

RESPECTING PEOPLE AND COMMUNITIES: ANZ'S APPROACH TO HUMAN RIGHTS

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CONTENTS

Introduction	3
How we apply our standards	4
Our standards	4
People	4
Customers	5
Communities	5
Suppliers	6
Bribery and corruption	6
Our management system	6
Training and communications	6
Monitoring our performance	6
Mechanisms for feedback, concerns and complaints	7
Governance and contact	7

INTRODUCTION

ANZ understands the important role we play in the lives of our employees, our suppliers, our customers and our communities.

We respect and promote all internationally recognised human rights as the universal foundation for dignity and equality for all, in line with the Universal Declaration of Human Rights and other core international standards including the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work.

ANZ's values of Integrity, Collaboration, Accountability, Respect and Excellence guide our interactions with all our stakeholders.

Our standards are supported by clear, ethical principles set out in our Code of Conduct and Ethics, Group policies and our commitment to internationally-recognised standards, which aim to ensure we avoid infringing upon human rights through our own activities or being involved in human rights abuses through our business relationships.

We are a signatory to the UN Global Compact and follow the OECD Guidelines for Multinational Enterprises. We also apply the Equator Principles to all project finance transactions and work to align our human rights approach with the UN Guiding Principles on Business and Human Rights.

We will support our customers, suppliers and other business partners to encourage their alignment with our approach and these standards. We expect our customers, suppliers and other business partners to identify, manage, monitor and redress any adverse impacts on human rights with which their business is involved, in line with international standards.

We continue to embed the standards into our business practices including training, communications, contracts, agreements, and due diligence processes. This extends to our interactions with customers, suppliers and other business partners.

We understand the importance of communicating with our stakeholders about our human rights approach in an accessible and meaningful way and commit to reporting on our progress in implementing our standards, including in our annual corporate sustainability review.

HOW WE APPLY OUR STANDARDS

Our standards apply to ANZ in all of our markets of operation.

If local laws prohibit us from applying our standards, we will comply with domestic law while striving to apply the spirit of the particular commitment within our business. We will work with other stakeholders as appropriate to identify and address these issues where they arise. Local requirements will apply in addition to our standards where they are more stringent.

Where our standards go further than local laws, we will seek to apply them in a manner that is culturally appropriate, in compliance with local laws and with respect for the sovereignty of host governments.

We will seek to apply our standards, including in situations where our ability to effect change is impacted by local conditions and contexts, legal frameworks and our management control over another entity.

OUR STANDARDS

People

We will treat our employees with respect and value difference.

- We value difference and are committed to achieving a truly diverse and flexible workforce that drives innovation and energy and is representative of the customers and communities we serve. This includes promoting gender equality, indigenous employment and recruitment of people with disability.
- We are committed to maintaining a workplace that is free from discrimination, harassment, workplace bullying and victimisation.
- We recognise the role we can play in encouraging broader economic and social inclusion by providing employment opportunities to disadvantaged and under-represented segments of the communities we serve.

We will provide a fair and safe working environment for our employees and expect our customers and other business partners to do the same.

- Our employees have the right to a work environment that is free from the threat of mental or physical harm and that promotes wellbeing.
- Our workplace policies reflect our commitment to the principle of 'fair and equal pay' in all the markets in which we operate.
- We do not tolerate or support the use of forced or compulsory labour, including through the practices of our customers, suppliers and other business partners.
- We do not tolerate the use of hazardous or other forms of child labour prohibited under international standards, including through the practices of our customers, suppliers and other business partners. We will support our customers, suppliers and other business partners to protect against the exploitation of children in the workplace. Where we find a business partner's operations do not meet our standards, we will support their efforts to adopt international best practices, focusing on the best interests of the child.

We will engage effectively with our employees.

- We foster a workplace environment where employees are encouraged to express their ideas, opinions and concerns, provided they do not infringe the human rights of others.
- We respect and support the right of employees to establish, join or not join trade unions and any other association of their choice and support the right of representative unions and employees to bargain collectively.
- Our workplace policies and agreements preserve the right of employees to take industrial action, subject to them complying with the laws of the relevant country.

Customers

We will treat customers fairly.

- We will provide fair and responsible financial products and services to our customers.
- We recognise our responsibility to maintain strong lending guidelines and procedures to ensure credit is only provided to customers who have the capacity to repay the debt. We aim to provide practical, sensitive and helpful assistance to customers who are having difficulty making repayments on their loan.
- Where we have appropriate scale, we will endeavour to make basic banking services more accessible to under-served or disadvantaged segments of the community.

We will respect human rights in our customer relationships.

