

ANZ Banking Group
UN Global Compact
Communication on Progress
May 2013 – May 2014

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HUMAN RIGHTS

1. Description of the relevance of human rights for the company.

Our human rights standards, *Respecting people and communities*: ANZ's approach to human rights, guides the way we treat our employees, promote a culture of respect with our customers and suppliers and contribute to the communities in which we operate. These standards are available to all ANZ employees in five languages: English, Bahasa Indonesian, Vietnamese, Chinese and Taiwanese. Our standards take account of the United Nations Principles on Business and Human Rights.

Our standards are supported by our [Code of Conduct and Ethics](#), and a number of Group-wide policies and internal training programs which aim to protect and promote human rights. Our approach includes support of the UN Global Compact and OECD Guidelines for Multinational Enterprises and the application of external standards such as the Equator Principles to all project finance transactions.

Specific business and functional areas have responsibility for ensuring we have policies and systems in place to identify and manage our human rights impacts. For example, our Reputation Risk Committee (an ANZ Management Committee) plays an important role in the identification and remediation of human rights issues in our business dealings. In addition, we have embedded our standards into everyday business through many of our *People* policies.

ANZ provides training and education on our standards to employees in key business areas. We also work with other stakeholders – including customers, business partners and suppliers - to encourage their support for our approach and standards. We seek to incorporate them further into our business practices, through communications, contracts, agreements and due diligence processes.

Our human rights standards were developed in consultation with stakeholders, including external subject matter experts, shareholders, NGOs and employees. During the engagement and development process, our stakeholders consistently asked us to ensure that our approach to human rights was 'more than words', and that our commitments would be embedded in our policies, processes, actions and decisions.

Each year, we set public [targets](#) and report progress on a Group-wide program of work to respond to the most important sustainability risks and opportunities for our business. These targets support our business strategy and the long-term commitments set out in our Corporate Sustainability Framework (the CS Framework). Since October 2013, our CS Framework has focussed on 'Enhanced Value' – areas of the sustainability agenda distinctive to ANZ – and five 'License to Operate' areas we consider essential to a large company operating in a sustainable, responsible and ethical way. Our three priority areas of 'Enhanced Value' are:

- Sustainable development – integrating social and environmental considerations into business decisions, products and services to help customers achieve their sustainability ambitions and deliver long term value for shareholders;
- Diversity and inclusion - building the most diverse and inclusive workforce of any major bank in the region to help ANZ innovate, identify new markets, connect with customers and make better, more informed decisions; and
- Financial inclusion and capability – building the financial capability of people across the region to promote financial inclusion and progression of individuals and communities.

Our 'Licence to operate' commitments cover our customers, people, communities, suppliers and the environment.

Human rights issues are relevant to a number of the targets supporting the CS Framework, particularly with respect to the Sustainable Development and Diversity and Inclusion targets (discussed below).

(Note: Due to ANZ's reporting year being 1 October-30 September, final progress against our 2014 targets will be delivered in next year's Communication on Progress. Accordingly, end of year performance against 2013 targets is discussed in this document, unless otherwise noted.)

2. Description of concrete actions to implement human rights policies, address human rights risks and respond to human rights violations.

Over the past year, we have continued to increase our understanding of human rights issues across the bank, in particular, by reconsidering their application in our Sensitive Sector Policies. We use these policies in assessing finance applications from the Energy, Extractives, Forests and Forestry, Hydropower, Water and Military Equipment sectors (note that a policy for this last sector was finalised earlier this year). They ensure that social and environmental considerations are incorporated into our financing and lending decisions. All International and Institutional Business (IIB) and Commercial employees who have approval to make lending decisions must undertake an online Social and Environmental Risk training program. This training covers the CS Framework, our Sensitive Sector Policies and our approach to human rights. It also provides guidance on identifying and escalating potential issues to the Reputation Risk Committee (an ANZ Management Committee).

Employees from our IIB Division also participate in our Sustainability Leadership program, offered in partnership with WWF-Australia. The training enables our people to make more informed decisions, with course content focused on awareness of social and environmental risk and opportunities and how to apply our Sensitive Sector Policies. During 2013, 392 employees from our IIB Division completed our Sustainability Leadership program, against a target of 200. In 2014, we set a target to train an additional 250 IIB employees in this

program – to date, 163 employees have been trained and we are on track to meet the target by year end.

We also committed this year to undertake a comprehensive review of our Sensitive Sector Policies, and two policies, Energy and Extractives, will be reviewed over the coming months.

