



What's
important
to you is
important
to us.

Meet Di

Agile adopter

“It really is a new way of thinking about work. It’s so much better for me and my team and, ultimately, our customers.”

Di Tuit, who has worked with BT Financial Group for more than 26 years, was among the first of around 10,000 Westpac Group employees to shift into new workspaces along with a new, more agile style of working.

“Our new offices at Barangaroo and the technology are both fantastic, but what’s making the biggest difference is the way we work,” Di said.

“Sitting next to someone new each time I come in means I’m having so many more incidental conversations and building much stronger working relationships. And by sharing our individual insights more broadly, I’m finding we are coming up with better, more creative ideas for our customers.



“I also have much greater freedom to work when and where I want, to get the best results. This is really important to me. It means I can get my job done

well and can also get the kids to rugby, rowing and tennis training in the afternoons, rather than just hear about it at the dinner table!”

About this report

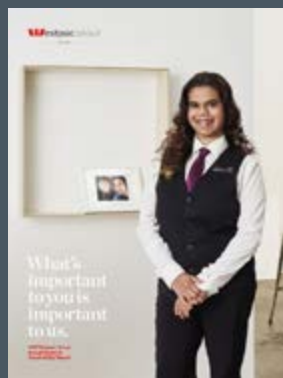
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2015 Annual Review & Sustainability Report

2015 Sustainability Performance Report

2015 Annual Report



This report forms part of Westpac Group’s 2015 reporting suite. It supplements the integrated performance summary provided in the 2015 Annual Review & Sustainability Report with expanded commentary and metrics related to our sustainable business practices. Westpac Group’s full financial statements can be found in the 2015 Annual Report.

This report aligns with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines and the AA1000 AccountAbility Principles Standard, and has been independently assured by Ernst & Young (EY).

What's important.

“Will my children be able to afford their own home, or even find somewhere cheap enough to rent?”

“How can I get advice I can trust to help me have enough money when I retire?”

“Will I be able to keep working for longer? How will I juggle the double load of looking after my ageing parents, as well as my grandchildren?”

“Will the environment be healthy enough for the next generation? If natural disasters get worse, will we be able to cope?”

These issues are among the most important for people as they think about their own, and their family's future.

They are also the very issues which have shaped our 2013–17 Sustainability Strategy.

Throughout this report, we have provided an overview of the issues that are most important to our stakeholders and our business, and the progress we have made in response throughout the 2015 financial year.

Shaping a sustainable future

Westpac Group has outlined a clear vision – to be one of the world’s great service companies, helping our customers, communities and people to prosper and grow. This vision provides the foundation for all our decision-making.

We have set five strategic priorities, refreshed during 2015, towards which we’re focusing our energy and activities right across the bank. We are confident this will set us on the right course to maintain solid short term returns, while positioning us well for the future. Details of our performance against these priorities are contained in our 2015 Annual Review & Sustainability Report.

We also recognise that for our business to prosper over the long term, so too must the communities in which we operate. Over almost two centuries, this view has motivated us to take a

leadership role in tackling emerging issues that we believe will affect the future prosperity of our stakeholders, where we have the skills and experience to make a positive difference.

During the 2015 financial year, we reached the mid-point of our five-year Sustainability Strategy. This strategy is helping to guide and track progress against three priority areas: embracing societal change; environmental solutions; and better financial futures.

The actions we have taken in these three areas have seen us embrace new ways of doing business, continue to examine how we can have a positive impact through our own actions, contribute to debate on the future landscape, and encourage others to do the same.

No.1

2015 Dow Jones Sustainability Index global banking sector leader

OUR VISION

To be one of the world’s great service companies, helping our customers, communities and people to prosper and grow.

CORPORATE STRATEGY PRIORITIES



SERVICE LEADERSHIP



DIGITAL TRANSFORMATION



PERFORMANCE DISCIPLINE



TARGETED GROWTH



WORKFORCE REVOLUTION

SUSTAINABILITY STRATEGY PRIORITIES



EMBRACING SOCIETAL CHANGE



ENVIRONMENTAL SOLUTIONS



BETTER FINANCIAL FUTURES



Detail on our corporate strategy priorities is in our 2015 Annual Review & Sustainability Report.

2015 highlights



EMBRACING
SOCIETAL CHANGE

Details from page 8

Women in leadership
up from 44% to

46%

Indigenous Australians
recruited across Westpac
Group

150

Proportion of employees
using flexible work
arrangements

63%

Employees who have
completed Indigenous
Cultural Awareness training

1,767

Supply chain spend
directed to Indigenous
Australian businesses

\$1.2m



ENVIRONMENTAL
SOLUTIONS

Details from page 16

Lending to CleanTech and
environmental services sector

\$6.1bn

Proportion of total electricity
financing portfolio directed to
renewable energy generation

61%

Office paper use reduced by

**116
tonnes**

Remained

**carbon
neutral**

Total direct greenhouse
gas emissions reduced by

6.1%



BETTER FINANCIAL
FUTURES

Details from page 23

Lending to social and
affordable housing sector

\$1.02bn

232 grants and scholarships
awarded by Westpac Group
foundations valued at

\$4.1m

Employment pathways created
by social enterprises backed
by Westpac Foundation

1,932

Grants and donations
contributed to help
communities recover from
natural disasters valued at

\$500,000

Participants in Westpac
Group's financial literacy
education programs

67,122

The issues that matter

Operating sustainably requires us to constantly respond to the emerging societal issues which create risks and opportunities for our customers, communities and business.

To identify and understand the issues that are most important, we engage with stakeholders in a variety of formal and informal ways as outlined on page 43.

This feedback together with an assessment of industry trends, internal reports and independent research feeds into our assessment of the material issues for our business. Grounded in both the Global Reporting Initiative's G4 guidance and the AA1000 Accountability Principles Standard 2008 this approach informs our strategy and guides our reporting.

During the 2015 financial year, the key issues that underpin our strategic approach continue as dominant themes: customer experience, digital transformation and financial and economic performance. These are coupled with the longer-term

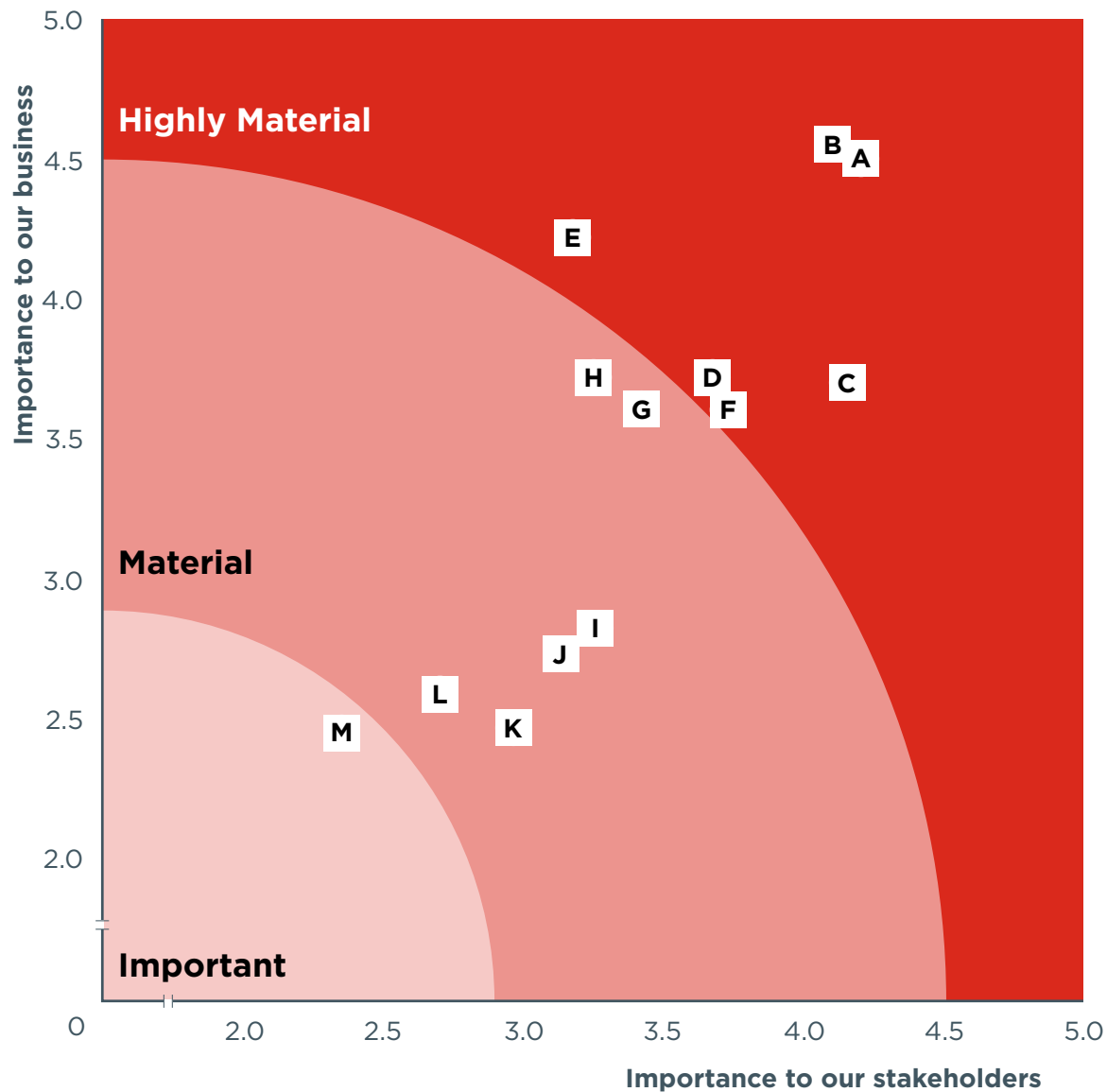
sustainability focus areas of better financial futures, social impact and climate change and environment, as well as the ongoing need to effectively manage sustainability risks.

The issue of regulatory change heightened during the year with the release of the findings of the Financial System Inquiry, as well as increased attention on issues of conduct and compliance. Our ability to attract and retain the right employees and create an organisational culture to deliver our strategy has also elevated in importance. A focus on diversity and inclusion has continued – not just within our workforce but with an increased attention on customers and suppliers.

Each of these issues brings challenges and opportunities, explored in more detail throughout our 2015 reporting suite.

ASSESSING THE ISSUES

Feedback from stakeholders, together with advice from our Sustainability Council (our primary internal governance forum), was used to prioritise our material issues which have been plotted on the matrix below. A description of each, together with the location of our response in our reporting suite, are contained on the following pages.



Highly Material

Issues rated as very high in importance for our business and stakeholders.

- A Customer experience
- B Digital transformation
- C Conduct and compliance
- D Financial resilience
- E Changing regulatory landscape
- F Financial and economic performance

Material

Issues rated as highly important for our business and stakeholders.

- G Talent attraction and retention
- H Culture
- I Social impact
- J Sustainability risk in our value chain
- K Climate change risks and opportunities
- L Diversity and inclusion

Important

Issues rated as important but not material for our business.

- M Health, safety and wellbeing

Customer experience

This includes service leadership, changing customer expectations and changing distribution networks.

Customers' expectations about how and where they access banking services are changing. Their financial needs are becoming more complex, they expect the best advice at a time and place that suits them and want banking to be quicker, more simple and efficient. Our challenge is to remain responsive, build an organisational culture to revolutionise service, and innovate in product design and accessibility.

