative Concentration Pathway (RCP)	GHG concentration trajectories defined by the Intergovernmental Panel on Climate Change.
Renewable Energy Certificate (REC)	Certificate issued by an energy producer for a unit of power they produced, showing how and when the electricity was generated, and from where. The certificates can be purchased by energy consumers, reserving that unit of generation. By purchasing generation certificates from renewable energy facilities and matching them to their consumption, a consumer can make clear statements about the type of electricity that they support. See the Certified Renewable Energy website for more information.
Science Based Targets Initiative (SBTi)	An international initiative established in 2015 to help companies to set emission reduction targets in line with climate sciences and Paris Agreement goals.
Science-aligned targets	We describe our emissions reduction target for our Scope 1 and 2 emissions as 'science-aligned', as we've used SBTi methodology to set a target consistent with the best available climate science deemed necessary to achieve the temperature goals of the Paris Agreement (limiting warming to 1.5°C above pre-industrial levels). However, our targets have not been validated by the SBTi, so we do not refer to them as 'science-based'.
Sensitive sectors	An industry or business category that ANZ considers may present heightened environmental, social or governance risks, or significant potential negative impacts. These are: Energy Industry, Extractives Industry, Land and Forest Management, Water Management and Military Equipment.
Shadow carbon price	A weighted average of regional carbon prices at global level. It (i) represents the marginal cost of abatement of GHG emissions and (ii) is a proxy for overall climate policy ambition and effectiveness, accounting for a variety of real-world climate policies (carbon tax, subsidies, environmental standards, etc.). From NGFS Climate Scenarios for central banks and supervisors; November 2023.
Transition impacts	Climate-related impacts arising from changes relating to the transition to a lower-emissions future.
Undrawn loan commitments	Undrawn loan commitments representing off-balance sheet committed facilities based off PCAF guidance excluding funding of: • Certain construction activity • Vacant land • Non-residential mortgage lending to customers
Weighted PCAF data quality score	PCAF guidance for estimating the emissions data quality used for calculating financed emissions. A score of one is best and reflects verified and disclosed emissions. A score of five is worst and reflects poor emissions data quality.
Wholesale customers	Business customers typically with lending over $500,000.

KPMG's Independent Assurance Report

Reasonable assurance opinion

Our reasonable assurance opinion has been formed on the basis of the matters outlined in this report.

In our opinion, in all material respects, the Scope 1 and 2 (both location based and market based approach) gross greenhouse gas emissions, additional required disclosures and gross greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in the climate statement on pages 21 to 22 and 29 to 31 (**Scope 1 and Scope 2 GHG Reporting**) are fairly presented and prepared in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (**the criteria**) for the period 1 October 2024 to 30 September 2025.

Limited assurance conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that, in all material respects, the Scope 3 Greenhouse Gas emissions (including financed emissions), additional required disclosures and methods, assumptions and estimation uncertainty disclosures included in the climate statement and the explanatory notes on pages 20 to 22 and 27 to 31 (**Scope 3 GHG Reporting**) are not fairly presented and prepared in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (the criteria) for the period 1 October 2024 to 30 September 2025.

Information subject to assurance

We have performed an engagement to provide reasonable assurance in relation to ANZ Bank New Zealand Limited's Scope 1 and Scope 2 GHG Reporting for the period 1 October 2024 to 30 September 2025. The Scope 1 and Scope 2 GHG Reporting includes the following disclosures:

- Scope 1 and 2 (both location and market based approach) GHG emissions contained in the climate statement within pages 21 to 22 and accompanying footnotes;
- Basis on which the Scope 1 and 2 (location based approach) GHG emissions have been identified and calculated, and the associated methodology as described in the climate statement Appendix 3 on pages 29 to 31; and
- Total Scope 2 (both location and market based approach) GHG emissions contained within the climate statement in the tables on page 21.

We have also performed an engagement to provide limited assurance in relation to ANZ Bank New Zealand Limited's Scope 3 GHG Reporting for the period 1 October 2024 to 30 September 2025. The Scope 3 GHG Reporting includes the following disclosures:

- Scope 3 GHG emissions contained in the climate statement within page 21 and accompanying footnotes;
- Total Scope 3 category 15 emissions (financed emissions) contained in the climate statement within the table on page 20
- Basis on which the Scope 3 GHG emissions have been identified and calculated, and the associated methodology as described in the climate statement on pages 20 to 21 and in Appendix 2 on pages 27 to 28 in relation to financed emissions.

Collectively the Scope 1 and 2 GHG Reporting and Scope 3 GHG Reporting are referred to as **the GHG Disclosures**.

Our opinion on the Scope 1 and 2 GHG Reporting and conclusion on the Scope 3 GHG Reporting do not extend to any other information included, or referred to, in the climate statement or other information that accompanies or contains the climate statement and our assurance report (**other information**). We have not performed any procedures with respect to the other information.

Criteria

The criteria used as the basis of reporting include the NZ CSs. As disclosed on pages 20 and 29 of the climate statement, the greenhouse gas emissions have been measured in accordance with:

- Scope 1 emissions have been measured in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition)
- Scope 2 emissions have been measured in accordance with The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard
- Scope 3 emissions have been measured in accordance with The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard and PCAF (2022) The Global GHG Accounting and Reporting Standard Part A: Financed Emissions, Second Edition. (**PCAF**)

As a result, this report may not be suitable for another purpose.