Alongside our work to progress these Sustainable Development priorities, other supporting work includes:

Promoting respect for our employees

- We have established occupational health, safety and wellbeing plans for all countries across our region and we have established Health and Safety Committees in Australia, New Zealand, India, Singapore, Hong Kong, the Philippines, the United Kingdom, Fiji and some of the Pacific islands.
- We continue to provide education and employment opportunities for under-represented and disadvantaged communities. For example, in 2013 we employed an additional 92 Indigenous Australian trainees in our retail network and an additional 58 Indigenous candidates were successfully recruited to roles in ANZ. ANZ also participates in the Given the Chance Refugee Employment program, which provides refugees in Australia with skills and experience to enter the workforce. As at end FY2013, 67 refugees had taken part in this program, with an additional 14 refugees employed through the program so far this year.
- We continue to encourage our employees to pursue development opportunities through volunteering and mentoring.
 - ANZ executives and senior managers across our business participate annually in the Willing and Able mentoring program. This program matches job seekers (or tertiary students) with a disability with a mentor in leading organisations in the job seeker's field of interest.
 - We maintain our Abilities Buddy program, which provides one on one support to new employees with a disability, helping them to settle into the organisation.
 - We continued our volunteer program giving all employees globally one day of paid leave for volunteering per annum. In 2013, ANZ employees contributed 89,289 volunteer hours to a wide range of initiatives, projects and not-for-profit organisations.

Promoting respect for our communities

We support relevant community causes and organisations through our GIVE program, which stands for Giving, Investing, Volunteering and Emergency.

- In 2013, \$15.1 million¹ was donated to charities through ANZ's various community giving programs (including around \$900,000 donated to emergency relief and recovery efforts).
- We contributed \$5 million to our financial education and savings programs – MoneyMinded, Saver Plus and MoneyBusiness.
- ANZ also supported our customers experiencing financial hardship, including those impacted by natural disasters, by waiving fees and providing fee free accounts. This support equated to more than \$50 million, bringing our total community contribution and customer support to over \$65.1 million.

[View a breakdown of our community investment over the 2013 reporting year in our Corporate Sustainability Review.](#)

Promoting respect for our customers

- Over the past year, ANZ's Customer Connect hardship team has been transformed, becoming one of the leading financial hardship programs of Australian banks. ANZ now has a dedicated [financial hardship website](#).
- We have in excess of 3,300 audio enabled ATMs to allow visually impaired customers to listen to an audio translation of information as it appears on the screen.
- New ATMs also allow for wheelchair access with the screens and keypads a maximum distance from the ground. We avoid locations that have stairs-only access.
- All features of our popular mobile phone banking application, goMoney™ are accessible to people with a disability, with voiceover technology available on iPhone, iPod and Android applications. More than 1.1 million customers are now registered to use ANZ goMoney™, with 53 million transactions valued at more than \$29 billion conducted in 2013.
- Across our region, we continue to improve the accessibility of our products and services for people with disabilities and non-English speaking customers by using adaptive technology, including screen readers and Braille displays for the visually impaired.
- ANZ is also committed to ensuring that all future projects will be evaluated from an accessibility standpoint: and that web sites and browser based applications are compliant with the latest Web Content Accessibility Guidelines, (also known as WCAG 2.0).

Raising education and awareness of our human rights standards across our business

We use our internal communications channels to encourage employees to take responsibility for respecting and promoting human rights as they go about their everyday business. Practical actions include:

- Welcoming and listening to the opinions of others;
- Providing forums for all views to be heard;
- Encouraging diversity and equal opportunity in our workplace; and

¹ All currency is in Australian dollars (AUD)

- Contributing to a safe and healthy working environment.

3. Description of how the company monitors and evaluates performance.

All of our employees are encouraged to provide feedback on our human rights commitments or performance through our annual employee survey, 'My Voice', and through our on-line 'CEO Chat' feedback forum.

Should employees wish to raise a concern about our commitment or performance in respecting human rights they are encouraged to do so using the escalation process detailed on our Intranet (accessible by all employees). All employees, contractors and consultants are able to report concerns about conduct, practices or issues without fear of reprisal, dismissal or discrimination under our Whistleblower Protection Policy.

Performance against all of our CS Framework targets is monitored by the Corporate Sustainability and Diversity (CSD) Committee (an ANZ Management Committee). This Committee is chaired by ANZ's CEO. Our progress is communicated publicly through our monthly CS e-bulletin, as well as interim and full-year CS reports. End of year performance against these targets is assessed as part of our audit and independent assurance program.

