

ANZ GROUP – SLAVERY AND HUMAN TRAFFICKING STATEMENT

BACKGROUND

In accordance with the requirements of Section 54 of the Modern Slavery Act 2015 (UK) this statement sets out the steps that ANZ Group has taken in relation to our responsibilities to mitigate the risk of slavery, servitude and forced or compulsory labour and human trafficking, within our businesses or our supply chain in the financial year ending 30 September 2019. This is our fourth statement.

ABOUT ANZ

ANZ Group provides banking and financial products and services to individual and business customers. Australia and New Zealand Banking Group Limited (ANZ) is the parent of ANZ Group and is listed on the Australian and New Zealand stock exchanges. We operate in 33 markets internationally, including the United Kingdom. Our business comprises various, related legal entities, which in combination employ 40,000 staff worldwide with approximately 200 in the United Kingdom.

ANZ has 5 divisions directly supporting our customers and 4 businesses supporting delivery to our customers, the community, shareholders, staff, regulators and government.

Customer Facing Divisions	Support Businesses
Australia	Technology
Institutional	Digital Banking
New Zealand	Services
Wealth Australia	Corporate Centre
Pacific	

Our Purpose is to shape a world where people and communities thrive; we strive to create a balanced, sustainable economy in which everyone can take part and build a better life.

We recognise and seek to protect 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 is a signatory to the [United Nations Global Compact](#), which encourages businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. Two of the principles specifically relate to slavery and human trafficking:

Principle 4 - the elimination of all forms of forced and compulsory labour

Principle 5 - the effective abolition of child labour.

ANZ Group works to align with the UN Guiding Principles on Business and Human Rights in our recognition of and efforts to protect human rights and to assist us in addressing the risk of adverse human rights impacts that could arise in relation to ANZ's business activity.

OUR POLICIES, PROCEDURES AND STANDARDS

Our values of Integrity, Collaboration, Accountability, Respect and Excellence guide our interactions with all our stakeholders, including our employees.

We have in place a number of relevant policies, procedures and standards to assist us in protecting the human rights of staff and contingent workers, including in relation to human trafficking and slavery, including "[Respecting People and Communities: ANZ's Approach to Human Rights](#)".

These policies, procedures and standards reflect our ethics and values, providing guidance on the way we treat our employees, work with our customers, suppliers and other business partners and contribute to the communities in which we operate. The Standards apply in all markets in which we operate.



ANZ Policies, Procedures and Standards

Anti-Bribery and Anti-Corruption Policy	Purchasing Policy
Anti-Money Laundering and Counter-Terrorism Financing Policy	Sanctions Policy
ANZ Code of Conduct	Social and Environmental Risk Policy
Equal Opportunity, Bullying and Harassment Policy	Supplier Code of Practice
Health and Safety Policy	Whistleblower Policy
Human Rights Standards	

We have convened a working group to coordinate, implement and review activities undertaken across the bank in response to the introduction of Modern Slavery legislation in Australia. The working group currently includes representatives from Corporate Affairs, Group Procurement, Investments, Financial Crime and Group Risk and has been tasked with implementing appropriate practices to manage and mitigate potential human trafficking and slavery risks across the business and its operations.

Our next statement (2020 release) will cover reporting requirements under the UK Modern Slavery Act (2015) and agreed outcomes of the Independent Review of the Act as well as reporting obligations on ANZ under Australian Modern Slavery legislation.

SUPPLY CHAIN

In the 2019 financial year, we spent approximately \$5bn with suppliers procuring goods and services in the 33 markets in which we operate. Key areas of spend include technology, property and people-related services each of which may have potential exposure to slavery impacts.

ANZ Group has a central Purchasing Policy, which in addition to commercial considerations, also addresses the mitigation of risk, compliance with regulatory requirements and guidelines, and the requirement to act and be seen to act fairly, ethically and responsibly.

ANZ Group has continued to take a number of steps to address the risks of slavery and human trafficking within our supply chain, as set out below.

Supplier Code of Practice

ANZ Group's [Supplier Code of Practice](#) (SCOP) outlines our minimum requirements for suppliers in relation to governance and general compliance, workplace relations, occupational health and safety, ethical business practices

and environmental management. It includes a number of commitments in relation to human rights, including that the supplier will not tolerate forced or child labour and will compensate their employees in compliance with wage laws. The SCOP aligns with ANZ's [Code of Conduct](#). It is also based on the [OECD Guidelines for Multinational Enterprises](#) and the UN Global Compact.

The SCOP reflects our commitment to working with suppliers in our supply chain to better understand and minimise the social and environmental impact of our respective business operations. The SCOP is available in Chinese (Simplified & Traditional), English, Indonesian and Vietnamese to facilitate a wider understanding of its requirements.

During the 2016-2017 financial year, ANZ revised the SCOP enhancing its slavery and human trafficking protections to cover trafficking and the inhumane treatment and abuse of workers. The SCOP is being reviewed in 2020 to continue to ensure it meets legislative requirements and best practice, including requirements under newly established Australian Modern Slavery legislation.

The SCOP in Practice

As well as having a clause in our standard contracts which requires suppliers to comply with the SCOP, we have developed a Human Rights and Modern Slavery clause which we will seek to include in contracts going forward. This clause requires suppliers to comply with all applicable Modern Slavery legislation and take reasonable steps to ensure that there is no Modern Slavery or human trafficking in their supply chains or business operations.

