

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

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OVERVIEW

The following frequently asked questions (FAQs) provide guidance to ANZ employees about our human rights standards, *Respecting People and Communities* (referred to from here as the “Standards”).

The Standards apply in all of our markets of operation. They reflect our Values and our efforts to develop a culture of respect towards our employees, customers, suppliers, and communities.

We have incorporated the Standards into our:

- Corporate Sustainability framework
- Risk governance systems (including our Group Reputation Risk Committee)
- Occupational health, safety and well-being policies and programs
- Human Resources policies that govern our approach to employee entitlements and benefits
- Social and environmental training programs and customer screening tools
- Supplier Code of Practice and training for Sourcing Category Managers focussing on slavery and forced labour
- Action plans covering accessibility and inclusion, reconciliation and financial inclusion

We continue to refine our approach to human rights and commit to improving our performance. The Standards have been approved by our Board Governance Committee and our Executive Committee. Our Chief Compliance Officer is the responsible officer for the Standards, including responding to complaints from external stakeholders regarding potential impacts on human rights.

INTRODUCTION TO ANZ'S HUMAN RIGHTS STANDARDS

What are human rights?

[The United Nations Universal Declaration of Human Rights](#) was developed in 1948 as a common standard defining fundamental human rights to be universally protected. According to the Declaration, ‘these human rights are inherent to all human beings who are all equally entitled to enjoy their human rights without discrimination.’

It is important to remember that there are many different types of human rights. For example, there are rights such as the right to life and the right to freedom of expression, which help to keep us safe and able to participate meaningfully in civic life. Other rights include the rights to work, to health and to an adequate standard of living, to ensure that we have what we need to function from an economic and social perspective. Some at risk and vulnerable groups including children, women, migrant workers, indigenous people and people with disabilities may need special attention to help them enjoy their rights. In many cases, especially in our home markets, human rights are protected by the law. In some markets, some rights may not yet be fully protected, but we may still face expectations to respect them based on international standards. In running our business, we have the potential to impact on human rights both positively and negatively.

For further information:

http://www2.ohchr.org/english/issues/globalization/business/docs/Human_Rights_Translated_web.pdf

What are ANZ's human rights standards?

The Standards are a set of expectations regarding our approach to human rights in our business; assisting us to avoid adverse impacts on human rights through our own activities or those arising from our business relationships. They are supported by our Code of Conduct and Ethics and other Group-wide policies. The Standards apply to our interactions with stakeholders, including employees, customers, communities, suppliers and other business partners.

We also support international standards such as the [OECD Guidelines for Multinational Enterprises](#) and the [UN Guiding Principles on Business and Human Rights](#). We report on our progress annually through the UN Global Compact and our annual Corporate Sustainability Review

Why are the Standards important?

Respect for human rights informs how we do business, including our relationships with key stakeholders, namely employees, customers, governments, suppliers and the communities in which we operate. Respecting human rights essentially means 'doing no harm'. Failing to respect human rights and manage the related risks would not only be contrary to our Values and ethics, but could also have negative reputational, legal, financial and operational consequences.

How were the Standards developed?

The Standards were originally developed in 2010 following extensive internal and external consultation and align with our Corporate Sustainability Framework.

When ANZ first launched the Standards we invited internal stakeholders to participate in workshops with business peers, intergovernmental organisations and non-government organisations (NGOs). The workshops highlighted the importance of using clear language and of collaboration across the bank. Both these themes are reflected in the Standards.

In 2016, we reviewed the Standards, engaging again with external and internal stakeholders, including industry experts, industry bodies, NGOs, academics and internal experts across our business. We held a number of working group sessions across a number of internal stakeholder groups to ensure a coordinated and integrated approach.

Where can I find the Standards on MAX or anz.com?

The Standards are available for external stakeholders on anz.com under "About Us → Corporate Sustainability → Employees". Supporting information for employees can be found by searching '[human rights](#)' on MAX.

Do I have to worry about the Standards if I only work in Australia?

Yes! The Standards apply to every ANZ employee including contractors no matter where they are located. Issues can occur anywhere we live and work and we are committed to a consistent culture of promoting respect for human rights across ANZ. Human rights impacts, positive and negative, can occur in both developed and emerging economies, although it is true that there may be increased risk of more severe negative impacts in countries emerging from conflict or with weaker governance structures. .

What can I do to respect human rights?

Thinking about human rights and what you can do may seem daunting as it is a large and complex issue; however, there are elements that all employees can consider in their daily work.

If you are engaging a supplier for ANZ then consider the way they treat their people and the communities in which they operate.

If you are engaging with retail customers, or creating, advising or providing products and services, then think about whether the bank could be adversely impacting on human rights through your work. Could the service or product be discriminatory in any way?

For line managers, looking after people is one of your primary responsibilities, so some example activities include:

- welcoming and listening to the opinions of others
- supporting diversity and equal opportunity in the workplace
- contributing to a safe and healthy working environment

When working with our customers, it is important that we conduct appropriate due diligence to determine how they manage their impacts, including human rights impacts, and how they prevent or mitigate any adverse impacts. We do this through our Social and Environmental Screening Tool and sector specific screening to support the sensitive sector policies. Due diligence includes having a good understanding of the customer's operating context including their industry and countries in which they do business.

A CLOSER LOOK AT THE STANDARDS

What about how we work with colleagues?

Our approach to human rights reflects ANZ's Values of Integrity, Collaboration, Accountability, Respect and Excellence. These Values guide our interactions at work with team mates, colleagues, contractors and consultants. Respecting each other's diversity, opinions and points of view without discrimination is essential for a productive and inclusive workplace.