LABOUR

1. Description of the relevance of labour rights for the business.

ANZ employs more than 47,000 people. Most of our people are based in Australia and New Zealand, and our workforce is increasing in the Asia Pacific region. We also have employees in the UK, Europe, the Americas and the Middle East. Most of our workforce is full-time (85%), with 13.2% part-time and 1.8% casual.

The success of our super regional strategy depends on us having an engaged, diverse and inclusive workforce; employees who deeply understand and connect with their colleagues, our customers and communities, wherever we operate.

We aim to create a working environment that is supportive of our employees - an environment based on our values. Integral to this are policies and programs which promote a culture of respect for our people. This means:

- Ensuring that we attract and retain the best people and reward them fairly for their contribution. Read more about our approach to:

- [Remuneration and benefits](#)
 - [Recruitment, retention and turnover](#)
 - [Engagement](#)
- Providing opportunities to build new careers, and enabling our employees to grow in their roles. Read more about our approach to:
 - [Leadership and talent](#)
 - [Learning and development](#)
 - [Graduates](#)
 - Supporting an inclusive workplace where employee differences, such as gender, age, culture, disability and lifestyle choice are valued and the physical, emotional and financial wellbeing of our people is promoted. Read more about our approach to:
 - [Respecting and promoting human rights](#)
 - [Diversity](#)
 - [Flexibility](#)
 - Fostering a safe work environment where employees' wellbeing is promoted and ensuring that we have clear mechanisms in place to support offshoring and respond to any grievances. Read more about our approach to:
 - [Health, safety and wellbeing](#)
 - [Workplace relations](#) (which outlines our approach to communication and dispute resolution and freedom of association)
 - [Offshoring](#)

Labour principles are also relevant to ANZ in respect of our Sensitive Sector Policies. Our financing decisions take into account prospective and current customers' performance on issues such as forced labour and child labour.

In addition, through our Supplier Code of Practice, we expect all of our suppliers, contractors and consultants to meet our standards on:

- Workplace relations: fair and reasonable management of employees, freedom of association, support for disadvantaged and under-represented members of the community, adherence to international standards and domestic regulations relating to the employment of children, and no tolerance of forced or compulsory labour; and
- Occupational health and safety: a safe working environment, compliance with relevant laws and a documented Health & Safety Management System referencing OHSAS 18001 or similar.

2. Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations.

Each year we engage with key stakeholders, including our employees, to understand the material issues that are important to our business. This process then informs the development of our Group-wide CS Framework targets and guides our external reporting. These targets build on our commitment to promoting respect for our people and communities, specifically: improving health and safety in the workplace; improving workplace diversity; and improving employee engagement.

Our most recent stakeholder engagement activities are described in our [2013 Corporate Sustainability Review](#). The links in section 1 above also contain information regarding actions taken in respect of labour related issues over the past year.

In April 2014, the NGO Oxfam alleged ANZ had financed 'land grabs' that caused human rights issues in some developing countries in Asia and the Pacific.

When such claims are made our approach is to first raise the allegations with customers. When necessary, we support and encourage customers to make ongoing improvements in their social and environmental performance. We have exited customers when they have failed to work collaboratively on credible and time-bound performance improvement plans.

ANZ has been involved in an extensive dialogue in Australia and, in particular, Cambodia, to hear the concerns of NGOs and encourage direct dialogue between our customer and stakeholders.

In 2013, 300 suppliers across IT, HR and Travel categories were screened against ANZ's Supplier Code of Practice, with 41 identified as potential higher risk. Work is now underway to review their policies and agree actionable remediation plans.

3. Description of how the company monitors and evaluates performance

As noted above in relation to human rights, our employees are encouraged to provide feedback on our performance through our annual employee survey, [My Voice](#) and through our on-line CEO Chat feedback forum. All employees, contractors and consultants can report concerns about conduct, practices or issues without fear of reprisal, dismissal or discrimination under our Whistleblower Protection Policy.

It is our policy to monitor compliance against our most material suppliers with our Supplier Code of Practice through our Operational Contract Management (OCM) framework and in 2013 we commenced risk screening by a third party. Where significant risks are identified as a result of screening, suppliers are asked to self-assess compliance with the Code. Self-assessments are reviewed and where needed, we work with suppliers to develop remediation

plans. We enable suppliers reasonable time to develop credible remediation plans before reviewing our relationship with them. In 2014, we have a target to screen our most material suppliers, as identified by our spend and suppliers' potential risk, and as at end May 2014, 3,336 suppliers have been screened.