In 2019, we refreshed our commodity risk matrix which identifies the likelihood of forced labour occurring in the goods and services that we buy and the potential impact of that occurrence. This helps us to understand better the risks we face and prioritise our actions accordingly. We have a supplier screening program for reputational risk which uses a framework of risk themes including social, governance and environmental risks. In excess of 3,000 checks were undertaken during 2019 from a cross section of organisations in our supply chain. We have also issued requests to a number of suppliers to provide details in the following areas:

- Technology companies in regards to the potential use of child labour in the mining of cobalt in the Congo and their actions to address this risk; and
- A software company facing a lawsuit in relation to one of their former customers in regards to trafficking. This has yet to come before the courts in California.

We seek an annual attestation to the SCOP from suppliers who are part of ANZ's Operational Contract Management framework. In addition, we have a program in place where we seek attestations from suppliers considered to be at high risk of impacting human rights, with specific focus on suppliers located in those countries identified by external benchmarks (eg The Global Slavery Index) as having a potential greater level of risk.

We are aware of the increasing reporting requirements on suppliers to respond to surveys and provide attestations, so we have taken steps this year to simplify the attestation process. We have substantially reduced the numbers of questions we ask by concentrating on what is key and have removed those questions considered less material.

We expect our suppliers to provide influence and guidance within their own supply chain and related third parties to adopt a fair, safe and ethical approach to business, and to demonstrate compliance with our Code.

If a supplier's performance was found to be below acceptable standards, we would work with them to jointly remediate the issues. We would do this by engaging with them, so we can identify and extend best practice across the supply chain.

ANZ is a signatory to the Business Council of Australia's Australian Supplier Payment Code and is committed to paying correctly rendered supplier invoices within 30 days. We are aware of the impact of delayed payments and the pressure that this can put on suppliers and their subcontractors further down the supply chain.

Managing the effectiveness of our approach

In 2020, we will be taking steps to review the measures we have put in place over the last few years under the UK Modern Slavery Act to understand its effectiveness and lessons learned as well as how we can partner with other organisations to effect change whilst minimising the administrative burden on suppliers.

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 apply our Social and Environmental Risk Policy to all our corporate and institutional customers. We have sector specific requirements that apply for companies in Water intensive industries, Energy and Extraction, Military Equipment, Defence, Forestry and Forests and Hydropower. 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. All customers are reviewed on a regular basis and this includes an assessment of their environmental and social performance.

If we become aware of credible allegations that our customers could be infringing human rights, we will investigate these instances. These investigations involve cross functional internal teams and may include engaging with our customers to seek responses to any potential issues. The outcomes of these investigations are discussed at senior levels of the organisation. If we find that our customer is not meeting our policy requirements, our preference is to work with them and support them to

improve, however, if this cannot be agreed within a time-bound plan then we may decline financing or exit the relationship.

INVESTMENTS

ANZ Wealth's Responsible Investment Position Statement acknowledges that Environmental, Social and Governance (ESG) factors can influence the risk profile and returns of portfolios over the long term, and that good outcomes for investors are achieved by ensuring the underlying investment managers selected to manage our portfolios give appropriate consideration to ESG factors. The "social" component includes the importance of human capital management, working conditions and labour standards as potential risks in underlying investee companies and their supply chains.

In order to specifically meet our obligations under the new Australian Modern Slavery legislation, an external consultant has been engaged to review the legislative requirements and educate investment staff and members of the Wealth Investment Governance Forum (WIGF) about Modern Slavery. We have also started to enquire of external fund managers as to how they intend to engage with underlying portfolio companies to ensure we are able to meet our obligations. Further, we will review internal policies and procedures including ANZ Wealth's Responsible Investment Position Statement over the next 6-12 months to reflect progress we are making to meet the Australian legislative requirements.

TRAINING

Group Procurement mandates Modern Slavery training for all its sourcing staff. This training includes; what Modern Slavery looks like, its impact on individuals, companies and society, the background to the Act, what ANZ is doing in response to the Act, how this impacts our supply chain and what staff can do to minimise the potential risks.

This training was refreshed in 2019 to update its content and to take into account the emergence of Modern Slavery legislation in Australia.

Education to raise awareness of Modern Slavery have also been conducted within ANZ at the CEO level and at the Group Finance Annual Conference.

During 2018, a video was created and released to our Institutional Banking staff to assist in educating about human trafficking risks and to provide insight into what staff can do if they suspect any customers to be involved in human trafficking.

Employees with the authority to approve lending and customer on-boarding in our Institutional and Corporate divisions must complete our online Social and Environmental Risk training course. 3,518 employees have completed the course since 2015. In addition, over 390 bankers have completed an in-depth, facilitator-led Social and Environmental Banking training course that includes consideration of human rights.

WHISTLEBLOWER SCHEME

ANZ has a Whistleblower Policy which promotes honest and ethical behaviour by providing a framework for the escalation of misconduct. The Policy applies to (among others) employees and contractors of ANZ, including third party vendors and service providers. In addition to reporting to ANZ directly, a report may be made to ANZ via ANZ's external whistleblower reporting service which is

managed by an independent third party (Deloitte). In 2019, the Policy has been extended to include subcontractors within the scope of people who can make a report, as well as family members of ANZ's contractors, suppliers and subcontractors.

There were no instances of concerns relating to Modern Slavery raised via the Whistleblower mechanism in the 2018-2019 financial year.

This statement has been endorsed by the Board of the ANZ Group and will be reviewed and updated annually.

Signed on behalf of ANZ Group by:



Shayne Elliott
Chief Executive Officer, ANZ

Dated 25 November 2019