

2012 CR PERFORMANCE OVERVIEW

PERFORMANCE KEY   ACHIEVED  PARTIALLY ACHIEVED OR IN PROGRESS  DID NOT ACHIEVE

2012 PERFORMANCE AND 2013 TARGETS OVERVIEW

ANZ's strategy is to become a super regional bank – strengthening our businesses in Australia, New Zealand and the Pacific – while establishing a significant presence in key markets in Asia; with the aim of being the best connected, most respected bank in the Asia Pacific region. Our targets, and the measurement of our performance against these targets are designed to support this strategy and objectives, while ensuring that we do so in ways consistent with our purpose and our values.

THE TABLE BELOW SHOWS THE RELATIONSHIP BETWEEN OUR 2012 PERFORMANCE AND FUTURE TARGETS.

RESPONSIBLE PRACTICES			
2012 CR TARGETS	PROGRESS	COMMENTARY ON PERFORMANCE	2013 CR TARGETS
Improve customer satisfaction and achieve the No. 1 or 2 position amongst major banks for our Retail, Commercial and Institutional businesses in Australia and New Zealand.		In Australia, retained No. 1 Relationship Strength Index position for Lead Relationships in the 2012 Peter Lee Associates Large Corporate and Institute Relationship Banking Research. Customer satisfaction in Retail and Commercial Banking declined in the second half of the year, due to a number of issues including adverse publicity regarding interest rate decisions. Steps are in place to improve our customer satisfaction and we are seeing positive momentum.	Improve customer satisfaction and achieve the No. 1 or 2 position amongst major banks in our core markets for our Retail, Commercial and Institutional businesses. Application: Group
Resolve 90% of customer complaints within five business days.		Performance improved steadily throughout year; we achieved target in the last months of the year.	Resolve 90% of customer complaints within five business days. Application: Australia
Increase our project finance lending for lower carbon emission power generation (ie renewables and gas) by 15-20%.		This is a long term target and we are 'on track'. Gas-fired: 37% Coal-fired: 33% Renewables: 30%	Increase our lower-carbon gas and renewables power generation lending by 15-20% by 2020. Application: Project and Structured Finance

2012 CR PERFORMANCE OVERVIEW (continued)

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RESPONSIBLE PRACTICES (CONTINUED)

2012 CR TARGETS	PROGRESS	COMMENTARY ON PERFORMANCE	2013 CR TARGETS
Publicly report progress on the implementation, application of and training in our sensitive sector lending policies and human rights statement.		We reviewed our Sensitive Sector Policies, revised our People and Communities Statement, updated our social and environmental risk training and introduced specialist training for our Institutional bankers.	Improve our ability to manage social and environmental risks by specialised training for a further 1,000 lending staff; and train 200 senior staff in our Sustainability Leadership Program. Application: Group
Reduce Lost Time Injury Frequency Rate (LTIFR) in Australia and New Zealand by between 5-10% and continue implementation of our safety and well being programs globally.		Continuation of targeted hazard management programs throughout the year (e.g. manual handling, coin handling, safes, and customer conflict) contributed to a reduced Lost Time Injury Frequency Rate.	Protect the health and safety of our staff by reducing LTIFR by 10% in Australia, 5-10% in New Zealand, and maintaining LTIFR of below 1 per million hours worked in our International business. Application: Group
Implement our Responsible Sourcing Program with a focus on our top 10 highest impact categories and publicly report the progress of our supplier education and auditing strategy.		We implemented our revised risk-based approach to screening our suppliers, ran supplier workshops in Hong Kong, Chengdu and Jakarta, and conducted responsible sourcing workshops for our teams in Singapore, Taiwan, Australia and New Zealand.	Screen, audit and report on the agreement of our key suppliers with ANZ's Supplier Code of Practice, and report on engagement and remediation activities. Application: Group
Develop and pilot a program to improve staff understanding of customers in financial difficulty to aid early identification and assistance to affected clients.		The training program content designed in collaboration with financial counsellors includes practical examples of the signs customers facing hardship may exhibit, how best to approach conversations with these customers, and where to refer them for further information. The training pilot was successful and will be rolled out to branch and other frontline staff across our Australia and Manila hubs in 2013.	Implement across Australia our hardship awareness tools, which will help customers in distress by enabling our staff to identify at risk customers, and offer them targeted advice and support. Application: Australia

2012 CR PERFORMANCE OVERVIEW (continued)

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BUILDING FINANCIAL CAPABILITY

2012 CR TARGETS	PROGRESS	COMMENTARY ON PERFORMANCE	2013 CR TARGETS
Report publicly and engage key stakeholders in the outcomes of a strategic review of our Australian financial literacy programs including our future priorities.		Independent review found ANZ to be in a leading position, in financial inclusion and capability. RMIT University MoneyMinded and Saver Plus Summary reports published.	We will continue to review and report on our financial inclusion programs. Application: Group
Reach 30,000 people from low-income and disadvantaged backgrounds with our MoneyMinded financial capability program.		40,000 people were reached through our MoneyMinded program.	Increase reach of Australia's largest financial education and savings program, MoneyMinded, by a further 40,000 participants. Application: Group
Enrol 14,250 people in our Saver Plus program across Australia by 2014.		3,811 participants were recruited towards the first year target of 4,700. Recruitment was phased to align with government funding. We expect to reach target by 2014.	Enrol at least 4,750 people in our Saver Plus program in Australia to achieve our 2014 target of 14,250. Application: Australia
Implement a financial inclusion strategy for our business in New Zealand.		In September, we piloted MoneyMinded with Solomon Group in South Auckland; training 11 staff as facilitators and 70 participants.	This is now incorporated in our overall MoneyMinded target. Application: Group