As discussed earlier, we maintain sensitive sector and reputation risk policies for high risk sectors. We provide credit and specialist advisory teams to support staff assessing clients' social and environmental risks. A specialist function within the IIB business acts as a 'help-desk' on social and environmental issues. The Head of Social and Environmental Risk provides advice to the business as part of the standard credit risk process. The Sustainable Development function administers our sensitive sector policies, provides training and information on risks and supports the business.

Our Code of Conduct applies to everyone who works at ANZ, including employees (both permanent and temporary), contractors and consultants, and covers labour related issues such as equal opportunity, bullying and harassment, conflicts of interest and work expenses.

Compliance with the Code is embedded in ANZ employment contracts, recruitment and performance management activities. To help our employees in applying the principles of the Code, we have developed a training course, called 'Living the Code' – all employees are required to complete this course annually. In 2013, 62,974 people working with ANZ completed the training program.

Breaches of operational, regulatory and compliance requirements are tracked using an online reporting system and case management, with corrective action closely monitored until closed. All breaches are reported annually to our Governance Committee (an ANZ Board Committee) and form part of regular risk reporting to the Operational Risk Executive Committee (an ANZ Management Committee) and compliance is monitored by Internal Audit.

ENVIRONMENT

1. Description of the relevance of environmental protection for the company.

ANZ is committed to managing and reducing the environmental impact of our activities. We acknowledge that we have an impact on the environment:

- Directly, through the conduct of our business operations, e.g. the energy consumed in our corporate offices, data centres and retail branches;
- Indirectly, through the products and services we provide to our customers, e.g. lending to finance our customers' operations; and
- Indirectly, through the products and services we procure, e.g. the technology and equipment we purchase to run our business.

Our Environment Management System (EMS) provides a structured approach to assessing how our operations impact on the environment, enabling us to set targets to improve performance. Additionally, the EMS governs how we measure and report on progress.

We currently monitor, set targets and report progress twice yearly on a number of impact areas, including: energy, greenhouse gas emissions, water, paper and resource efficiency in Australia and New Zealand (see section 2 below).

Our most significant environmental impacts are generated by the customers we support. As discussed earlier, ANZ applies environmental criteria to its lending decisions, especially in sensitive sectors. We are also a signatory to the Equator Principles, and have thereby committed to fund only new projects that can be developed and operated according to sound environmental and social standards. The Equator Principles are complementary to ANZ's Sensitive Sector Policies.

As ANZ operates in 33 countries, we have an extensive supply chain that comprises more than 15,000 suppliers, including 5,000 in Asia Pacific. Through the procurement of goods and services we have the opportunity to influence the environmental performance of our supply chain. Our approach is to identify the areas of greatest spend and understand which have the most significant environmental impact. In partnership with our suppliers and the industry, we formulate strategies to minimise these impacts wherever possible.

2. Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.

Over the past year, we have continued to focus on reducing the size of our environmental footprint across our operations.

Highlights from our 2013 Environmental Reduction performance include:

- **Energy** - Energy use across Australia and New Zealand operations including corporate offices, retail branches and data centres remained relatively steady from 2012-2013 despite significant growth in data centre consumption. We partially offset this by reducing energy consumption in our corporate offices and retail branches through direct investment and operational efficiencies.
 - Australia – Electricity consumption across retail branches and commercial offices reduced by 11 percent and 2 percent respectively against the baseline year (2011). We achieved this through direct investment and operational efficiencies. For example, in our Australian corporate offices, we invested \$1.2m in energy efficient lighting across four commercial offices this year, with 30 percent savings in energy worth around \$0.3m per year. However, the growth in data centres associated with increased online

transactions and an ongoing commitment to ensure we provide a reliable, fast and secure service to our customers led to an increase in energy consumption from data centres. This resulted in the energy target for Australia not being achieved in 2013.