Standards we followed

We conducted our assurance engagement in accordance with New Zealand Standard on Assurance Engagements 1 (**NZ SAE 1**) Assurance Engagements over Greenhouse Gas Emissions Disclosures and International Standard on Assurance Engagements (New Zealand) 3410 Assurance Engagements on Greenhouse Gas Statements (**ISAE (NZ) 3410**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Scope 1 and 2 GHG Reporting and conclusion on the Scope 3 GHG Reporting.

Our responsibilities under the Standard are further described in the 'Our responsibility' section of our report.

How to interpret reasonable and limited assurance and material misstatement

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement when it exists.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Misstatements, including omissions, within the GHG disclosures are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the GHG disclosures.

Inherent limitations

As noted in the climate statement in Appendix 3 on pages 27 to 31, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Use of this assurance report

Our report is made solely for ANZ Bank New Zealand Limited. Our assurance work has been undertaken so that we might state to ANZ Bank New Zealand Limited those matters we are required to state to them in the assurance report and for no other purpose.

Our report should not be regarded as suitable to be used or relied on by anyone other than ANZ Bank New Zealand Limited for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to anyone other than ANZ Bank New Zealand Limited for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached.

Our opinion and conclusion are not modified in respect of this matter.

ANZ Bank New Zealand Limited's responsibility for the GHG disclosures

The Directors of ANZ Bank New Zealand Limited are responsible for the preparation and fair presentation of the GHG disclosures in accordance with the criteria. This responsibility includes the design, implementation and maintenance of such internal control as Directors determine is relevant to enable the preparation of the GHG disclosures that are free from material misstatement whether due to fraud or error.

The Directors of ANZ Bank New Zealand Limited are also responsible for selecting or developing suitable criteria for preparing the GHG disclosures and appropriately referring to or describing the criteria used.

Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain reasonable assurance about whether the Scope 1 and 2 GHG reporting is free from material misstatement, whether due to fraud or error;
- forming an independent opinion based on procedures we have performed and the evidence we have obtained regarding the Scope 1 and 2 GHG reporting;
- planning and performing the engagement to obtain limited assurance about whether the Scope 3 GHG reporting is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion based on the procedures we have performed and the evidence we have obtained regarding Scope 3 GHG reporting; and
- reporting our opinion and conclusion to ANZ Bank New Zealand Limited.

Summary of the work we performed as the basis for our opinion and conclusion

Reasonable assurance opinion on the Scope 1 and 2 GHG Reporting

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Scope 1 and 2 GHG Reporting that is sufficient and appropriate to provide a basis for our opinion.

The nature, timing and extent of the procedures selected depended on our judgment, including an assessment of the risks of material misstatement whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the Scope 1 and 2 GHG Reporting and the engagement circumstances.

A reasonable assurance engagement includes:

- assessing the suitability of the circumstances of ANZ Bank New Zealand Limited's use of the criteria as the basis for preparation of the Scope 1 and 2 GHG Reporting;
- considering relevant internal controls when designing our assurance procedures, however we do not express an opinion on the effectiveness of these controls;
- evaluating the appropriateness of reporting policies, quantification methods used in the preparation of the Scope 1 and 2 GHG Reporting by ANZ Bank New Zealand Limited; and
- evaluating the overall presentation of the Scope 1 and 2 GHG Reporting.

Limited assurance conclusion on the Scope 3 GHG Reporting

A limited assurance engagement performed in accordance with the Standard involves assessing the suitability in the circumstances of ANZ Bank New Zealand Limited's use of the criteria as the basis for the preparation of the Scope 3 GHG Reporting, assessing the risks of material misstatement of the Scope 3 GHG Reporting whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Scope 3 GHG Reporting.

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Scope 3 GHG Reporting that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on the understanding of the Scope 3 GHG Reporting that is sufficient and appropriate to provide a basis for our conclusion. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

In undertaking limited assurance on the Scope 3 GHG Reporting the procedures we primarily performed were:

- obtaining, through inquiries, an understanding of ANZ Bank New Zealand Limited's control environment, processes and information systems relevant to the preparation of the Scope 3 GHG Reporting. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- evaluating whether the methods for developing estimates were appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Client's estimates;
- evaluating organisational and operational boundaries to test completeness of Scope 3 GHG sources and disclosures of exclusions;
- performing analytical procedures on particular emission categories by comparing the expected Scope 3 GHG emissions to reported Scope 3 GHG emissions and made inquiries of management to obtain explanations for any significant differences we identified;
- agreeing a selection of Scope 3 GHG emissions data to relevant underlying source documents and re-performing emission factor calculations for a limited number of items;
- considering the presentation and disclosures of the Scope 3 GHG Reporting and explanatory notes against the requirements of the criteria

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.

Our independence and quality management

This assurance engagement was undertaken in accordance with NZ SAE 1. NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (**PES 3**), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have also complied with Professional and Ethical Standard 4 Engagement Quality Reviews (**PES 4**) which deals with the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities relating to the performance and documentation of an engagement quality review.

Our firm has also provided financial statement audit, review, and other assurance services to ANZ Bank New Zealand Limited. Subject to certain restrictions, partners and employees of our firm may also deal with ANZ Bank New Zealand Limited on normal terms within the ordinary course of trading activities of the business of ANZ Bank New Zealand Limited. These matters have not impaired our independence as assurance providers of ANZ Bank New Zealand Limited for this engagement. The firm has no other relationship with, or interest in, ANZ Bank New Zealand Limited.

As we are engaged to form an independent opinion and conclusion on the GHG disclosures prepared by ANZ Bank New Zealand Limited, we are not permitted to be involved in the preparation of the GHG disclosures as doing so may compromise our independence.

The engagement partner on the assurance engagement resulting in this independent assurance report is Gavin Silva.

KPMG

KPMG
Wellington
09 December 2025