Read how we are responding in the CEO's report in the Annual Review & Sustainability Report and in this report in 'Embracing societal change' (p.12, 14) and 'Customer performance metrics' (p.49).

- ▲ Customers
- Society – Local Communities

Digital transformation

This includes enhancing our digital systems and services, information security and disruptive business models and technology.

The rapid evolution of technology brings with it exciting opportunities to improve the way we meet customers' changing expectations. It also brings challenges, including the emergence of business models with the potential to disrupt traditional banking; and cyber-crime. Our aim is to embrace this change to benefit customers and employees, while vigilantly protecting the security of the information we hold.

Read how we are responding in the CEO's Report in the Annual Review & Sustainability Report and in this report in 'Embracing societal change' (p.12, 14) and 'Customer performance metrics' (p.49).

- ▲ Employees, Customers
- Product Responsibility – Customer Privacy

Conduct and compliance

This includes responding to conduct risk issues in the banking sector, product responsibility and treatment of distressed customers.

A global regulatory focus on conduct risk together with a number of high profile issues within the financial services sector have led to increased attention on the provision of financial products and services. As our stakeholders' expectations continue to rise, we will stay focused on developing our people, processes and governance to improve the design and monitoring of our products and services.

Read how we are responding in the CEO Report in the Annual Review & Sustainability Report and in this report in 'Better financial futures' (p.28, 30) and 'Employee performance metrics' (p.48).

- ▲ Employees, Customers, Shareholders
- Product Responsibility – Compliance Society – Anti-corruption, Compliance, Product and Service Labelling

Financial resilience

This includes helping our customers to better plan for their future financial needs, including superannuation.

Long-established assumptions about personal wealth creation have changed. An ageing population means wealth creation will increasingly rely on longer term strategies at a time when financial inclusion remains a major challenge for sections of the population. In the Pacific, a major challenge is access to banking and financial literacy. Significant opportunities exist to support better financial resilience for all customers, including new paths of wealth creation, new models of advice and education.

Read how we are responding in the CEO's Report in the Annual Review & Sustainability Report and in this report in 'Better financial futures' (p.27, 28, 30), 'Reconciliation Action Plan' (p.34) and 'Social and economic impact metrics' (p.60, 62).

- ▲ Employees, Customers, Communities

Changing regulatory landscape

The financial sector globally is experiencing significant regulatory and policy change, with governments and regulators remaining focused on ensuring a robust and equitable financial services industry. In Australia, this is illustrated through the Financial System Inquiry's recommendations, APRA's announcements regarding bank capital changes and ongoing reviews into various aspects of the financial system initiated by regulators or parliamentary bodies. Global regulatory changes are expected to continue being highly relevant to Australia's system, as they are gradually interpreted and implemented.

Read how we are responding in the CEO's and Chairman's Reports in the Annual Review & Sustainability Report and in this report in 'Better financial futures' (p.28).

- ▲ Customers, Employees, Communities

Financial and economic performance

This includes delivering value to our shareholders, housing affordability and home ownership, investing in new growth highways and exposure to cyclical downturns.

The global economy continues to wrestle with the legacies of the Global Financial Crisis. In Australia, slowing business investment and falling commodity prices are weighing on the economy. Housing has responded to record low interest rates and a falling Australian dollar has seen a boost in exports of services. Within this context, our focus is to maintain financial returns, while helping address issues such as housing affordability.

Read how we are responding in the CEO Report in the Annual Review & Sustainability Report and in this report in 'Better financial futures' (p.23-25).

- ▲ Employees, Shareholders
- Economic – Economic Performance

KEY

- GRI Aspect
- GRI Boundary: Within
- ▲ GRI Boundary: Outside

'GRI Aspect' is the subject area covered by the GRI G4 Guidelines.

'GRI Boundary' describes where each material aspect impacts in relation to Westpac Group's operations.

Talent attraction and retention

Attracting, retaining and developing the right people will be key to delivering service leadership. This will require creative recruitment strategies and flexible working environments to match the changing expectations of employees.

Read how we are responding in the CEO's Report in the Annual Review & Sustainability Report and in this report in 'Embracing societal change' (p.9-15), 'Better financial futures' (p.28), 'Reconciliation Action Plan Update' (p.33-34) and 'Employee performance metrics' (p.46-48).

- Employees

Culture

This includes organisational culture and risk culture.

Linked to changing customer expectations and the increasing focus on conduct, this reflects the importance of a customer-oriented, high-performing, risk-focused organisational culture. For us it will be an important component in the successful and responsible delivery of our strategy.

Read how we are responding in the CEO Report in the Annual Review & Sustainability Report and in this report in both 'Embracing societal change' (p.14) and 'Better financial futures' (p.28).

- ▲ Employees, Customers, Shareholders

Social impact

This includes helping out in times of need and investing in economic wellbeing and greater prosperity.

As one of the oldest and largest banks in our region, we have an important role in creating positive social impact. This is through community investment and through broader business activities. This includes helping people overcome financial hardship, driving greater levels of financial inclusion, building financial capability, helping to build social enterprise and supporting the financial wellbeing and prosperity of customers.

Read how we are responding in 'Better financial futures' (p.24-31), 'Reconciliation Action Plan' (p.32-38) and 'Social and economic impact performance metrics' (p.59-62).

- ▲ Shareholders, Communities, Employees
- Economic - Indirect Economic Impacts

Sustainability risk in our value chain

This includes sustainability risks in lending and investment and sustainable supply chain management.

As a major financial institution much of our environmental and social impact occurs indirectly via lending and investments and through our supply chain. Many stakeholders have an interest in how we manage these risks and in better understanding our approach to specific issues and sectors, for instance climate change risk, human rights and in sectors like mining and agribusiness.

Read how we are responding in the CEO Report in the Annual Review & Sustainability Report and in this report in both 'Environmental solutions' (p.18-19), 'Fundamentals' (p.40-43), 'Responsible lending and investment metrics' (p.51-53) and 'Supplier performance metrics' (p.58).

- ▲ Customers, Suppliers, Employees
- Product Responsibility - Product portfolio, Audit, Active Ownership, All supplier assessment indicators

Climate change risks and opportunities

Climate change brings regulatory, market and physical risks. The commitment to hold global warming to two degrees above pre-industrial levels now forms the basis of international policy negotiations and national frameworks. As a major financial institution we have an important role to play in supporting the transition to a sustainable economic model aligned to a Two Degree Economy, through our lending and investments, in our operations and through engagement with all of our stakeholders.

Read how we are responding in 'Environmental solutions' (p.16-22) and 'Environmental performance metrics' (p.54-57).

- ▲ Shareholders, Customers
- Economic - Economic Performance and Product Responsibility - product portfolio, Audit, Active Ownership

Inclusion and diversity

The changing demographics in Australia and New Zealand, particularly the ageing of the population, is creating social and economic challenges including skills shortages. We need to think more creatively about how we find, develop and retain employees and tailor our products and services to ensure we are considering diverse customer needs.

Read how we are responding in the CEO's report in the Annual Review & Sustainability Report and in this report in 'Embracing societal change' (p.8-12), 'Reconciliation Action Plan Update' (p.32-38) and 'Employee performance metrics' (p.45-47).

- ▲ Employees, Customers, Community
- Labour Practices - Employment, Diversity and Equal Opportunity, Equal Remuneration for Men and Women

KEY

- GRI Aspect
- GRI Boundary: Within
- ▲ GRI Boundary: Outside

'GRI Aspect' is the subject area covered by the GRI G4 Guidelines.

'GRI Boundary' describes where each material aspect impacts in relation to Westpac Group's operations.

Embracing societal change

Helping improve the way people work and live, as our society changes

The way people live and work is changing. Our population is ageing and becoming more culturally diverse, our economy is undergoing major structural shifts, and many aspects of day to day life are being radically changed by new technologies.

As our customers' lives are altered, so too are their expectations about how and where we serve them. Similarly, our employees' expectations about how, when and where they work are different from just a few years ago.

Given the scale of change underway, we recognise we have significant work to do to embrace these challenges and turn them into opportunities.



FOCUS ON INCLUSION AND DIVERSITY

We believe a fundamental aspect of addressing these challenges is in proactively fostering a workforce that embraces a wide diversity of people – those from different cultural backgrounds, with different life experiences, ages, abilities, genders, sexual orientation, thoughts and perspectives.

The business value of this approach is significant. An employee population that’s more reflective and inclusive of our diverse customer population has greater insight and ability to respond in the most innovative way. It also brings diversity of perspectives which leads to increased engagement and productivity; sparks creative approaches to problem solving; and helps us to attract talented people who may not traditionally have sought roles in banking and finance.

Westpac is already recognised for its strong focus on diversity, reflected in many independent rankings such as the Workplace Gender Equality Agency Citation for Gender Equality. During the year, our emphasis shifted from creating a diverse workforce to creating an environment that is truly inclusive, in which our people feel valued regardless of their differences and are comfortable to bring their ‘whole’ selves to work every day.

We articulated a refreshed approach, strengthened our governance structure with the addition of Inclusion & Diversity Councils in each business division, and made progress against a wide-ranging action plan.

Leaving bias behind

We proactively encouraged senior employees’ participation in training programs aimed at developing inclusive behaviours. These programs recognise a common barrier to progress is often created by people being unaware that their unconscious actions, beliefs and words can have unintended, negative consequences for those around them and the decisions they make. All executive team members and the majority of general managers attended unconscious bias training presented by Melbourne Business School’s Centre for Ethical Leadership.

We also built upon our existing unconscious bias program, which has been in place since 2013, by designing a customised inclusive leadership program which will be rolled out to the top 500 leaders during 2016. In addition, we saw a significant increase in the number of employees completing our Indigenous Cultural Awareness module.

A flexible work environment

Our longstanding commitment to flexible work arrangements – such as working variable hours, from home, or a compressed work week – has cemented flexibility as one of Westpac’s cornerstone people strategies. This is because we know that flexibility drives better productivity, higher engagement and wellbeing, attracts talented employees, and enables some people to work who may otherwise not be able. It also supports a culture of inclusion for employees’ unique lifestyle choices, as well as those with caring, cultural or community responsibilities.

1,767



Total number of employees who have completed Indigenous Cultural Awareness training.

>1,000



Number of employees who participated in LGBTI inclusive language training.

Strategy Scorecard: Embracing societal change

Objectives and Measures	2013	2014	2015	Target by 2017
Ensure our workforce is representative of the community				
Women in leadership (%)	42	44	46	50 ¹
Participation of mature age workers (%)	20.5	20.9	20.8	>20.5
Financial wellbeing of 40+ women (biennial index score out of 11 compared with total Australian retail banking population)	6.38 (total pop. 6.45)	-	6.10 (total pop. 6.41)	On par
Indigenous Australians recruited	103	106	150	500 ²
Extend length and quality of working lives				
Employee mean retirement age (years)	60.6	61.6	61.6	62
Wellbeing average WorkAbility Index (biennial index score out of 49)	41	-	40	44
Anticipate the future needs of ageing and culturally diverse customers				
Initiatives introduced that support the financial wellbeing of ageing and culturally diverse customers (cumulative number)	1	4	5	5

1. Aspirational target.

2. 2015-17 cumulative target, introduced to align with 2015-17 Reconciliation Action Plan.

A recent employee diversity survey indicated more than 63% of employees are now working flexibly and 89% would benefit from flexible arrangements in the next three years. This demonstrates the benefits of flexibility are becoming widely accepted across the Group. However, we recognise we still have work to do to take our flexibility agenda to the next level to create an environment where flexible work practices are considered 'mainstream' and legitimate, and in which people believe they can reach their potential while working flexibly.