- New Zealand – We met our 2013 interim energy target for New Zealand and are on track to meet our 2014 target. Energy consumption across retail branches, commercial offices and data centres reduced by 5 percent against the baseline year (2011). Initiatives contributing to this included reducing after hours energy use, installing energy efficient lighting, operational improvements across the retail branches and optimising cooling settings at the data centre.
- **GHG (Greenhouse Gas Emissions)** - While we have decreased absolute GHG emissions since our 2011 baseline year, we are currently tracking behind our 2014 GHG target for Australia. We have achieved a 7 per cent reduction in Australia and 2 per cent reduction in New Zealand. However, we are not currently on track to achieve the targeted 12 percent reduction in Australia by 30 June 2014. The main contributing factor to this is the increased energy usage associated with the data centres. In 2014 we will explore opportunities to reduce greenhouse emissions, particularly in Australia as our largest market and with a key focus on data centres and ongoing sustainable travel reductions.
- **Travel** – Our significant business travel impacts include flights and our vehicle fleets.
 - Air travel: GHG emissions from global air travel is down approximately 18 per cent against the 2011 baseline. This represents approximate savings of more than \$12m across our global operations. Implementation of video conferencing technology across our corporate offices is enabling our employees to meet virtually, reducing the need to travel and related costs. A focus on minimising non-customer-related travel has also contributed to this result.
 - Vehicle Fleet - In 2012 we mandated the transfer to four cylinder vehicles as standard in our vehicle fleet across Australia and New Zealand. The continued roll out of this program in 2013 combined with minimising non-essential business travel has resulted in a significant reduction. We met our target by saving approximately 9 per cent in fuel usage across Australia and New Zealand – representing more than 350,000L of fuel saved, worth over \$0.6M (AUD).
- **Paper** - Customer and office paper from business as usual operations across Australia and New Zealand is down by approximately 900 tonnes - equivalent to 180m sheets of A4 paper or an estimated 15,000 trees. This does not include the paper used to support a one-off re-branding exercise in New Zealand that resulted in us not meeting our Paper reduction target in New Zealand. However, the trend in paper usage is consistently down as we continue our program of introducing on-line customer statements as well as the use of innovative print technologies such as 'Follow You' printing in corporate offices. Follow You printing reduces waste or unnecessary printing

by requiring employees to swipe identification cards to trigger the printing process. This also reduces the number of printers required as employees can print from any printer across the office. Initiatives such as these are proving successful as they also deliver cost savings estimated at more than \$2M (AUD) per annum. We have also expanded our use of carbon neutral paper in Australia, as certified under the National Carbon Offset Standard (NCOS), in collaboration with our paper supplier.

- **Waste** - In 2013 we proactively engaged with waste management contractors to maximise waste recovery and recycling and conduct bi-annual waste audits. We also continued to reinforce recycling programs across our offices and retail branches. Across New Zealand and Australia we have reduced waste to landfill by more than 20 percent.
- **Water** - Continued monitoring of our water usage in commercial buildings enables us to minimise our water consumption. In addition, we have now established a baseline for water use at retail branches which will be used to inform water targets.

Further information about our targets and current performance, and new initiatives, can be accessed below:

- [Energy](#)
- [Carbon](#)
- [Water](#)
- [Paper](#)
- [Resource Efficiency](#)

3. Description of how the company monitors and evaluates environmental performance.

We are continuing to improve the measurement and reporting processes that enable us to track performance against environmental targets. The implementation of an online environmental reporting system across our global business in 2013 has enabled us to establish a Group-wide baseline for our energy use and associated GHG emissions with improved granularity to set targets for future global reductions.

Progress against all of our environment targets is monitored by the Corporate Sustainability and Diversity Committee and the Governance Committee of the Board. Progress is also communicated through our monthly CS e-bulletin, and interim and full-year CS reports. All statements of progress against our environmental targets are assessed as part of our audit and independent assurance programs.

We commission independent assurance of all of our environmental data each year and our [assurance statements](#) are available online.

ANTI-CORRUPTION

1. Description of the relevance of anti-corruption for the company.

As noted earlier, all ANZ employees (temporary and permanent), contractors and consultants to ANZ are required to comply with our Code of Conduct and Ethics and supporting policies, which include our global Anti-Bribery and Anti-Corruption Policy.

All employees, contractors and consultants are required to act honestly and with integrity, manage all conflicts of interest, and report any suspicious activity using ANZ's escalation process, published on our intranet.

The ANZ Essentials course 'Preventing fraud, bribery and corruption' is mandatory for all new employees and must be revisited by all employees, contractors and consultants every three years. In 2013, over 31,745 ANZ people completed the course.

ANZ's Anti-Bribery and anti-corruption program

Any acquisitions (including joint ventures) that ANZ undertakes are governed by our Anti-Bribery and Anti-Corruption policies. This necessitates thorough due diligence to provide reasonable assurance that any target business is not involved in any bribery or corruption. We encourage our partners (such as suppliers and service providers) to adopt and maintain similar conduct and ethics principles.

