

# ANZ Sustainable Procurement Policy

## Our Policy

As a leading financial services organisation, we recognise that our own and our customers' environmental (e.g. resource efficiency and waste) and social performance (e.g. OH&S, labour practices, human rights, business ethics and community involvement) is a factor in our long-term success. We are committed to understanding and managing the environmental and social impacts of our operations, including the procurement of products and services.

As a demonstration of this commitment ANZ has built an Environmental Charter to guide the conduct of its operations, the design of its products and services and the procurement of goods and services. Being a leader in procurement policy and practice is integral to our goal of making a sustainable contribution to society and becoming the 'most respected major Australasian company'.

This policy relates to how ANZ procures and uses products and services and aims to integrate environmental and social considerations into our procurement policies and practices. We recognise that improving our environmental and social performance is an ongoing process and that our suppliers, both large and small, are important partners in our journey of becoming more sustainable. We also recognise that ANZ has a leadership role to play which extends to helping our suppliers understand and manage their own impacts.

## Scope

This policy sets the expectation for how we procure products and services across all ANZ businesses. The scope of the policy is ultimately global, initially covering local and international procurements for our Australian and New Zealand operations. This policy provides the context for the development of procurement category standards which guide the procurement of products and services across ANZ.

## **Our aims and objectives are to:**

1. Identify opportunities to minimise our environmental and social impact through better **selection** of products and services;
2. Identify opportunities to minimise our environmental and social impact through improved **usage** of procured products and services;
3. Enhance our relationships with our suppliers by engaging them on how we can work together to achieve this; and
4. Where appropriate, provide feedback to our suppliers about their own environmental and social performance and assist them to make improvements;

The following **principles** will guide the way we will work to meet our objectives and how we engage with our suppliers:

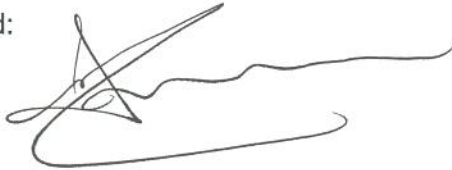
- We will focus will be on suppliers which have the largest environmental/social footprint by virtue of the size of our expenditure and/or impact (i.e. specific and identifiable environmental and/or social impacts regardless of size of expenditure);
- Whilst this policy applies to all ANZ businesses and suppliers, consideration will be made for small to medium enterprises (SME) to ensure that our assessment process does not place them at a disadvantage in doing business with ANZ;
- Identified procurement and category standards will include prioritised environmental and social requirements;
- We will integrate appropriate supplier sustainability performance assessment criteria and weightings into our normal procurement and evaluation procedures;
- We will adopt a pragmatic approach to encouraging and influencing our suppliers to improve their sustainability practice;
- As required, we will establish Sustainability Action Plans with our key strategic suppliers and monitor their progress over time;
- We will review this policy and associated procedures on a regular basis and consult with our stakeholders in this process;
- We will verify, using external assessors, our performance against this policy and its objectives;
- We will monitor and report where appropriate the environmental and social outcomes achieved from the application of our policy across our operations; and

- We will report on our progress in implementing this policy to the Corporate Responsibility Council, the Board of Directors and publicly to our key stakeholders on an annual basis.

### **Accountability**

- All ANZ businesses have shared responsibility for integrating the provisions of this policy into their decision-making.
- In recognition of the need to support ANZ businesses in their decision-making, OTSS Sourcing Alliances is charged with the overall accountability for developing a coordinated and integrated approach to implementing this policy across ANZ.

Signed:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

David Cartwright - Group Managing Director for Operations, Technology and Shared Services

Date: 25<sup>th</sup> June 2008