To do so, we've introduced a number of initiatives. This included the launch of 'All In Flex', a model whereby we consider that every role, whether existing or potential, is able to be performed flexibly, and will be advertised as such.

Mainstreaming flexible arrangements also requires a shift in thinking, particularly among people leaders, to ensure accountability is shared between the person working flexibly, their leader and their broader team. To support this mindset shift, we have created tool kits, training and forums to encourage people leaders to have conversations with team members to understand their needs in the context of business needs with the aim of creating arrangements that suit both. This is also supported by our workforce transformation program, discussed later.

Around 37% of our employees have caring responsibilities, whether it's caring for children, elderly parents, or family members or friends living with illness or disability. To support these employees to balance their careers and caring needs, we launched Carers@Westpac, a program of regular forums with practical tips and solutions, supported with tools and resources for carers and their people leaders.

Gender diversity and women in leadership

We retained a strong focus on increasing the gender diversity of our employees, particularly in building our pipeline of senior female leaders. A vast range of new and ongoing programs and actions contributed to an improvement in the proportion of women in leadership positions to 46%, up from 44% last year. This brings us closer to our ambitious 50% target by 2017, but we recognise more needs to be done to keep up momentum, create true gender equity and grow the pool of talented women across all areas of the organisation. In particular, we are stepping up our actions, including setting new internal benchmarks, to lift the proportion of women at executive and general manager level, which currently stands at 26%.

We've introduced initiatives aimed at ensuring women make up at least 50% of candidate shortlists for the recruitment of all leadership roles and 50% of our graduate intake. For senior roles, we also aim to have a gender balance within the recruitment interview panels.

We've lifted the bar on the ways we attract, retain and promote high potential women. In addition to proactively seeking an equal balance of men and women on our existing high potential and core leadership programs, we introduced two new programs during the year which aim to attract and accelerate the professional development of our female leaders.

The inaugural round of the Westpac Equilibrium Program started in March 2015. This saw five senior women from industries outside of banking and finance selected to undertake a 12 month, tailored development program at Westpac to arm them with the skills and networks necessary for a successful career as a senior banking and finance leader. An internal program is running in parallel, designed to accelerate the careers of seven talented existing female employees. Early program results are positive, with a number of participants already promoted into new roles and others identified to move into suitable senior positions.

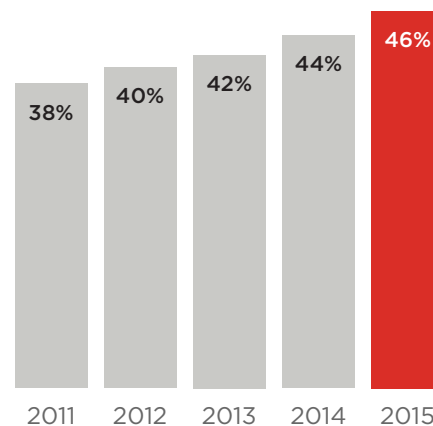
We also introduced Future Female Leaders in Technology, a professional development program specifically aimed at building the pipeline of talented women in our technology division, an area where we have traditionally had a very low representation. As a direct result, many of the program participants have already taken on new or additional leadership responsibilities.

Strong public support for gender equality is fundamental to our ability to make progress and for business more broadly to move beyond the need for target-setting to an environment where true gender equality is achieved. To this end, we supported a number of internal and external advocacy initiatives. This included running the Westpac Women of Influence Awards in collaboration with Fairfax for the fourth consecutive year, as well as our parallel internal program to recognise our own female employees. In addition, during our extensive month-long program of events to mark International Women's Day, our Women's Markets team launched new gender equity research, supported the Young Vagabond & Westpac School Series education program and hosted its third Study Tour for members of the Global Banking Alliance for Women.

Pay equity is a critical component of our employment value proposition and talent strategy around gender equity. Our remuneration strategy is designed to ensure pay is competitive and fair -

Ratio of leadership roles held by women

2017 aspirational 50% target



similar for employees with similar skill, experience and performance, in like roles, irrespective of differences such as gender or work pattern.

Reflecting this position, CEO Brian Hartzler became a CEO Pay Equity Ambassador, joining more than 70 business leaders who have declared their support for ensuring pay equity in their companies under an initiative of the Workplace Gender Equality Agency.

Embracing cultural diversity

We saw a substantial boost in activity directly aimed at improving the prosperity and inclusion of Aboriginal and Torres Strait Islander peoples during the year. This was driven by our refreshed Reconciliation Action Plan, launched in August 2014, which is our most ambitious yet and earned the highest 'Elevate' status from governing body Reconciliation Australia.

During the year, 150 people identifying as Indigenous Australian joined our business, putting us on track to meet our goal to attract 500 additional Indigenous Australians by 2017.

Importantly, we made progress in our work to design tailored development programs to support the long term careers of Indigenous Australian employees. We also made considerable progress in exploring how we can better support greater financial and social inclusion of Indigenous Australians, back more Indigenous Australian businesses, and generate greater awareness and respect for Indigenous Australian culture, history and excellence. Details are in the Reconciliation Action Plan update from page 32.

We've also looked to step up support for employees, customers and communities of Asian heritage. During the year, we established our eighth employee action group, Asian Leadership, to actively build a pipeline of senior leaders with Asian heritage and improve our employees' awareness of Asian cultures.

We also partnered with the China Australia Millennial Project to bring together 200 young innovators from across China and Australia to connect, forge bilateral business ties and tackle challenges common to both countries. Participants gained long-term career benefits including practical skills, greater cross-cultural awareness and valuable networks with international peers.

We continued to hold celebrations to mark significant cultural milestones such as Lunar New Year, Autumn Moon and Diwali, and we improved our policies and the way we welcome new Australians to help reduce the stress involved in starting their new lives.

Building upon our ambition to continue to create an inclusive culture, we became a signatory to the Australian Human Rights Commission's 'Racism. It Stops With Me' campaign.

Inclusion for all

A number of initiatives were introduced during the year aimed at creating a more inclusive environment, in particular for mature aged people, those living with disability, and people who identify as lesbian, gay, bisexual, transgender or intersex (LGBTI).

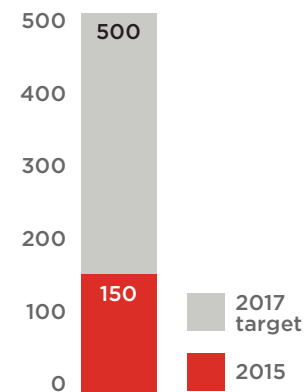
Recognising that the ageing of our population means more people have a greater reliance on making retirement income streams last longer, we rolled out training for our bankers at all branches to improve conversations with customers in their 'prime of life'. We also explored new ways to help customers better understand their financial position as they head towards retirement and to make superannuation more accessible and easier to understand for customers. For employees, we continued to hold workshops to help those aged over 50 to better prepare for their next career step or plan their transition to retirement.

At the other end of the spectrum, the market for talented young people remains highly competitive and the expectations and working styles of 'millennials' are different from previous generations. Westpac's internal Youth Network employee action group continued to lead a number of initiatives to engage our population of people aged 30 years and under. This included supporting a small group of young leaders to join around 1,300 others from 200 countries to participate in the One Young World international summit, with the most recent held in Dublin and Thailand. Career benefits included practical professional development and network building opportunities.

To create a more inclusive environment for people with disabilities we incorporated best practice design in our new corporate workplaces, particularly the new office towers at Melbourne's Collins Street and Sydney's Barangaroo and Kogarah. Design features include accessible turnstiles and movement paths, fully programmable lifts allowing audible and visual markers to be individually coded, hearing loops at reception desks and meeting rooms with in-built hearing augmentation systems.

Our employee led ABLE Accessibility Action Group has also worked closely with our product design teams to create new banking apps for smart watches that consider the needs of customers with sight and hearing impairments. Our holistic approach and range of initiatives were recognised with Australian Human Resources Institute's 2014 Disability Employment Award.

Indigenous Australian people recruited by Westpac since setting our 2017 goal



The rapid rise in rates of people affected by dementia, either directly or indirectly, was identified as an important issue for us to understand and address. In New Zealand, a dedicated education and training program has been introduced to support employees to best help affected customers in line with Westpac New Zealand's status as a recognised 'dementia-friendly' bank.

Also in New Zealand, we were one of the first companies to be awarded the Rainbow Tick, reflecting the high level of acceptance and comfort of our employees in creating an inclusive environment for LGBTI people.

Other initiatives included an advocacy campaign called 'It Gets Better' to raise awareness of depression and anxiety in the LGBTI community, particularly among young people and our support for Queer Screen. Reflecting the success of these initiatives, Westpac Group was the highest ranked bank, and second overall, for LGBTI inclusion in the 2015 Australian Workplace Equality Index.

Diversity through our supply chain

With more than 30,000 suppliers providing us with goods and services worth over \$5 billion, we recognise the significance of our supply chain to the sustainability of our operations, and the opportunities it creates to drive positive social and environmental change.

During the year, we developed a Supplier Diversity policy to formalise our aspiration to increase the diversity within our supply chain. The policy sets out a path for how Westpac will proactively increase goods and services from businesses driven by a social or environmental mission, as well as those owned by, or that support, people from minority or underrepresented backgrounds. It also paves the way for us to work with our suppliers on diversity and inclusion practices within their own operations.

To date, our focus has been on procuring more from Aboriginal and Torres Strait Islander businesses. This has been driven by the commitments within our Reconciliation Action Plan to direct at least \$3 million of supply chain spend to Indigenous Australian businesses and embed 10 of these businesses as preferred suppliers by 2017. We are well on track to achieving these commitments having already reached \$1.2 million at the end of the 2015 financial year.

As we broaden our range of diverse suppliers we'll continue to work with organisations such as Supply Nation, Westpac Foundation, WeConnect and Social Traders to build the capacity of these suppliers while getting a better understanding of how we can improve

our own processes to set them up for success. We'll look to set clear goals to measure progress as we bed down processes.

We believe our approach to supplier diversity will not only create value for the businesses we buy from and economic wellbeing for the people they support, it will also improve Westpac's access to new markets, customers and talented employees in diverse communities.

CHANGING THE WAY WE WORK

Customers increasingly want to bank anytime, anywhere. They have ever more complex financial advice needs, particularly as they live longer, and they expect simpler, immediate, individualised service.

At the same time, regulators are increasingly lifting the bar around conduct and operating risk, to ensure customers' interests are protected. Coupled with this, banks and non-banks are exploring new ways of applying digital innovation, which has the potential to disrupt traditional banking services.

To keep pace with this rapidly evolving operating environment, we need to transform the way we work. This includes physical changes - to our workplaces and service delivery platforms; and mindset changes - how we think about work, having the right organisational culture and improving the technical and leadership capabilities of our people. Success will translate to powerful outcomes for our customers.

New work space and style

During the year, a catalyst for change has been WorkSMART, a program which aims to provide the best physical environment, tools, technology, systems and policies, while fostering a culture which drives greater agility, mobility, productivity and wellbeing.