Our policies have been developed in line with international best practice and in consideration of all relevant fraud, bribery and corruption laws in each of our countries of jurisdiction.

Our Anti-Bribery Policy prohibits employees, officers, agents and representatives of ANZ from offering, promising or providing bribes directly or indirectly through third parties, in any form.

Charitable and political donations are commonly considered 'high risk'. Our Code of Conduct and Ethics describes appropriate employee behaviour in respect to gifts, donations and sponsorships. This is covered in the specific clause: '*We do not make or receive improper payments, benefits or gains.*' This is further supported by our Anti-Bribery policy which describes in detail the thresholds for reportable donations and the need for staff to record donations, gifts and contributions in appropriate registers.

We have clear guidelines and procedures that all employees are required to follow including obtaining '*proper approval for, and properly record any donations, sponsorships, charitable contributions, gifts and entertainment you accept from, or give to, a third party on behalf of ANZ.*'

- Our Political Donations policy sets out ANZ's guiding principles for public policy advocacy and political donations, and requires that any political donations are publicly disclosed each year in our annual report. Our Anti-Bribery policy states that all political donations require approval of the CEO.
- Our Corporate Responsibility Expenditure Guidelines require any donation/sponsorship expenditure to be aligned with one or more of the following five priorities, and submitted for approval via an online tool;
 - Education and employment for the disadvantaged
 - Helping bridge urban and rural economic and social divides
 - Financial capability
 - Responsible practices
 - Urban sustainability

For any new expenditure request, the following details are required: the full name of the initiating employee, full details of the recipient and a declaration from the initiating employee of any personal relationship with the recipient.

Our Fraud and Corruption Policy sets out: the requirements for governing fraud and corruption risks; guidance in roles and responsibilities of ANZ employees; and emphasises the need for strong internal processes for identifying and managing emerging fraud and corruption risks. The policy also strengthens reporting thresholds for internal fraud to include allegations; and streamlining channel fraud thresholds and exceptions.

As part of our Fraud Risk Management Strategy, and in addition to the mandatory online training modules, Divisional Fraud and Investigation Managers are required to facilitate further fraud and corruption awareness seminars with targeted groups of personnel.

Under our Supplier Code of Practice, all suppliers are required to demonstrate compliance with all local and international regulatory requirements with regard to bribery, corruption and prohibited business practices.

2. Description of the concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

In addition to the actions described above, in the past year we have launched a Customer Fraud Awareness pack aimed at improving fraud awareness amongst our commercial customers. Available in English, Mandarin, Bahasa and Vietnamese, the pack was distributed to all commercial customers in each of our markets. The pack helps customers identify key risks to their business, therefore reducing flow-on costs to the bank through reducing potential operating losses.

Our Code of Conduct and Ethics is reviewed annually. Annual testing of the controls that support the Code and supporting policies are undertaken as part of our financial reporting governance program, and the results are made available to ANZ's independent external auditor, as part of their audit of the ANZ's consolidated financial statements.

3. Description of how the company monitors and evaluates anti-corruption performance.

Compliance with our Code of Conduct and supporting policies forms part of all employment contracts and the assessment and management of employee performance. Disciplinary action can result from an employee's failure to comply with the Code and its supporting policies. ANZ's Performance Improvement and Unacceptable Behaviour Policy provides a framework to guide and assist line managers to apply appropriate levels of disciplinary action where unacceptable behaviour, including misconduct, has occurred. This policy and supporting information is referred to in employment contracts and available to all employees via the ANZ intranet.

We report breaches of the Code and supporting policies using our Bank-wide Operational Loss Database (BOLD) which acts as a case management system ensuring all incidents are appropriately managed. All breaches of the Code are reported annually to the Governance Committee and form part of regular risk reporting to the Operational Risk Executive Committee.

In 2013, there were 1,148 alleged breaches of our Code of Conduct and Ethics Policy Framework investigated across the Group, compared with 1,828 in 2012. We believe increased awareness of the boundaries for behaviour acceptable under the Code contributed to a decrease in alleged breaches.

The majority of alleged breaches (1,091 cases or 95 percent) related to relatively minor breaches, such as the misuse of ANZ systems, including inappropriate use of email or the Internet. Others related to actions such as failing to manage conflicts of interest or misuse of private or confidential information. A very limited number of breaches were in direct conflict with the law. Breaches of the law are referred to relevant legal authorities as appropriate. In 2013, two investigations were undertaken in relation to allegations of bribery, corruption and improper payments. These allegations were substantiated, resulting in the dismissal of four people.