

Suppliers Factpac

Suppliers

Westpac recognises that the actions of our suppliers are increasingly important factors in our sustainability performance and suppliers should be viewed as partners in our sustainability journey. Our overall approach is set out in our Sustainable Supply Chain Management (SSCM) Framework available online at: <http://www.westpac.com.au/about-westpac/sustainability-and-community/sustainability-action/suppliers/sscm-code-of-conduct>. As we build on our existing practice, we are moving towards more strategic and transformational ways of engaging with our supply chain. This will lead to greater sustainable impact with benefits for both us, our suppliers, our customers and our communities.

Through our SSCM program we commit to proactively seeking to better understand and manage risk and opportunity in our supply chain, by establishing our expected standards of ethical, social and environmental business practices required for suppliers through Westpac's SSCM Code of Conduct. The SSCM Code of Conduct is implemented through SSCM assessments, action plans and contractual clauses.

We also undertake external and internal validations to verify our suppliers' operational practices to ensure the integrity of the SSCM process. Apart from supply chain spend, the information reported below does not reflect New Zealand or Pacific SSCM practices.

Total supply chain spend

	2014 \$bn	2013 \$bn	2012 \$bn	2011 \$bn	2010 \$bn
Australia	5.37	4.88	4.22	4.61	4.39
New Zealand	0.50	0.48	0.37	0.36	0.40
Pacific Banking ¹	0.02	0.02	0.01	0.02	0.01

¹ Includes only spend captured through Group reporting systems. Excludes in-country spend.

Sustainability action plans¹

	2014	2013	2012	2011	2010
Number completed	20	39	32	12	19
Number agreed to and in progress	64	63	94	59	42
Number pending	9	11	7	34	11

¹ Does not include actions for WNZL suppliers. The upward trend is attributable to an active monitoring program implemented at the end of 2010.

Self-assessment of top suppliers against SSCM¹

	2014 %	2013 %	2012 %	2011 %	2010 %
Top suppliers self-assessed	100	98	94	92	86
Associated spend self-assessed	100	100	99	99	98
Self assessed suppliers as % of total supply chain spend ²	73	73	76	75	69

¹ Top suppliers defined as: top 150 in 2010–2012; top 80 in 2013 and 2014. 2014 includes suppliers transitioning to new SSCM assessment system.

² Suppliers in our top 700 by spend.

Supplier validations – validations to ensure the integrity of Westpac Group's SSCM Policy

	2014	2013	2012	2011	2010
Westpac validation including onshore and offshore vendors (number of suppliers) ¹	18	66	59	25	24
External validation (cumulative % of top suppliers including onshore and offshore vendors) ²	14%	11%	8%	10%	7%

¹ Westpac validation figures in 2013 have been revised to ensure consistency in calculations.

² Cumulative percentage of validations of top suppliers (validations expire after 3 years).