CREATING EDUCATION AND EMPLOYMENT OPPORTUNITIES

2012 CR TARGETS	PROGRESS	COMMENTARY ON PERFORMANCE	2013 CR TARGETS
Improve employee engagement, including perceptions of "values-based leadership".		Employee engagement remained steady at 70%. 'Values-based leadership' increased from 66% in 2011 to 67%.	Target now split to be separately monitored: - Improve employee engagement to a target rate of 73% in 2013, with a long term target of 83% - Improve perceptions of "values-based leadership" to 70%, with a long term target of 80%. Application: Group

2012 CR PERFORMANCE OVERVIEW (continued)

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CREATING EDUCATION AND EMPLOYMENT OPPORTUNITIES (CONTINUED)

2012 CR TARGETS	PROGRESS	COMMENTARY ON PERFORMANCE	2013 CR TARGETS
Reach at least 40% representation of women in management; and achieve gender balance and greater cultural diversity in our key recruitment, talent development and learning programs.		Group-wide representation of women in management fell slightly to 37.8% and was short of the 2012 target. However: • In Australia division, we achieved 43% • 45% of our current Graduate Program participants are women, with the intake of women in this year's program standing at 53% • 38% of participants currently on the Generalist Program are women.	Achieve a 1% increase in the representation of women in management in 2013, with a medium term goal of 40% and a long term target of 45% representation. Application: Group
Provide 230 positions through our traineeships, graduate program and permanent employment to people from disadvantaged backgrounds and enhance purchasing criteria to develop more relationships with companies which employ and support people with disability.		We employed 38 people with disability: 13 in Australia; 8 in New Zealand, 15 in India and 2 in the Philippines. We employed an additional 79 Australian Indigenous trainees in our retail network, 23 were successfully recruited to full-time positions and 56 recruited via our Indigenous Trainee Program. 4 people were employed through the Brotherhood of St Laurence 'Given The Chance' refugee employment program.	Help increase the social and economic inclusion of traditionally excluded groups and those from disadvantaged backgrounds, by offering 230 roles through traineeships, graduate program and permanent employment. Application: Group
Advance the role of women in society through engagement on key public policy issues, including advocacy for more accessible, affordable and flexible childcare in Australia.		Our CEO Mike Smith chairs the Male Champions of Change program in Australia. We were recognised by Equal Opportunities for Women in the Workplace agency (EOWA) for the eighth consecutive year. In March we partnered Chief Executive Women.	Play a leadership role in advancing women in society and improving cultural diversity in business through high profile business, government and community partnerships. Application: Group

2012 CR PERFORMANCE OVERVIEW (continued)

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BRIDGING URBAN AND RURAL DIVIDES

2012 CR TARGETS	PROGRESS	COMMENTARY ON PERFORMANCE	2013 CR TARGETS
Implement mobile phone banking in Papua New Guinea, Vanuatu, Samoa and Solomon Islands in 2012, then in Timor Leste in 2013.		Following some initial implementation hurdles, the project is now on track for implementation in early calendar year 2013, beginning in PNG.	Help increase financial inclusion by introducing mobile phone banking in Papua New Guinea, Vanuatu, Samoa and Solomon Islands with a view to reaching at least 50,000 customers in 2013. Application: Pacific
Launch the Pacific Money Transfer Card to enable cost effective remittances and sign up 2,800 customers.		Project delays affected advertising and launch. These have now been resolved.	Reduce the cost of remittances by increasing customer usage of our lower cost Pacific Money Transfer Card. Application: Pacific
Support the operation of Microfinance Institutions through measures including lending and placement of skilled volunteers.		In addition to a range of partnerships with micro-finance institutions in the delivery of MoneyMinded in the Asia Pacific, three high performing employees undertook three month secondments with relevant institutions, as part of a partnership with Australian Volunteers International.	Further our support for the communities we operate in by volunteering 100,000 hours globally. Application: Group

2012 CR PERFORMANCE OVERVIEW (continued)

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SUPPORTING URBAN SUSTAINABILITY

2012 CR TARGETS	PROGRESS	COMMENTARY ON PERFORMANCE	2013 CR TARGETS
Maintain carbon neutrality across our global operations.		We maintained our commitment to carbon neutrality globally.	Establish performance baseline and set a global energy reduction target. Application: Group
Evaluate the pilot of our revised Environmental Management System and expand to cover two material markets in our Asian business.		The results of the evaluation have set the foundation for further work to establish our baseline and set a global energy reduction target.	Now incorporated into overall target Application: Group
Work towards achieving our three year environmental targets in Australia and New Zealand, including greenhouse gas, premises energy, commercial waste, water, paper and air travel.		We met nine of our thirteen targets. While the trigeneration plant at our Melbourne headquarters reduced GHG emissions as planned, we experienced an increase in gas use associated with running the plant. Despite this, we remain on track to achieve our Australian 2014 three year GHG emissions absolute reduction target of 12%. Although paper consumption in New Zealand reduced compared to 2011, we fell short of our target. However, we remain on track to deliver our 2014 customer and office paper reduction targets.	Achieve our 2013 environmental targets in Australia and New Zealand: greenhouse gas, premises energy, commercial waste, water, paper and air travel. New target: Reduce customer paper use by making electronic statements and communications available to Retail and Commercial customers in Australia and New Zealand. Application: Australia and New Zealand