What about how we work with customers?

When engaging with customers, it is important to treat everyone fairly. We need to provide responsible financial products and services and where we have appropriate scale; we will endeavour to make basic banking services more accessible to under-served or disadvantaged segments of the community.

As a condition of maintaining a relationship with ANZ, we expect our business customers to respect human rights as they carry out their activities. See section 'how ANZ is implementing the Standards' for more information on how we implement responsible business lending.

What about how we work with suppliers?

We expect suppliers to meet the Standards as a condition of business with ANZ. For example, we will not tolerate or support the use of forced or compulsory labour in our supply chain. If we become aware of human rights impacts through our supplier relationships, we will work with them to improve their human rights performance. If they fail to take appropriate action, we will end the relationship.

ANZ's commitment to managing social and environmental impacts, including human rights impacts, in our supply chain is supported by our Procurement Policy and our Supplier Code of Practice. We also conduct due diligence screening covering social and environmental considerations of our material suppliers.

What does the ANZ land acquisition statement mean?

We recognise that land access and use supports social and economic development. We also acknowledge that we may provide financial services to customers whose activities can be the subject of claims about improper land acquisition or involuntary resettlement.

In 2016 we released a statement to clarify our position on land acquisition noting that *'We will not tolerate land acquisitions by our customers that we consider to be improper.'*

We will support customers who seek to ensure their land use is managed in line with international standards for good land governance, including respecting the human rights of indigenous peoples, vulnerable groups and other affected stakeholders. Our Social and Environmental Banking training program is designed to assist employees in our Institutional and Corporate and Commercial divisions in making informed decisions, considering the social and environmental contexts in which customers operate, including issues relating to land acquisition and resettlement.

HOW ANZ IS IMPLEMENTING THE STANDARDS

How does ANZ integrate the Standards into our business lending decisions?

ANZ is committed to responsible lending practices and our lending decisions take into account social and environmental impacts, including human rights performance. ANZ is a signatory to the Equator Principles, which is an industry based framework used to determine, assess and manage environmental and social risks in project finance transactions. They establish a minimum standard for due diligence to support responsible risk decision-making in project financing and apply to all relevant project finance transactions.

Appropriate due diligence is essential to identify customers that may be at risk of adversely impacting on human rights through their own activities or through their business relationships. We use the Social and Environmental Screening Tool to assess business customers for potential human rights risks in their company and their industry. This includes issues such as forced labour, involuntary resettlement, indigenous peoples' rights and use of force by security providers. We also expect customers to have community engagement plans in place which are consistent with our policies and other relevant standards.

In some cases we may decide not to proceed with a loan or to end a customer relationship if a commitment to improving their human rights performance is not evident.

All employees are encouraged to complete the online training course accessible via The Edge, 'Social and Environmental Risk Training'.

Who has overall responsibility for implementing the Standards across ANZ and where do I go if I want to escalate a concern?

It's important that all ANZ employees take responsibility for respecting human rights in everyday business. This means adhering to the Code of Conduct and Ethics, following the Standards and applying core business values in everything that you do.

If you have a concern related to our commitment or performance in respecting human rights you can escalate your issue via a number of avenues, including your line manager, your compliance manager, or through the Whistleblower Protection Policy. The Chief Compliance Officer can also be contacted as the owner of these Standards, or the Head of Sustainable Development – see 'Contacts' section for details.

What happens if someone outside the bank wants to make a complaint?

If a customer or a community member wishes to make a complaint they can do so through contacting our Chief Compliance Officer:

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

How will we report our human rights performance to stakeholders?

We provide details of our performance against the Standards in our annual Corporate Sustainability review. We also maintain a human rights page on anz.com and regularly engage with interested stakeholders including our customers, investors, governments, international organisations and NGOs.

How are the Standards relevant when dealing with allegations of corruption, bribery or money laundering?

ANZ is committed to working against corruption in all its forms, including bribery and extortion through our Anti-Bribery and Anti-Corruption Policy, Anti-Money Laundering and Counter-Terrorism Financing Policy and Fraud Policy. You should consider whether any issues relating to corruption might also signal a risk of adverse human rights impacts - and vice versa - given there may be links between the two.

Are there some countries where ANZ does not do business, because of human rights concerns?

ANZ takes sanctions compliance very seriously. Sanctions are steps taken by nations or international organisations to encourage change in the way other nations behave. Typically they relate to nations suspected of gross human rights abuses including crimes against humanity, war crimes or genocide, as well as terrorist acts, illegal arms or drug trading. There are significant financial and reputational penalties for organisations and individuals who break sanctions.

Sanctions can be bi-lateral – one State against another; or multi-national – a group of States against another State. We need to ensure that we do not do business that may directly or indirectly break any sanctions. We need to know who we are doing business with and whether there may be any restrictions in doing so.

Even where sanctions are not in place we make sure that our due diligence includes looking at the country context in which we or our customers are operating to ensure we have the necessary understanding to avoid involvement in adverse human rights impacts. Search 'Sanctions' on Max for ANZ's up to date information.

CONTACTS

- For complaints and escalations contact Michael Liarakos, Chief Compliance Officer. Michael has overall responsibility for implementing the Standards, guided by and working with the Corporate Sustainability and Diversity Committee (chaired by our CEO).
- For day to day administration of the Standards, please contact Ben Walker, Head of Sustainable Development, Group Corporate Affairs.