- We understand the impact that our customers can have on society and the environment through our financing and we expect our customers to identify, manage, monitor and redress any adverse impacts on human rights with which their business is involved, in line with international standards.
- We conduct social and environmental screenings in line with our policies applying to our corporate customers, which include an assessment of their human rights performance. We may prioritise for enhanced screening of those customers which we have identified as being most at risk of involvement in adverse human rights impacts. We expect our customers to resolve any issues identified and update us on their progress. If prospective or existing customers do not meet our standards and are not willing to adapt their practices in an appropriate timeframe, we may decline financing or exit the relationship.
- We will support customers who seek to ensure their land use is managed in line with international standards for good land governance, including respecting rights of indigenous peoples, vulnerable groups and other affected stakeholders. This includes respecting land tenure rights and the right to free, prior and informed consent of affected stakeholders where applicable under the Equator Principles, and implementing best practices to address grievances and disputes. We will not tolerate land acquisitions by our customers that we consider to be improper, including those that are illegal when assessed against local law, or do not follow land acquisition or involuntary resettlement processes in line with international standards.

Communities

We will contribute to the social and economic development of the communities in which we operate.

- We deliver financial literacy and inclusion programs that are designed to contribute to the social and economic advancement of vulnerable and disadvantaged communities, including indigenous peoples and people with disability.
- We expect customers involved in large infrastructure or development projects to adopt community engagement plans in an effective and transparent manner consistent with our social and environmental policies.
- We are committed to empowering women to achieve financial independence and equality.

Suppliers

We will consider human rights in our sourcing and purchasing decisions.

- We expect our material suppliers to meet our human rights standards as a condition of continued business with ANZ.
- We have due diligence processes in place to screen suppliers where appropriate, for social and environmental impacts including their human rights approach. We expect our suppliers to resolve any issues identified.

Bribery and corruption

We will avoid corruption and bribery in all its forms.

- As an organisation that places great importance on integrity and trust, ANZ is committed to working against corruption in all its forms, including bribery and extortion.

OUR MANAGEMENT SYSTEM

Our human rights framework consists of employee training and communication programs, monitoring and reporting systems and grievance procedures

Training and communications

We engage all our employees in discussion and training about the importance and relevance of human rights to our long-term success. Our standards are communicated to all employees, in all of our markets of operation, including in local languages where appropriate.

Employees whose roles have specific human rights impacts (e.g. employees involved in the assessment of project finance proposals and negotiation of supplier contracts) receive specialised human rights training as part of their education and professional development programs.

Monitoring our performance

If we become aware that we may be involved in adverse human rights impacts through our business relationships, our approach and strong preference is to work with our customer, supplier or other business partners to help them improve their performance. Where their commitment does not seem evident, we will discuss why and whether our relationship is sustainable. In line with the UN Guiding Principles on Business and Human Rights, we understand our responsibility to provide for or cooperate in the remediation through legitimate processes of adverse human rights impacts which we identify we have caused or contributed to, and that there may be a role for us to do so where we are directly linked to an adverse impact through our products, operations or services.

Specific business and functional areas have responsibility for ensuring we have policies and systems in place to effectively identify and manage our human rights impacts.

Compliance with ANZ's standards is assessed as part of our audit program. External experts will periodically conduct independent assessments of the adequacy of ANZ's systems for managing key human rights risks with reference to our standards and management systems or in response to concerns raised by our employees or stakeholders.

Our approach to managing human rights risks and opportunities will also be included in the annual independent assurance of our corporate sustainability reporting.

We will provide details of our progress and experience in applying our standards in our corporate sustainability reports and communicate with our stakeholders as appropriate at other times, including when concerns are raised.

Mechanisms for feedback, concerns and complaints

ANZ has a strong values-based culture that encourages openness, integrity and accountability. ANZ has multiple channels available for stakeholders to raise any issues and concerns related to our human rights commitment or performance. We are working towards ensuring that all available mechanisms align with the UN Guiding Principles' standards for effectiveness, so that they are trusted, accessible, predictable, equitable and transparent. These include mechanisms such as employee feedback surveys and an on-line feedback forum in which our CEO and other senior ANZ leaders regularly participate.

Employees are encouraged to contact their line manager in the first instance. However, to ensure that all employees can freely and without fear of repercussions raise concerns regarding actual or suspected contraventions of our ethical and legal standards, ANZ has developed a Whistleblower Protection Policy. Disclosures can also be made to an independent third party via ANZ's External Whistleblower Hotline.

Where the issue is significant or there is disagreement among businesses about the seriousness of the matter, they can escalate it to ANZ's Reputation Risk Committee for deliberation according to the processes set out in our Reputation Risk Policy.

ANZ has a customer complaint resolution process in all geographies, including a Customer Advocate in a number of locations that can be accessed where a customer is not satisfied with the outcome of ANZ's internal dispute resolution process.

Other stakeholders may raise queries, concerns and complaints about the application of our human rights standards as set out below.

Governance and contact

Our human rights standards are approved by ANZ's Governance Committee of the Board.

The Chief Compliance Officer reports directly to the Chief Risk Officer and has responsibility for our human rights standards, including receiving and responding to all queries, concerns, complaints and other correspondence about human rights from external stakeholders. They can be contacted at:

Chief Compliance Officer
ANZ
Level 8, 833 Collins Street
Docklands 3008 Australia