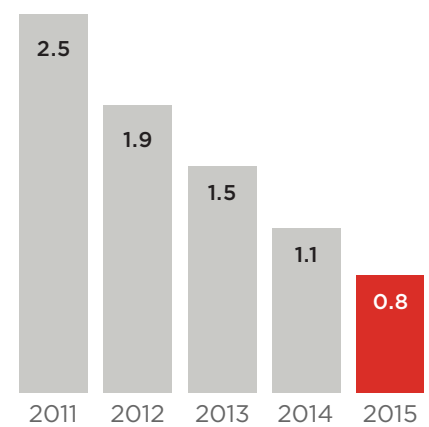
This program grew from the opportunity created to rethink the design of our physical workspaces as we progressively relocate our head office employees from multiple CBD locations into new corporate centres, including Melbourne's Collins Street, Brisbane's Eagle Street and Sydney's Barangaroo and Kogarah. By the end of this year, more than 10,000 employees will be accessing these new workspaces and adopting a working style based on agile principles - that work is not somewhere you go, it's something you do and achieve, offering employees the freedom and flexibility to work how, when and where they want.

Employee surveys confirm WorkSMART is delivering a new era of collaboration, team effectiveness and mobility with results showing improvements across every flexibility measure.

88%

Proportion of employees who said working in our new agile environment has helped improve collaboration.

Improvement in lost time injury frequency rate (LTIFR)





Meet Aleacia.

Future CEO.

“CareerTrackers has opened up a whole new world for me. I never would have thought about applying to work at Westpac or any other corporate.”

At Blayney High School less than three years ago, Aleacia McIntyre couldn't have imagined she'd be delivering speeches alongside Westpac Group's CEO as part of her university internship.

When she started her Bachelor of Arts, Aleacia - who descends from the Wongaibon people in central NSW - leapt at the opportunity offered by CareerTrackers Indigenous Internship program to spend her university holidays working at Westpac.

“Both Westpac and CareerTrackers have pushed me to be the best I can be. I've even surprised myself by doing things I never thought I would.”

“I've also met more students like me who are changing stereotypes and paving the way for the next generation of Indigenous people to make it in the work force. Who knows, maybe one of us will be the next Westpac CEO.”

Aleacia is one of at least 400 Indigenous Australian university students Westpac plans to recruit over the next decade through its partnership with CareerTrackers.

“Both Westpac and CareerTrackers have pushed me to be the best I can be. I've even surprised myself by doing things I never thought I would.”

We've also stepped up our focus on the wellbeing of our people to promote engagement, productivity and safety, and reduce absenteeism.

This included working with leading ergonomists on design, furniture and technology for our new corporate centres. Employees are benefiting from a healthier internal environment, with access to corporate Wellness Centres with services including physiotherapy, and 'end-of-trip' facilities such as bicycle storage and showers. An analysis of those who moved to our new building at 150 Collins Street, Melbourne, demonstrates a 15% reduction in sick leave during the six months to May 2015, compared to the same period last year, and an improved Wellbeing WorkAbility Index score.

These initiatives, combined with a Group-wide focus on physical and mental health risk-minimisation initiatives through training and education have contributed to an improvement in our overall lost time injury frequency rate to 0.8, down from 1.1 last year.

Future of banking

We've substantially evolved the way we work with customers in response to changing expectations about how and where we serve them.

This includes our significant investment in technology and digital innovation to redesign the customer experience, making things simpler and easier for customers and our people. For example, our new online mobile banking platform, Westpac Live, is now accessed by around four million business and retail customers in Australia. Since its roll out, we've seen the number of products per customer grow and complaints have decreased significantly. Similar results are being achieved in New Zealand since the February 2015 launch of the new award winning online banking platform, Westpac One.

In addition, we announced a 20% increase in our annual investment directed towards growth, service and efficiency initiatives. This includes the development of a Customer Service Hub to give us one seamless view of the customer and the ability to look at their needs and opportunities across the entire banking and wealth spectrum.

We're also looking at digital innovation opportunities outside our own operations. For example, through our Reinventure fund, we have invested in entrepreneurial businesses applying digital innovation to traditional banking

concepts. Our aim is to keep pace with this thinking and integrate it to benefit our customers.

At the same time, we continued to invest in our physical network. This includes the redesign of many of our branches into a new format that offers state-of-the-art digital solutions to make transactions quicker and easier for customers on a 24/7 basis, while freeing up bankers to spend more time for better quality customer conversations. We also entered a new partnership with Australia Post that is enabling Westpac customers to access banking services at more than 3,500 participating Post Offices across Australia, including more than 1,400 regional and rural locations. This involved the transfer of the bank's third party agency arrangements from around 150 regional in-store providers to Australia Post to help ensure continuity of service in regional areas.

As we deliver the bank's digital transformation, it is essential that we maintain the resilience and security of our systems and protect the confidentiality, integrity and availability of customer information and sensitive commercial data.

During the year, Westpac invested in QuintessenceLabs, a security firm specialising in quantum computing enhanced cyber security. This investment will boost the Group's information security capabilities and provide access to a pipeline of security innovations. It also signals that Westpac is stepping up its proactive, strategic approach to building security capabilities now and in the future, particularly as we accelerate improvements in customer experience and efficiency through the powerful combination of data and technology.

The right culture, people and capabilities

We recognise that the key to Westpac's ability to meet the challenges of the future and revolutionise the way we deliver service is in our organisation's culture. Our culture should reinforce and reflect what's important to us. We need great people, who put customers' interests first, are highly engaged, inclusive, 'digitally confident', capable, and have strong risk management skills.

During the year, we commenced research through a diagnostic survey and focus groups to better understand our current culture and the actions

we need to take to best support our business strategy and further embed risk management capabilities.

We introduced new approaches to identifying and recruiting employees, which recognise that the talent economy has fundamentally changed as top performers are more often moving fluidly between industries, organisations and countries. We've also simplified our talent management systems and processes, including introducing a new online digital talent management solution.

Initiatives have contributed to retention among our high performers remaining strong at 95%.

To build our peoples' capabilities we launched 'Learning Bank', our new approach to the learning and development of our people. The philosophy behind this approach is a move away from the traditional 'push' learning which is directed by the organisation to 'pull' learning which is self-directed, enabling our people to have access to the information and tools they need at the time it is most relevant for them. The Learning Bank will not only enable our people to have the right capabilities for the role they are in now, it will also assist them to develop new capabilities for roles in the future as we continue to rollout across the organisation. This will enable our organisation to better support longer-term careers, recognise the diversity of skills and improve talent mobility across our organisation.

We continued to invest in professional development programs during the year to build leadership excellence to support our organisational culture. This saw more than 250 leaders participate in our suite of high potential development programs, across all leadership levels from emerging leaders to senior executives. These programs aim to provide practical opportunities to gain critical experience and skills as well as to connect leaders across the Group. The success of the programs is reflected in the movement of a significant number of participants into more complex leadership roles.

We are also redesigning our key leadership frameworks to ensure we are effectively developing our people's capabilities and mindsets to successfully lead our organisation into the future.

Given our focus on culture transformation, we made a decision to undertake a culture diagnostic this year and will conduct our traditional employee engagement survey again in 2016.

New Enterprise Agreement

Underpinning this work is a new Enterprise Agreement, voted in by employees in October 2015, which creates substantial benefits for employees, the business and customers. The new Agreement was developed in close consultation with employees and the Finance Sector Union. It reduces 19 complex historic instruments to one set of innovative terms which are simple and easy for our employees and people leaders to understand, empowering them to make arrangements that suit the needs of customers, the business and individuals.

The new Agreement is an innovative and market leading package that will help us to attract and retain the best and brightest. New benefits include more flexible long service leave, 12 weeks of flexible lifestyle leave per year, one day of lifestyle and wellbeing leave per year, one day of leave for employees to celebrate their birthday during our bicentenary year in 2017, superannuation paid on up to two years' unpaid parental leave and 10 days' paid leave per year to support employees experiencing domestic and family violence and employees caring for family members experiencing domestic and family violence.

95%

Retention among high performers.

Meet Rebecca.

On a fast track to equilibrium.

“My learning curve was starting to flatten out and I was looking for a new challenge. Out of the blue, one of my colleagues recommended the Westpac Equilibrium program.”

Rebecca Meli is one of five successful business women from industries outside of banking and finance taking part in the inaugural round of the Equilibrium Program.

Bringing 25+ years' worth of global fast moving consumer goods experience, Rebecca is now part way through the year-long tailored program at Westpac, absorbing new skills and networks to accelerate her career as a banking and finance leader.

“It’s an amazing, once in a lifetime opportunity where I am meeting incredible people right across the business and learning every day. I’m new to Westpac but see already that flexibility and respect for our lives outside of work is integral to the culture,” she said.

The creation of the Equilibrium Program reflects Westpac’s commitment to gender equality. Proactively attracting and accelerating the professional development of women will help us move closer to our aspirational goal to have at least 50% of senior roles held by women by 2017.



Environmental solutions

Helping find solutions to environmental challenges

With the eyes of the world focusing on the upcoming Paris climate negotiations, we believe that Australasia – including the business community – must play a part in global action.

Australia is a significant exporter of energy and, like New Zealand, also has plentiful clean energy resources. Our region is vulnerable to climate impacts, which creates a strong incentive for addressing climate change. We support the decoupling of economic and emissions growth and the need for a responsible transition to decarbonised, sustainable economic development.

These things are easy to say, but complex to put into practice. Many of our impacts are indirect and will require collaborative action to be effective.



A principled approach

We reaffirmed our commitment to finding economic solutions to environmental challenges with the release of our refreshed Climate Change and Environment Position Statement and 2017 Action Plan in September 2014.

This statement sets out our approach in more detail, with actions grouped into five key areas: managing carbon and environmental risk; supporting customers; partnering with suppliers; reducing our environmental footprint; and engaging employees.

It publicly reconfirmed our long-held beliefs that the climate is changing and that managing environmental risk is also about managing financial risk. Effectively managing this risk can have positive financial benefits and should be a part of our everyday business.

We are preparing for a Two Degree Economy and recognise the significant environmental, social and economic benefits to limiting global warming to two degrees Celsius above pre-industrial levels. As part of this, we are looking to invest in greater resilience to the impacts of such a change, including in our cities. We also know that maintaining credibility will require greater transparency on our approach, including the outcomes of our activities and processes.

Economic growth and environmental protection are complimentary goals and by working in consultation with others we can deliver practical solutions that can help customers create economic and environmental benefit. Similarly we know that resource efficiency creates value and we are working to achieve this within our operations as well as in partnership with others.

Partnerships to lead change

The size of many of the environmental issues we face will need economy-wide changes requiring partnerships and collaboration with a wide range of stakeholders. During the year, we highlighted our support for Australia's bipartisan commitment to limit global warming to less than two degrees by signing the Business Coalition Statement on Climate Change. The statement was signed by CEOs from a range of diverse companies from the energy, resources, retail, infrastructure, technology, consumer goods, property, services, banking and finance sectors and acknowledged the need for businesses, governments and the community to all play a role in contributing to solutions.

We extended our participation in the Climate Partners Network together with like-minded businesses and The Climate Institute. We also continued our involvement in the Australian Business Roundtable for Natural Disasters and Safer Communities.

We continue to play a role in the Banking Environment Initiative – a group of 11 international banks – which aims to lead the banking industry in directing capital towards sustainable economic development. Our role includes active participation in its Sustainable Trade Finance Council and the Soft Commodities Compact Implementation Group. We have also signed up to a number of climate and environmental leadership initiatives under the CDP Road to Paris program, now known as the We Mean Business Coalition.

Our principles

Managing environmental risk is also about managing financial risk.

The climate is changing.

We're preparing for a Two Degree Economy.

Economic growth and environmental protection are complimentary goals.

