

INFORMATION ABOUT ANZ'S FORESTRY AND FORESTS POLICY

OVERVIEW

We are committed to sustainable development and recognise the importance of playing a role in forest management as a resource across our diverse customer base and varied geographies.

Forests represent a major social and economic resource and are recognised as a source of livelihood for dependent communities as well as for their natural resource values.

We support customers who share our values and are working to adopt and deliver responsible practices to improve forest management and address their impact on the environment.

Our policy guides decision-making relating to transactions involved with the forestry sector and entities that impact on forests as part of their business operations. Our policy has been developed in consultation with our customers, environmental NGOs, governments, industry and sector experts. We have developed this policy to meet our objectives of being a responsible business and to support and encourage our customers to improve their social and environmental performance.

ANZ'S APPROACH

Our commitment to sustainable development involves evaluating the economic, social and environmental impacts of decisions we make. Accordingly ANZ requires its decision makers to actively assess environmental and social issues associated with customers and transactions they are considering. Decision makers and our customers must have awareness of responsible forest resource management.

Our Forestry and Forests policy adopts a principles-based risk framework which is applied to decision-making in forest related transactions. These transactions include activities in forest environments and their associated communities such as plantations, logging, primary processing and other activities which may have a significant adverse impact on forests. The following principles help inform our decision-making on clients, transactions and business strategies:

- *ANZ supports customers that demonstrate a balanced approach to social, environmental and developmental impacts on forests*
- *ANZ supports and encourages customers to adopt natural resource management practices that continuously improve their social and environmental performance*
- *ANZ supports forests related customers that use internationally accepted industry management practices to manage social, environmental and economic impacts (including affects on human rights, biodiversity, cultural heritage, indigenous rights, health and safety, governance and environmental sustainability)*

ANZ expects customers to use, or migrate towards, internationally accepted and best practice management techniques and technologies.

In the first instance we will work to ensure our customers are compliant with relevant host country laws, regulations and permits that pertain to environmental and social issues. We will also work closely with our customers as they invest in new and improved forest resource management practices.

Our Forestry and Forests policy applies in all jurisdictions in which we and our customers operate and covers all products and services that we provide to business customers.

Our super-regional strategy commits us to growth in countries with varied government policies which may establish different economic, social and environmental objectives. We take these objectives into account when applying our policy.

ANZ expects customers to manage and engage with all their stakeholders by implementing appropriate stakeholder engagement strategies and plans to deal with environmental and social issues associated with their activities.

FORESTS MANAGEMENT CERTIFICATION

Our Forestry and Forests policy provides a framework comparable with internationally recognised certification schemes such as those endorsed under the Programme for Endorsement of Forest Certification (for example the Australian Forest Certification Scheme) and Forest Stewardship Council accredited schemes.

ANZ requires independent specialist or verifier statements to provide assurance of performance requirements or certification. ANZ does not endorse any one certification scheme but seeks those that demonstrate international good practice.

CONCLUSION

As a leading financial institution in Australia, New Zealand and Asia Pacific, we recognise the importance of sustainability. Through the application of our Forestry and Forests policy, our aim is to work closely with our customers to meet or transition towards best practice forest management. We will support customers who are continuously improving their practices, recognising this will deliver environmental, economic and social benefits to their businesses and communities in which they operate.

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