

ANZ and human rights

ANZ's has set an ambitious target to become a major financial services organisation in our region.

In aspiring to be a 'super-regional' bank, we have a clear responsibility to uphold basic human rights. We have reflected this commitment in our values, codes of conduct and the policies that guide the way we do business.

We support the OECD Guidelines for Multi-National Enterprises as a comprehensive framework to guide our approach to responsible business management, including the protection of basic human rights.

This commitment follows an expert third party review* of our business to understand the extent to ANZ policies and practices are meeting the requirements of these standards, with a particular focus on human rights.

The review assessed ANZ's performance against guidelines set out in global human rights instruments, such as the OECD Guidelines for Multi-National Enterprises, the UN Global Compact and the Business Leaders Initiative on Human Rights.

It found that ANZ complied with, and in many cases exceeds, most criteria in Australia and New Zealand, in particular by using our resources and expertise in partnership with community organisations to build financial literacy and capability amongst low-income earners and disadvantaged people. For example, our Reconciliation Action Plan sets out how ANZ is responding to the issue of Indigenous disadvantage, one of the most pressing social problems facing Australia, and includes commitments to assist Indigenous inclusion through employment, financial literacy and capacity building.

The review also found more work was required to understand and mitigate human rights risks in our supply chain, our lending decisions in our Institutional business and our operations and partnerships in Asia, Pacific and India.

We have made strong progress in addressing the key issues highlighted in the review:

Our people

- We support the four ILO Core Labour Standards (Effective Abolition of Child Labour; Elimination of Discrimination in Employment and Occupation; Elimination of All Forms of Forced or Compulsory Labour; and Freedom of Association and the Effective Recognition of the Right to Collective Bargaining) as expressed in the Fundamental ILO Conventions (87, 98, 29, 105, 100, 111, 138 & 182) .
- We seek to go further than minimum standards and are building a workplace culture that creates a strategic advantage for ANZ. This includes a focus on creating a diverse and inclusive workplace that represents the communities we serve..
- Where local law prohibits us from applying our policies and/or the ILO standards, we will comply with the local law while seeking alternative ways to apply the human rights principles behind those policies and standards. We recognise that this is particularly important as we focus on growing our business in Asia.

Our clients

- Our policies, screening processes and industry advisory notes have been enhanced to ensure explicit consideration to human rights issues in our Institutional lending decisions. This has included the adoption of the Equator Principles which ensure that the IFC safeguard policies – including those relating to human rights - are applied to our Project Finance business. ANZ staff have also been trained on the Equator Principles including a detailed explanation of IFC Performance Standards which cover issues such as involuntary resettlement, Indigenous rights and cultural heritage. We apply this approach to the development of our lending policies which promote high environmental standards amongst our clients and provide a framework for the identification and management of human rights issues relating

to the activities of our clients. We have also enhanced our client screening process by progressively developing industry specific advisory notes for staff that help to identify key social, human rights and environmental issues in each sector we service

Our communities

- We focus on improving the social and financial inclusion of disadvantaged and under-represented groups in our community. This involves helping to improve the financial literacy and inclusion of low-income earners; supporting our employees to engage in local community issues and developing practical initiatives to improve the accessibility of our products and services for women, older customers, migrants, Indigenous Australians and people with disability.

Our suppliers

- Our supplier policies and codes of conduct also refer to our core standards and criteria on human rights issues.

OUR FUTURE PLANS

In 2009, ANZ has committed to implementing a Group-wide Human Rights policy and management system. This will cover our operations in Australia, New Zealand and Asia Pacific.

* Review conducted by Linda Funnell Milner, Managing Director, Corporate ResponseAbility.