Resource efficiency creates value.

Transparency counts.

Strategy Scorecard: Environmental solutions

Objectives and Measures	2013	2014	2015	Target by 2017
Provide products and services to help customers adapt to environmental challenges				
Unique service offers launched (cumulative number)	2	4	4	5
Increase lending and investment in CleanTech and environmental services				
Make up to \$6 billion available for lending and investment in CleanTech and environmental services (\$bn)	3.6	8.0	6.1 ¹	Up to 6.0
Reduce our environmental footprint				
Establish and maintain carbon neutrality	Achieved	Maintained	Maintained	Maintain
Electricity usage in commercial and retail sites (MWh) ²	172,956	169,839	165,402	154,496
Electricity/m ² in commercial and retail sites (kWh/m ²) ³	200	198	193	181
Total greenhouse gas emissions in commercial and retail sites (tonnes CO ₂ e) ^{2,4}	137,374	131,393	127,608	121,884
Power usage effectiveness (PUE)	1.7	1.7	1.7	1.6
Office paper (tonnes)	1,523	1,415	1,299	1,340
Water consumption in Sydney head offices (kL) ²	-	171,330	171,559	137,064
Recycling rates in Sydney head office (% of waste)	55	59	61	75

1. From 2015, a higher threshold was used for green buildings, in line with property industry trends, accounting for the majority of the change from the previous year.

2. New measure introduced in 2015.

3. Rebased in 2015 to align boundary and methodology used in New Zealand to be consistent with Australia.

4. Relates to scope 1 and 2 emissions.

MANAGING CARBON AND ENVIRONMENTAL RISK

We continue to improve the way we consider environmental risk in our lending and investment activities within our Sustainability Risk Management Framework and summarised in Westpac's Approach to Sustainable Finance. These frameworks outline our approach to considering environmental, social and governance (ESG) risk at each stage of the credit process and for individual transactions. We continue to provide our employees with guidance materials to help them consider environmental risks and have clear escalation procedures in place where material risks are identified.

We are also in the process of refreshing a number of our position statements, including Financing Sustainable Energy.

Increased transparency

We know that how we assess environmental risk is an ongoing area of stakeholder concern and we are progressively expanding our disclosures to be more transparent about the results of these processes and provide greater insight into how we are tracking.

Last year we introduced disclosures on our exposure to the mining sector and the emissions intensity of our electricity financing. We continue to engage with stakeholders to understand the information they would like to see, and work internationally to encourage a more consistent approach across the sector.

In keeping with this approach, this year we have expanded our disclosures to include a Group-wide lending profile to mining in addition to the Australia and New Zealand exposures disclosed last year. We are also proposing to enhance our Equator Principles disclosures to provide more information on transactions closed during the year and will publish selected case studies on our website. As always, the information provided is balanced against the need to ensure that we maintain customer confidentiality.

Investment portfolio

We have been applying this thinking across our wealth management business with the development of a Responsible Investment Position Statement setting out our approach to the consideration of ESG issues, including climate change, within BT Financial Group (BTFG). The Statement applies to all of our investment-related portfolios and builds on our work to encourage the consideration of ESG matters by our external fund managers and within the industry more broadly.

An example of this within our operations has been an analysis of the carbon intensity of 42 investment options across

our retail and corporate superannuation products, which we have disclosed for the first time in 2015. We use this data to better understand where risks may lie within our portfolios and to provide customers with more information about their investments.

Our framework in action

Throughout the year, a topic that attracted ongoing stakeholder interest was the role of banks in providing finance to organisations involved in mining and related infrastructure, particularly to proposed projects in Northern Queensland and adjacent to the Great Barrier Reef. This is due to concerns about the potential impacts of these projects on the local area and their contribution to climate change.

We take a great deal of care to ensure that any projects we support within the natural resources sector comply with appropriate environmental controls. All large-scale infrastructure projects are subject to comprehensive review under Westpac's Sustainability Risk Management Framework. This includes assessment against the Equator Principles framework, a best practice, voluntary environment and social risk assessment framework, of which Westpac was a founding member globally in 2003. As part of Westpac's approach, we commission independent due diligence on high impact projects and work with customers to ensure that environmental risks are identified and mitigated. At the end of this process, if we are not comfortable with the risk profile of the customer or the project, we will not proceed with the transaction.

We continued to engage on this issue with a wide range of stakeholders including investors, customers, non government organisations and concerned members of the public.

We also determined that we will assess the longer term economic impacts of limiting global warming to two degrees Celsius by undertaking scenario modelling. This research will enable us to rigorously assess risks and opportunities of operating in a Two Degree Economy, and together with the outcomes of the UN Climate Conference in Paris, will inform Westpac's future target setting. We will provide ongoing updates in our reporting.

During the year, we released a more detailed position statement on our approach to the agribusiness sector recognising broader natural capital risks associated with this sector. This statement formalises our commitment to action under the New York Forest Declaration and the Soft Commodities Compact developed by members of the finance sector, through the Banking Environment Initiative, in consultation with the global Consumer Goods Forum.

61%



The proportion of our total energy financing portfolio directed to renewable energy generation, including hydro, wind and solar.

The statement addresses the protection of high conservation value forests and avoiding deforestation as well as other issues relating to the high risk commodities of palm oil, soy and forestry.

Building the case for resilience

In December 2012, Westpac joined with a number of other Australian companies and the Australian Red Cross to form the Australian Business Roundtable for Natural Disaster Resilience & Safer Communities. Since then the Roundtable has advocated greater collaboration between all levels of government, business and community organisations to make Australian communities more resilient to natural disasters.

The Roundtable has released two evidence-based reports demonstrating the long-term economic benefit of investing in pre-disaster resilience. These investments should be prioritised based on their ability to reduce the impacts and costs of future disasters and should be made using consistent data available via an open source platform. During the year

the Roundtable continued to engage on these themes via the Productivity Commission and with governments. It is now working on follow up reports and has committed to create the first ever framework to measure the long-term social impact of natural disasters on the Australian community, and will also create principles for considering resilience in the development of critical infrastructure.

The work of the Roundtable was recognised with a certificate of distinction at the 2015 United Nations Sasakawa Awards for Risk Reduction. This is the first time in the 30 year history of the awards that a private sector organisation has been recognised. In their comments the jury panel noted “the potential power of (an) effectively organised private sector in shaping the future.”

Our challenge now is to apply this thinking to ourselves -to embed it into our own risk management approach, into our social impact framework and the way we think about the help we provide to communities, including our natural disaster resilience support.

Financing the transition to a Two Degree Economy

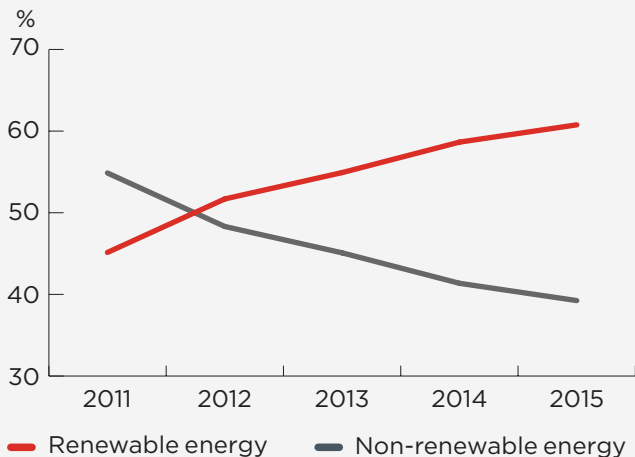
We recognise that climate change will have a fundamental economic and social impact on our business and the communities we serve. For us this is not simply rhetoric, it is reflected in our activities. Since 2011, we have increased the proportion of renewable energy financing from 45% to 61% in our total electricity generation portfolio. This includes an increase of more than 12 percentage points in funding provided

to new clean energy technologies such as wind and solar, with the remainder lent to the hydro sector.

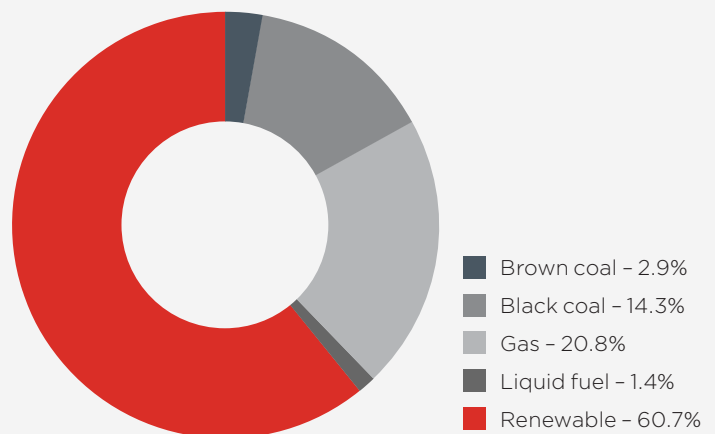
Coupled with our environmental risk assessment practices these are important steps in supporting the shift to a more sustainable economic model – one that is less dependent on fossil fuels while recognising the importance of responsibly managing the transition to sustainable economic development.

In response to stakeholder interest, we have publicly reported the carbon emissions attributed to the Australian exposures within this portfolio. This measure matches our exposure data with publicly available data provided under the National Greenhouse and Energy Reporting Act (2007). Since we began tracking in 2013, the emissions intensity of Westpac’s portfolio has consistently been well below the emissions intensity of the National Electricity Market benchmark.

Electricity generation financing - Australia and New Zealand



Electricity generation finance portfolio - Australia and New Zealand (\$3.3bn)



SUPPORTING CUSTOMERS

Our greatest opportunity to reduce climate and environmental impacts and be part of the transition to a cleaner economy is by partnering with our customers and supporting innovative solutions.

Investing in CleanTech

During the year, we introduced more stringent criteria for the green buildings we include in our CleanTech and environmental sector lending and investment. This has raised the bar for what is included in our portfolio, in line with property industry best practice trends.

Applying this new criteria saw our lending to the CleanTech and environmental sector reach \$6.1 billion at 30 September 2015. This remained ahead of our 2017 target of \$6 billion, but below last year's \$8 billion which was calculated using our previous definition.

The CleanTech and environmental portfolio included lending to customers in the renewable energy, energy efficiency and green buildings segments and to businesses providing green products and services.

We continue to explore ways to build on this experience to enable others to invest in this growing area as well as develop more mainstream products and services that help households and small businesses tangibly improve their environmental performance.

In New Zealand, we partnered with The Greenhouse and the New Zealand CleanTech and Environment Network (NZCEN) to help develop the local sector, hosting a number of events for overseas investors and undertaking a survey to better understand how to support the sector.

PARTNERING WITH SUPPLIERS

Our supply chain is an extension of our environmental footprint, and as we continue to work to manage our footprint we will look to do this in partnership with suppliers, and expect them to do the same.

Expanding our risk management frameworks

Our Agribusiness Position Statement, released during 2015, extended our sector-specific sustainability risk management policies to our suppliers for the first time. This includes a commitment to developing relationships with suppliers that do not adversely impact on high conservation value forests or violate the rights of workers or communities, and encouraging our suppliers to buy agricultural inputs such as palm oil from certified sustainable sources where possible. Our Sustainable Supply Chain Management Code of

Conduct was updated accordingly and work has commenced to incorporate more specific criteria into our paper purchasing policy.

We have screened 74% of our top 700 suppliers for their sustainability performance, including all of our top 80 suppliers. This accounts for around 68% of our \$4.97 billion supply chain spend in Australia.

