

ENTERPRISE SERVICE DELIVERY

ANZ SUPPLIER CODE OF PRACTICE: FAQs

WHAT IS ANZ'S SUPPLIER CODE OF PRACTICE ALL ABOUT?

ANZ has developed a Supplier Code of Practice to:

- Help improve the social and environmental performance of our global supply chain
- Protect our reputation and reduce our risk by monitoring our suppliers' corporate social responsibility (CSR) programs and internal governance processes.

Like any code of practice, ANZ's Supplier Code of Practice outlines a set of rules according to which a group of people are expected to behave.

For us, that means we expect our suppliers to comply with ANZ's Supplier Code of Practice as a condition of doing business with us, and encourage them to influence their own supply chains to do the same.

WHAT DOES THE CODE EXPECT OF SUPPLIERS?

The Code outlines requirements in five key areas, including:

- Governance and General Compliance
- Human Rights and Workplace Relations
- Occupational Health and Safety
- Ethical Business Practices
- Environmental Management

WHY DID ANZ INTRODUCE THIS?

As a global company with a presence in 32 markets, we know our purchasing has an influence on the social and environmental performance of our supply chain.

We are committed to fair, safe and *responsible business practices*, and our approach to *human rights* requires that our suppliers "meet ANZ's human rights standards as a condition of continued business with ANZ."

Our Supplier Code of Practice outlines our expectations, so we can build and manage our supply chain in a way that brings our standards to life and reduces the impact of our supply chain.

WHY COMPLY WITH THE CODE?

Suppliers who comply with ANZ's Supplier Code of Practice:

- Reduce the social and environmental impact of their operations
- Minimise the possibility of damage to their business or reputation through governance, human rights, ethical or environmental negligence
- Build brand value in a world that is increasingly aware of these issues
- Are better positioned to attract and retain employees interested in – or indeed, committed to – making a positive contribution in these areas
- Can continue to do business with ANZ.

DOES THIS APPLY TO ALL SUPPLIERS?

The Code applies to all ANZ suppliers across our global operations.

It is published in a number of languages *English, Simplified Chinese, Traditional Chinese, Vietnamese and Bahasa Indonesian*.

WHAT HAPPENS TO SUPPLIERS WHO DO NOT COMPLY?

If a supplier's performance is found to be below acceptable local industry or ANZ standards, we work with them to jointly remediate the issues.

We do this by engaging with them, developing a mutually beneficial partnership and encouraging two-way dialogue, so we can identify and extend best practice across the supply chain.

Where it is evident that suppliers are not committed to this process, ANZ will review the business relationship.

WHEN DOES THE SUPPLIER CODE OF PRACTICE COME INTO EFFECT?

The Code became effective 16th December 2016, globally.

WILL ANZ SUPPORT SMALLER LOCAL SUPPLIERS WHO MAY NOT YET BE IN A POSITION TO MEET ALL OF THESE REQUIREMENTS?

Yes. ANZ is taking a pragmatic, collaborative approach to compliance. We will assess a supplier's performance against a framework that takes into account local conditions, culture and legal requirements. We will always respect the national sovereignty of host governments. And we will engage collaboratively with any supplier found to be non-compliant with a remediation plan that supports them to improve their performance.

DOES THIS REPLACE THE 2014 ANZ SUPPLIER CODE OF PRACTICE? WHAT ARE THE KEY DIFFERENCES?

Yes. This 2016 Code is an update and extension of the 2014 Code. It includes all elements of the previous Code, supplemented by new, explicit requirements related to business ethics and human rights. The Code has been updated in light of legislative changes, for example, the Modern Slavery Act (UK) 2015 as well as ensuring full alignment with the UN Global Compact of which ANZ is a signatory.

WILL THIS BE THE LAST CHANGE TO ANZ'S SUPPLIER CODE OF PRACTICE?

We are committed to continuous improvement and monitor best practice examples of supplier management and will also amend the Code where required to comply with relevant legislation.

WHERE CAN I GET MORE INFORMATION?

Visit ANZ's Corporate Responsibility website to find out more about ANZ's approach to sustainability and download our Supplier Code of Practice in *English, Simplified Chinese, Traditional Chinese, Vietnamese or Bahasa Indonesian*.

If you have any questions, please don't hesitate to contact groupprocurement@anz.com