

Information about ANZ's policy¹ on the energy industry

ANZ's Social and Environmental Risk Policy and Standard applies to ANZ's banking business, excluding Suncorp Bank.

Overview

Our policy on the Energy Industry (Energy policy) guides decision-making relating to large business customers² involved in energy activities such as the production or distribution of electricity. Specifically, it applies to Institutional energy customers³ and generation customers⁴ (referred to as our 'energy customers').

Our Energy policy supplements other standards and requirements that generally apply to large business customers, including under our Social and Environmental Risk Policy.

We have an important role to play in managing social and environmental risk, including risks arising from relationships with customers across geographies in the energy sector, including risks related to climate change and nature.

We are transitioning our lending portfolio to net zero financed emissions by 2050 in line with the goals of the Paris Agreement, as explained further in our Climate Change Commitment, available at anz.com.

Our success in supporting and accelerating a transition to net-zero financed emissions by 2050 in line with the goals of the Paris Agreement will be driven by supporting our customers to reduce their emissions. A decarbonised electricity sector is a central foundation of a net-zero energy system. It will be a critical part in decarbonising other sectors of the economy like transport and industry.

We continue to assess the role of gas within the context of the broader energy market, public policy developments, and stakeholder and shareholder expectations.

In relation to gas, we differentiate between the exploration for and extraction of gas from the ground (upstream), transportation (midstream), and conversion into fuels (downstream). We continue to engage with our Institutional energy customers,⁵ including relevant gas customers, seeking updates on their transition plans and encouraging improvements where we think appropriate.

¹ The information in this document outlines some detail of the Social and Environmental Risk Policy and Standard and their application but should not be relied upon as comprehensive.

² The customers of ANZ Institutional division where ANZ has a credit exposure.

³ Institutional customers (excluding Corporate Bank) that ANZ has allocated to the following industry codes (being ANZ's internal industry classification system which is informed by the 1993 version of the Australian and New Zealand Standard Industrial classification codes): 1102 (thermal coal mining); 1200 (oil & gas extraction); 1511 (petroleum exploration); 1512 (petroleum exploration service); 2510 (refining); 4521 (wholesaling/distribution); and 3611 (electricity generation).

⁴ Institutional customers involved in: production of electricity; integrated power utility companies, grid scale energy storage including batteries, pumped hydro and other technologies; production of hydrogen for energy or industrial consumption carbon capture, utilisation and storage.

⁵ Institutional customers (excluding Corporate Bank) that ANZ has allocated to the following industry codes (being ANZ's internal industry classification system which is informed by the 1993 version of the Australian and New Zealand Standard Industrial classification codes): 1102 (thermal coal mining); 1200 (oil & gas extraction); 1511 (petroleum exploration); 1512 (petroleum exploration service); 2510 (refining); 4521 (wholesaling/distribution); and 3611 (electricity generation).

ANZ's 2024 Energy Customer Approach explains our approach to how we are supporting the energy sector to transition. This includes how we engage with customers, our lending policies for the energy sector and our financed emissions reduction pathways and targets for the sector. The Energy Customer Approach is available at anz.com/esgreport.

ANZ's approach

In financing activities of our energy customers, ANZ requires its decision-makers to assess relevant customer activities to seek to understand the impacts of the proposed activity on the environment and communities, the customer's history of dealing with these impacts and the customer's proposed approach.

We recognise that decarbonisation of the energy sector plays a key role in the transition, with around 75% of global emissions attributed to energy use. Our expectations of our Institutional energy customers, together with details of our lending policies applying to those customers, are summarised in our Energy Customer Approach, available at anz.com/esgreport.

Where material risks are identified as part of our social & environmental risk screening, the activity is escalated for further consideration. We will:

- not directly finance⁶ any new coal-fired power plants, including expansions. Existing direct lending will run off by end 2030;
- engage with existing large business customers who have more than 35% thermal coal exposure (revenue, installed capacity or generation)⁷ to support existing diversification plans. Where these are not already in place, we will expect specific, time-bound and public diversification strategies by end 2025. We will cap limits to customers which do not meet this expectation and reduce our exposure over time;⁸ and
- continue to support existing diversified customers, but we will not provide lending⁹ to new to bank customers¹⁰ that derive more than 10% revenue or installed capacity or generation from thermal coal.

Our expectations of our existing Institutional energy customers and new to bank Institutional energy customers are detailed in ANZ's Energy Customer Approach, available at anz.com/esgreport.

Our Energy policy applies in all markets in which we operate and enables ANZ to continue to support the energy sector in a way which seeks to balance environmental, social and economic impacts.

ANZ expects energy customers to implement appropriate stakeholder engagement strategies and plans to deal with environmental and social issues associated with their activities.

An overview of ANZ's approach to social and environmental risk management and further detail about our Social and Environmental Risk Policy and Standard (including for other sensitive sectors which may also apply) is available via [the ANZ website](https://anz.com).

⁶ Direct financing means having a direct nexus to the asset, such as limited recourse project financing or a 'use-of-proceeds' or 'project related' corporate loan. It does not include general corporate purpose lending.

⁷ We will progressively reduce the threshold so that by end 2030 we will seek a diversification strategy from mining, transport and power generating customers with more than 25% thermal coal exposures.

⁸ We will continue to provide rehabilitation bonds for those existing customers with some thermal coal exposure to ensure their responsibilities with exiting mine sites are fulfilled. Transaction banking/markets 3-day settlement limits will be excluded from this cap.

⁹ Applies to lending products only, i.e. excludes transaction banking, credit cards, performance guarantees, meaning that only lending products that will help customers 'fund' their activities in a material way would be included.

¹⁰ 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.



Last updated: May 2025