Of our top 700 suppliers that completed a self-assessment this year, 12% had mandatory improvement actions that have been integrated into supplier action plans, to be closed out within 12 months. Engagement with suppliers saw 41% of suppliers including additional voluntary improvement actions into supplier action plans.

We are also undertaking an independent risk review to inform future changes and ensure we focus on material areas of risk within each of the industry sectors from which we purchase products and services.

Reducing our environmental impacts

Suppliers also play a critical role in helping us to reduce our own environmental footprint. During the year we worked with our long-term partner WorkVentures, a social enterprise creating work opportunities through re-purposing computer equipment, to expand our e-waste recycling including technology peripherals such as keyboards, mice and cables. In the past year, approximately 220 tonnes of e-waste was recycled primarily due to the refit of branches.

We are also a founding signatory of FluroCycle, a voluntary scheme that reduces the amount of mercury entering the environment from the disposal of waste lighting that contains mercury. This year, 2.9 tonnes of fluorescent tubes were recycled as part of the program.

In partnership with our landlord at our corporate head office in Kent Street, Sydney, we increased the amount of organic waste recycled following the installation of a Pulpmaster organics macerator. More than 10 tonnes of organic waste is now being recycled each month across the building precinct. Waste processed through the Pulpmaster creates a soil enhancer that is used by farmers in south west Sydney to enrich their crops. Excess food from kitchens in our commercial offices is donated to OzHarvest, a not for profit organisation that collects excess food and delivers it to people in need.

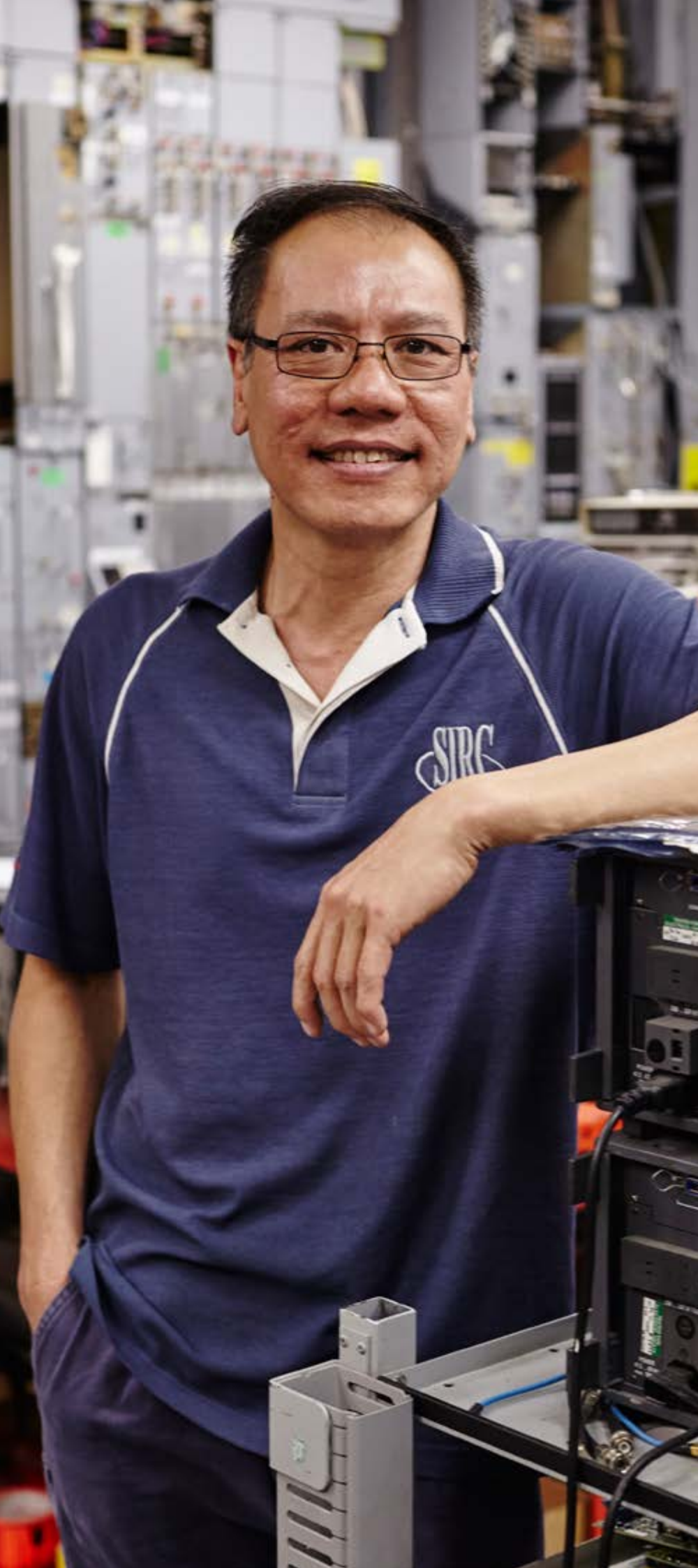
During the year we also worked with our logistics provider to re-route the collection of branch bags reducing travel miles and associated greenhouse gas emissions by 20% or over nine tonnes of CO₂-e each year.

\$6.1 billion

Made available for lending and investment in CleanTech and environmental services.

100%

Screened 100% of our top 80 suppliers for ESG, accounting for around 68% of our supply chain spend.



Meet Vo.

Transforming IT and lives.

Vo arrived in Australia in 1984 as a refugee from Vietnam. He was a trained dental technician, but his qualifications were not recognised here. To help him start over, he went to social enterprise WorkVentures and he never left.

WorkVentures takes superseded computers and monitors from companies, including around 40,000 from Westpac over the past 30 years, and uses them to create work opportunities and bridge the digital divide for people who need it most.

Vo completed a six-month electrical technician's traineeship at WorkVentures and was then invited to stay on to work in its computer equipment repair centre.

"That was 26 years ago. Today, I'm responsible for managing WorkVentures' inventory of around \$2.5 million worth of electronics donated by Australian companies," he said

In the past year alone, Westpac has recycled around 220 tonnes of e-waste through its partnership with WorkVentures. This means we're achieving fantastic environmental outcomes in line with our targets, and even better social outcomes for the beneficiaries of WorkVentures' programs.

"I had many knock-backs when I first arrived, so I know first-hand how important our work is."

REDUCING OUR ENVIRONMENTAL FOOTPRINT

We know that it is important to lead by example and that investments in making the environmental impacts of our activities more efficient can deliver long-term savings. Westpac has been setting resource efficiency and emissions targets since 1996.

During the year, we maintained our carbon neutral status across Australia and New Zealand and met all of our 2015 performance targets.

During the year we established energy efficiency guidelines for all properties, setting standards we will adhere to for new properties, fit outs and refurbishments. While we met our energy efficiency target for retail and commercial sites we anticipate that reducing our energy intensity will become more difficult as we consolidate our commercial offices and move to smaller, more technology enabled branches, reducing the net lettable area of our portfolio overall.

We have introduced an additional target to reduce our absolute electricity consumption by 12.5% between 2013 and 2017 for commercial and retail properties. We also introduced two further targets for reduction of water usage and carbon emissions within our property portfolio. These three new targets will provide a more complete picture of Westpac's environmental footprint and how we are tracking to reduce this.

The highlight of the year has been the move of our capital city head office based staff into a six star Green Star rated building in Melbourne, a LEED Platinum building in Singapore, and in Sydney to the world's first carbon neutral and six star Green Star designed precinct at Barangaroo.

ENGAGING EMPLOYEES

Key to the environmental performance of these buildings is of course how they are used in practice.

One of the behaviour changes planned as part of our employees' relocation into our agile workplaces is to remove our traditional reliance on paper and storage, with support of better technology and tools. In sites where paper reduction programs have been rolled out we have seen reductions in paper use and storage of 82% as well as a 70% reduction in secure paper destruction and associated cost. The results have led us to increase our paper reduction target, tripling it from 5% to 15% across the entire business.

More broadly across the organisation we have introduced a behaviour change program with the aim of improving employees' recycling habits and reducing the amount of waste sent to landfill. This program included standardising signage across buildings, removing under desk bins and increasing participation of employees in an Environmental Advocates Network. During the year employees participated in awareness raising events including site visits to recycling suppliers, Earth Hour, National Recycling Week which saw 2,380 staff recycle 9,500kg of paper and World Environment Day where 1,512 reusable coffee cups were purchased to support a reduction in waste to landfill.

We also continued to provide short-term interest free loans to help employees purchase a range of items to improve their household water and energy efficiency.

8%



Reduction in office paper use.

220 tonnes

Approximate amount of e-waste recycled during the year.

6 Star



Green Star rating for our Melbourne head office.

Better financial futures

Helping customers to have a better relationship with money, for a better life

The concept of retirement is evolving as we live longer and post-work income streams are required to stretch further.

At the same time, the gap between the richest and poorest in Australia and New Zealand has widened over the past 10 years, and is expected to widen further. Youth unemployment is rising and housing affordability is declining. Many Pacific Islanders still lack access to basic financial services.

That's why we are continuing to explore new paths of personal wealth creation, backing initiatives that are driving positive social change, and finding new ways to help people have more sustainable financial futures.

After all, we believe Westpac can remain strong only if our economy and society remain strong and financially resilient.



CREATING GREATER SOCIAL IMPACT

During the year, we introduced a social impact framework, grounded in the principles of shared value. The framework articulates four priority areas which, along with an online assessment tool, are helping to guide and evaluate where we expend our effort and investment – whether in the form of socially-focused product development, community grants, skilled volunteering, partnerships or donations.

The four social impact areas – advancing the nation through social change; helping out in times of need; enabling more inclusive banking and building financial capability; and investing in economic wellbeing and greater prosperity – were chosen for their potential to create direct strategic value to Westpac and our stakeholders. They are also areas in which we have relevant skills and resources to make a meaningful difference.

The framework is enabling us to collect the best data from our community partners and customers to demonstrate the social impact of our products and services, time and investment. We have introduced the first of our social impact metrics in this report.

ADVANCING THE NATION THROUGH SOCIAL CHANGE

As a major financial institution in our region, we have a responsibility to set the agenda for responsible banking and lead meaningful social progress.

Financing positive impact

One way we are achieving this is by seeking to provide banking services and financial backing to initiatives and projects that create positive societal outcomes. We call this positive impact financing. At 30 September 2015, the value of our positive impact finance totalled almost \$124 billion. This included lending to grow the stock of social and affordable housing and to back the CleanTech and environmental service sector, as well as banking services to support Indigenous Australian customers and those operating in the social sector.

During the year, Westpac became a member of the Positive Impact Finance Working Group, newly established by the UNEP Finance Initiative. This group aims to promote a wide-ranging movement across the banking and broader financial sector to drive positive impact finance. Initially, the group will work to establish a set of Positive Impact Principles and create a Positive Impact Incubator where new business models and financing approaches can be tested.

Our social impact focus areas

Advancing the nation through social change.

Helping out in times of need.

More inclusive banking and building financial capability.

Investing in economic wellbeing and greater prosperity.

