

INFORMATION ABOUT ANZ'S HYDROELECTRIC POWER POLICY

OVERVIEW

ANZ is committed to sustainable development and to supporting customers that share our values.

We recognise that hydroelectric power has an important role to play in supporting social and economic development and delivering energy security throughout our region.

Our Hydroelectric Power policy guides decision-making relating to transactions that impact on water demand, supply and utilisation; and that will contribute to energy security and economic development, while minimising social and environmental impacts.

Our policy has been developed in consultation with our customers, NGOs, governments, industry and sector experts.

We have developed this policy to meet our objectives of being a responsible business and to support our customers to continuously improve their social and environmental performance.

ANZ'S APPROACH

Our commitment to sustainable development includes evaluating the economic, social and environmental impacts of decisions we make. Decision makers and our customers must have awareness of the impacts of infrastructure development and water use on the environment and on communities.

Our Hydroelectric Power policy adopts a principles-based risk framework which is applied to decision-making in related transactions. 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*
- *ANZ supports and encourages customers to adopt management practices to continuously improve their social and environmental performance*
- *ANZ supports 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's approach to decision-making on water issues is based on the concept of stewardship across the water management cycle*

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 and to ensure an environmental and social impact assessment is undertaken to inform the operational, environmental and social management requirements. The policy also applies more stringent requirements and demonstration of appropriate practices for particular high impact activities or where specific adverse issues have the potential to arise. This will include commissioning our own independent assessment of the operation.

ANZ expects hydroelectric power customers use, or migrate towards, internationally accepted and best practice management techniques and technologies. Our Hydroelectric Power policy applies in all regions where we operate and covers all products and services that we provide to our business customers.

Our super-regional strategy commits us to growth in countries with varied energy needs, and diverse water quality, demand, access, security and management issues.

Individual government policies may establish different economic, social and environmental objectives and we take these objectives into account when applying our policy.

ENCOURAGING WATER STEWARDSHIP

ANZ's Hydroelectric Power policy commits us to support customers in adopting cost-effective water use efficiency, recycling and reuse initiatives in all activities across the water cycle including water supply, water usage and water treatment.

SUPPORTING COMMUNITIES

ANZ's Hydroelectric Power policy commits us to supporting customers to work with communities impacted by infrastructure projects. We engage with our customers and encourage them to develop appropriate social management approaches to minimise the potential impact of hydroelectric power projects on communities.

ANZ expects customers to implement appropriate stakeholder engagement strategies and plans to deal with environmental and social issues associated with their activities.

CONCLUSION

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

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