Strategy Scorecard: Better Financial Futures

Objectives and Measures	2013	2014	2015	Target by 2017
Ensure all our customers have access to the right advice to achieve a secure retirement				
Customer facing employees who hold externally recognised wealth accreditation in line with role requirements (number) ¹	-	-	1,588	2,000
Help our customers meet their financial goals in retirement				
Westpac Group customers with Westpac Group superannuation (%)	7.4	8.1	8.1	10.0
Increase access to financial services in the Pacific				
Net Basic Banking Account customers (cumulative number)	147,392	225,260	292,374	300,000
Transactions undertaken using in-store facilities (number) ²	-	379,971	391,843	650,000
Mobile banking activations (cumulative number) ²	-	11,875	58,660	173,000
Help people gain access to social and affordable housing				
Make up to \$2 billion available for lending and investment in the social and affordable housing sector by 2017 (\$bn)	0.65	0.82	1.02	Up to 2.0

1. Reset in 2015 to reflect a more targeted set of roles requiring externally recognised wealth accreditation.

2. New measure introduced in 2015.

Social and affordable housing

Our lending to the social and affordable housing sector increased to \$1.02 billion during the year, in line with our commitment to make up to \$2 billion available to this sector by 2017.

Rising house prices have contributed to an increase in the number of families on moderate, low or very low incomes struggling to find affordable rental accommodation without falling into severe rental stress. In NSW, the waiting list for social housing has around 60,000 applicants. Long waitlists are also prevalent in other major cities across Australia and New Zealand.

In October 2014, Westpac signed its largest single community housing finance deal, providing \$61 million in debt finance to SGCH to facilitate the construction of 275 new dwellings across the Sydney metropolitan region. Construction has commenced and the project is running to plan. We have also provided traditional property construction finance to a number of smaller community housing providers in Australia and New Zealand, and expect similar opportunities to arise in the future.

A key challenge and opportunity for this sector is its lack of scale and maturity. To address this, we continued to work collaboratively with community housing providers and governments to explore the optimum way to source the capital it needs for sustainable, commercial growth. This included sharing our insights from more mature markets including the United Kingdom and supporting organisations in the local sector to strengthen risk management protocols and corporate governance.

Social impact bonds

We played a similar role in developing the market for social impact bonds. Support is growing for this nascent market in Australia and New Zealand as more investors, governments and social sector organisations recognise its importance in delivering positive social and financial outcomes.

During the year, we became a member of the NSW Government's Expert Advice Exchange, established to connect social sector organisations with experienced advisors to explore the viability of social impact project proposals. Through the exchange, we have provided pro bono advice across a range of projects and issues including program design, strategy, funding strategies and risk management.

Westpac was invited to be part of this Exchange following our involvement in launching the first social impact bond in Australia in 2013, which raised \$10 million to establish The Resilient Families Service by The Benevolent Society. A mid-term report released during the year shows the service, which aims to reduce the number of children entering foster care, is effective for high needs families. The knowledge gained from this pilot is helping to guide our approach to the program design of future social impact bonds to ensure the best possible outcomes, both financial and social.

Since the launch of this pilot, state and federal governments have indicated their ambition to bring to market future social benefit bonds. Westpac will continue to review these opportunities to participate as they arise.

Backing the leaders of the future

During the year, Westpac Bicentennial Foundation worked in close collaboration with Australia's major universities and eminent Australian leaders to establish all five of its scholarship programs. Its first 100 scholars are expected to be announced in April 2016.

Launched in 2014 as a gift to Australia to mark Westpac Group's bicentenary in 2017, a one-off contribution of \$100 million enabled the creation of the Westpac Bicentennial Foundation – the single largest private education scholarship program in Australia's history, which aims to fund 100 new scholarships every year, forever, to individuals from all walks of life with the potential to shape Australia's future.

Enhanced support for Indigenous Australians

We saw a substantial boost in activity directly aimed at improving the prosperity and inclusion of Aboriginal and Torres Strait Islander people during the year. This was driven by our refreshed Reconciliation Action Plan, launched in August 2014, which is our most ambitious yet and earned the highest 'Elevate' status from governing body Reconciliation Australia. Details are in the Reconciliation Action Plan update from page 32.

HELPING OUT IN TIMES OF NEED

We found new ways to help people recover faster and better from financial crisis and continued to support communities affected by natural disasters during the year.

\$1.02 billion



Value of our lending and investment to the social and affordable housing sector.

47,047

Number of financial assistance packages issued during the year.

No.1

Received top rating in Rank the Banks, a ranking by Financial Counselling Australia.

Help in times of financial hardship

Despite the strength of our region’s economy, we have seen an increase in the number of Australians and New Zealanders experiencing financial hardship or unable to access appropriate and affordable banking services. Our BT Financial Health Index shows that at least one third of Australians live pay cheque to pay cheque and many don’t have enough savings to cover the cost of a minor emergency.

Financial inclusion is a complex issue, and we continued to work on new ways to assist our customers in need. This included providing around 47,000 financial hardship assistance packages during the year, which represented a 92.5% approval rate. At the same time, we worked with the industry, government and the community sector to look at longer term solutions to prevent people from falling into hardship in the first place.

We introduced a new way for customers to negotiate overdue payment agreements online, rather than over the phone. This makes the process less stressful for customers and frees up time for our employees to provide more detailed attention to customers who most need it. Our close engagement with financial counsellors and community groups also saw us pilot a new program to streamline the process for customers seeking help. These activities complemented existing initiatives such as our industry leading debt waiver process and the creation of a self-help portal with The Salvation Army for people in financial difficulty.

We received independent recognition for the strength of our approach, having been awarded the highest rating among Australian banks in the 2015, Rank The Banks, survey conducted by peak body Financial Counselling Australia. This rating reflects the improvements we’ve made to the way we assist people experiencing financial hardship. However, we recognise we can always do more, such as exploring ways to help people, including small business owners, to avoid reaching crisis point.

Help in times of natural disaster

Australia was hit by a number of natural disasters during the year – the bushfires in the Adelaide Hills, tropical cyclones in South East Queensland and West Arnhem, and the major NSW East Coast storms and floods. As each of these disasters unfolded, we provided 469 emergency financial relief packages to support affected customers. At the same time, teams of employees volunteered their help from providing food to local people left homeless, to

supporting teams engaged in recovery operations. Our businesses also raised funds to donate to emergency services.

Around six months following these events, we launched our second round of Natural Disaster Recovery Grants, offering up to \$300,000 in financial assistance to community organisations that are continuing to aid the recovery of their communities. This follows the inaugural round of grants launched in the previous year through which we awarded \$130,000 in grants to 17 organisations recovering from the devastating fires in the Blue Mountains and Perth Hills.

Recognising that future natural disasters are inevitable, we continued to participate in the Australian Business Roundtable for Disaster Resilience and Safer Communities to champion the need for a more sustainable, coordinated national approach to making our communities more resilient.

Following the devastation caused by Cyclone Pam in Vanuatu, Westpac also made a \$100,000 donation to Vanuatu Red Cross, and employees raised an additional \$57,000 to support rebuilding. We also supported the people of Nepal affected by a major earthquake during the year, facilitating \$250,000 in donations from employees and customers via in-branch collections.

Long term community partnerships

In December 2014, Westpac announced a \$1.305 million sponsorship over three years for Mission Australia, deepening a 150-year partnership. The funding enabled Mission Australia to lease a van, fit it out as a Missionbeat Outreach mobile office and employ two full time case managers. As a result, Missionbeat has expanded the service it provides to support homeless people in Sydney. In addition to alleviating their immediate crisis by helping them seek safe accommodation, medical care, food and clothing, Missionbeat is now providing intensive support to secure permanent housing for those people.

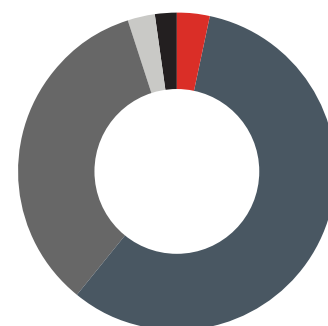
Our 120-year partnership with The Salvation Army also continued, including support for the Red Shield Appeal with more than 600 Westpac employees volunteering assistance, 150 mobile eftpos terminals supplied and 96 branches opened to take donations during the door knock weekend.

In addition, our partnership with The Westpac Lifesaver Rescue Helicopter Service entered its 41st year, during which the service undertook its 70,000th rescue mission since establishment. Our support for the service included fundraising and supporting the expansion of its Schools Program designed to teach primary school students about this iconic emergency service.

More than \$500,000

Contributed to supporting communities recovering from natural disasters.

Distributions from our five philanthropic foundations (\$4.1m)



- Westpac Bicentennial Foundation – 3.58%
- Westpac Foundation – 57.49%
- St. George Foundation – 34.19%
- Bank of Melbourne Neighbourhood Fund – 2.78%
- BankSA Fund – 1.96%

808

Number of businesses started or expanded with support from Westpac’s microfinance partner Many Rivers, since 2008.

MORE INCLUSIVE BANKING AND BUILDING FINANCIAL CAPABILITY

We continued to lift financial inclusion through access to fair and appropriate financial services, awareness and education.

Microfinance creating greater inclusion

We deepened our microfinance partnership with Many Rivers during the year, reflecting the success of the model in realising the aspirations of business owners who would otherwise be unable to access finance and business support they need.

Since commencing the partnership in 2008, the number of businesses established or expanded with a microfinance loan has risen to 808. The success of the model is reflected in the fact that 63% of those businesses were still in operation at the end of June 2015. For the majority of those businesses no longer operating, the owners have transitioned into the security of alternative employment.

We have provided more than 800 loans totalling \$4.6 million on a non-profit basis, with a strong 86.5% loan repayment rate.

Westpac has committed to increase its funding for Many Rivers' operating expenses to support the expansion of services into new regions and recruit additional field officers. Our people will also participate in a new mentoring program, volunteering their skills to Many Rivers' clients to help build the capacity of their businesses.

In addition to microfinance offered through Many Rivers, we backed microfinance loans to entrepreneurs in the Australian Capital Territory through a partnership with the ACT Government and Lighthouse, and in the Pacific Islands through Good Return.

Beyond offering microfinance to business entrepreneurs, we are also exploring loan options which meet the needs of vulnerable individuals.

Education to support financial capability

During the year, the Davidson Institute – Westpac's school of money, named after financial education pioneer Sir Alfred Davidson – refreshed the way it delivers financial education. Fresh content, plus a new digital delivery platform, which is free to access, anywhere, anytime, has enabled the Davidson Institute to achieve greater scale. Now anyone can access live and recorded webinars, videos and articles designed to provide a range of basic education and tips relevant to individuals, businesses and community groups – whether it is about budgeting, setting up a self-managed super fund or starting a business.

The Davidson Institute also adopted a 'train the trainer' approach, coaching local team members to deliver tailored, face to face education sessions. For example, our Indigenous Business Managers have supported customers by holding money management education sessions with their employees and bank managers plan to deliver Financial First Steps to school students. Similarly, education tools have been developed

Meet Sue.

Community custodian.

“People often think it’s about replacing buildings and material things. But it’s also about creating a stronger social fabric.”

Fierce bushfires sweeping through the Blue Mountains provided a stark reminder for Sue Johnston and her colleagues at Blackheath Area Neighbourhood Centre about just how vulnerable people with disability or mental illness are during times of disaster.

“Our local residents who lack basic access, knowledge, or mobility are at much higher risk of injury or death in those situations. We felt a strong responsibility to support these people,” Sue said.

A Westpac Natural Disaster Recovery grant gave the Centre the funding needed to create unique disaster plans for each of those residents in need, based around their individual circumstances.

“It sounds so simple but this sort of support has given them a real sense of power and control over their lives. Being better prepared gives people confidence they’ll be okay and that makes a huge difference to wellbeing,” she said.

During the year, Westpac issued \$130,000 in grants to help local communities like Blackheath to recover following natural disasters.



for our community partners, including Mission Australia Housing to support their clients in managing their money better with a view to keeping up with rent.

In New Zealand, we continued to help more people improve their financial understanding and management, having met our target of 120,000 people participating in our money management education programs since 2009.

This included people taking part in face-to-face workshops run by Westpac across New Zealand in schools, workplaces, branches, community centres and marae (the focal point of Māori communities), as well as those accessing our online tutorial, smart phone apps and short online videos.

We are also seeing positive results emerging from our new intensive six week program, Money Skills. Aimed at families across New Zealand who are seeking help to manage their money and escape financial hardship, the program focuses on financial literacy concepts, rather than products or services. Evaluation of the program by Westpac Massey Fin-Ed Centre has shown that the families who participated are now saving more, paying bills on time and have an improved understanding of how to seek help from a bank.

Increased access to financial services in the Pacific Islands

Our Westpac Pacific team continued to improve accessibility to banking during the year as our low-cost, innovative technologies enabled more Pacific Islanders to access basic banking services without the need to travel long distances to a branch.

Despite the sale of some of our businesses, an additional 65,000 new basic banking accounts were opened during the year, most of which were in Fiji and Papua New Guinea. We also saw an increase in the volume of transactions using our in-store facilities, while the number of mobile banking registrations increased significantly.

Building on our financial inclusion focus, we partnered with the Australian Government's Department of Foreign Affairs and Trade to identify areas where government and business can work together to achieve effective and sustainable outcomes in the Pacific, with a particular emphasis on Papua New Guinea and Fiji. The aim is to help support economic development, reduce poverty and lift standards of living.

Through initiatives such as the Westpac Outstanding Women's Awards and Westpac Women's Education Grants,

we helped to showcase outstanding achievements and provided financial support to fund education and professional development for women and girls. We believe these initiatives play an important role in addressing the significant under-representation of women in leadership roles across the Pacific.

In May 2015, Westpac Foundation awarded a Pacific Grant to Save the Children's 'Life, Literacy and League' initiative in Papua New Guinea. The program supports financial literacy as well as mentoring and the potential for work experience for participants.

INVESTING IN ECONOMIC WELLBEING AND GREATER PROSPERITY

We continued to create opportunities for economic participation and increase financial wellbeing and prosperity by identifying, piloting and financing innovative product and service ideas and community partnerships.

Putting customers' interests first

Providing customers with the right information, advice and products which are suitable for their individual circumstances is a vital part of being a truly customer centric organisation. Accomplishing this is reliant on our people having the right processes and capabilities underpinned by an appropriate risk culture.

Recent regulatory and parliamentary inquiries have raised questions about conduct within the financial services sector as a whole, sparked by concerns around cases of financial product mis-selling. There is, rightly, no tolerance for poor conduct and culture across the banking sector.

Acknowledging that this industry-wide issue presents risks, we took additional steps to provide even greater focus and transparency to retain the trust and confidence of our customers.

This commenced with the incorporation of conduct risk in the Westpac Group Risk Appetite Statement and as a category within the Group's Board-approved Risk Management Strategy which sets out minimum standards for risk management across all risk classes. The Group's risk function took on responsibility for developing a Group-wide conduct risk framework and we created new roles, including General Manager, Conduct.

Complaints have long been managed by a separate internal team. Senior level reporting has been enhanced during the year to further support their work.

\$116 million

Our total community investment, representing 1.04% of pre-tax profits.

67,122

Participants in Westpac Group's financial literacy education programs.



Meet Mervyn.

Micro-entrepreneur.

Mervyn Pinto's love for Portuguese Goan flavours stems from childhood dinners cooked by his Indian-born mother.

"I couldn't find anyone else importing Portuguese Goan food. I like it and I knew others would. I spotted a real niche there," Mervyn said.

But due to his circumstances, Mervyn didn't meet the credit requirements to get a traditional bank loan to set up his business. He was referred to the team at Many Rivers - Westpac's not-for-profit microfinance partner - who quickly saw potential in him and his ideas and gave him the help and access to finance that he needed to get up and running.

"The initial loan was useful. But what really got me going was the hand they gave me to get through the teething problems - setting up the right business disciplines, helping me make the right decisions, working out my forecasts."

The popularity of Mervyn's first small batch of imported pickles, condiments and pastes has seen him expand his product range and reach. Two Westpac microfinance loans later, together with ongoing coaching from Many Rivers' field officers, he is now exploring his business' next phase of growth.

Mervyn is one of more than 800 aspiring business owners who have been able to realise their dreams by accessing support from Westpac's microfinance partner Many Rivers, since 2008.

"We all have our highs. But when we have our lows, it's good to know someone's there to pick you up, get you back on your feet."

At the local level, detection systems have been implemented to help identify anomalies or errors out of step with our expectations of behaviours. This is supported by reviews of scorecards and incentives and a renewed focus on assessing the suitability of our products over the life of their use.

In this spirit of transparency, we launched BT Financial Group's Adviser View – a register of all our advisers with client satisfaction ratings and visibility of each adviser's qualifications. The register reinforces our 'Advice Commitment', which states the service a client should expect from us and raises the bar on minimum education standards for all our advisers. Since launch, more than 100,000 people have visited the site and customers have provided more than 2,700 verbatim testimonials in relation to over 470 advisers, and assigned an average rating of 4.89 out of 5.

We have also continued to invest in the professional development and education of our financial advisers and bankers. A number of our advisers are already degree qualified and above, however for those who aren't, we have invested in developing their education to the minimum of Advanced Diploma level.

A key area of focus has been building the wealth acumen of our bankers, supporting them to achieve their wealth accreditation in accordance with the industry standard of the Australian Securities and Investments Commission's RG146 in Tier 1 general advice. This enables our Bank Managers to have deeper and more strategic conversations with customers about their retirement needs and, where relevant, provide an appropriate referral to our advisers.

More than 4,000 of our bankers are now professionally qualified and accredited through our Best Banker program, which was again recognised as a finalist in the NSW Training Awards – Large Employer of the Year category.

Help our customers meet their financial goals in retirement

Supporting customers with appropriate advice and products at each stage of their life is critical to wealth creation over a lifetime, rather than playing catch-up as retirement looms.

Many of the changes introduced to the way we work, discussed earlier in this report, aim to create the best environment in which our people can have the right conversations with customers to ensure they receive the most appropriate advice – whether for their banking arrangements, home and contents insurance, or superannuation.

For those who have complex financial needs, we have more than 600 advisers in branches or visiting customers at a time and place to suit them. We increased the size of our telephone-based advice team, who carried out more than 680,000 conversations during the year.

We also rolled out training for our bankers to improve conversations with customers in their 'prime of life'.

Given the role of superannuation in creating adequate retirement savings, we continued to look at ways to make superannuation more accessible and easy to understand for customers. For example, we commenced a program of work aiming to improve accessibility for Indigenous Australians.

We also engaged in public discussions about the future of the superannuation system. In particular, the CEO of BT Financial Group advocated the creation of an enduring framework that is inherently flexible and not dependent on government to make changes.

Backing social enterprise to create employment pathways

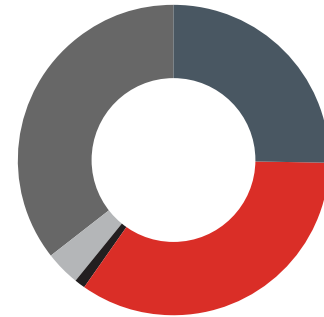
We recognise that a key way in which we can help tackle entrenched social disadvantage is by backing social entrepreneurs – the people and organisations with the passion and innovative ideas to drive social change.

During the year, Westpac Foundation provided support to a further 25 social enterprises, bringing the total number supported since 1999 to 145. This support is in the form of both direct financial assistance through grants, which totalled almost \$1.5 million during the year, as well as non-financial assistance through mentoring and capability building programs.

Around 389 jobs and more than 1,930 employment pathways have been created by these social enterprises for people from disadvantaged or minority communities, such as migrants, refugees, Indigenous Australians, long term unemployed and people living with disability or mental illness.

In addition, the Westpac Social Change Fellowship was launched by Westpac Bicentennial Foundation during the year as one of its five scholarship programs. Ten fellowships of up to \$50,000 will be awarded annually to individuals who have innovative ideas, matched with energy and commitment, to create positive social outcomes for Australia.

Philanthropic distributions by type (\$4.1m)



- Community grants to locally focused organisations – 25.54%
- Community grants to organisations supporting children – 34.19%
- Retired employee hardship grants – 1.30%
- Scholarships – 3.59%
- Social enterprise grants – 35.38%

1,932

Number of employment pathways created by social enterprises backed by Westpac Foundation.

Supporting grass roots community organisations

Complementing the social impact initiatives, our four philanthropic foundations – Westpac Foundation, St. George Foundation, Bank of Melbourne Neighbourhood Fund and BankSA Foundation – awarded grants to 194 grass roots community organisations across Australia.

In total, these Foundations distributed more than \$4 million in grants during the year.

Additional initiatives to strengthen communities and build employment pathways were initiated as part of our Reconciliation Action Plan, discussed in the next section.

Our employees' contribution

During the year, our employees' charitable donations were matched dollar for dollar by Westpac Group

through our Matching Gifts program. This enabled around 600 Australian based charities to receive \$6 million during the year made up of employees' charitable donations which had been matched by Westpac Group. This brings to \$46 million the total donated to 1,820 charities through the Matching Gifts program since it began in 1999.

We also launched a new skilled volunteering matching system, More Than Money. This online portal enables our employees to register with, and be matched to skilled volunteering opportunities with community partners. During the year, around 45% of our employees gave time to volunteer their skills to a variety of organisations.

Improvements to our employee giving and volunteering portals will enable us to engage more effectively with our people to harness their collective voluntary time, skills and charitable contributions to have an even greater social impact.

Meet Adrienne.

From debt to dreams.

“We were getting deeper and deeper in debt. What we know now, means we can start thinking more about tomorrow.”

When Adrienne Windley went to her local Auckland branch to consolidate her mounting debt, she leapt at the opportunity to take part in Westpac New Zealand's intensive six-week Money Skills program.

“It has made a big difference. It's given me a better understanding of simple things, like being aware of 'leak factors', which means we're actually saving now,” Adrienne said.

Created in collaboration with Massey University, the Money Skills program is designed for families across New Zealand seeking help to manage their money and escape financial hardship. It focuses on financial literacy concepts, rather than products or services.

“What really impressed me was the passion of the staff. They genuinely wanted to give us knowledge so we didn't have to keep struggling. I can now explain some of the things I learnt to our boys. It's great to think about a future where our whole family is debt-free.”

During the year, more than 60,300 people undertook financial education programs offered by Westpac Group.



Reconciliation Action Plan progress

Recognising the past and investing in the future to help Indigenous Australian people, customers and communities to prosper and grow.

Australia's Aboriginal and Torres Strait Islander peoples have the oldest continuous living culture on the planet. That is something in which all Australians can take pride.

The fact remains that despite great strides by many people towards a nation that recognises, celebrates and respects the richness of Indigenous Australian heritage, striking disparities persist between Indigenous and non-Indigenous people in Australia. This is particularly true in the areas of health, economic inclusion and empowerment.

At Westpac, we have long believed we have a responsibility to use our skills and our connections in partnership with Indigenous Australian people to help bridge these disparities. By recognising the past and investing in the future we can help shape a nation in which Indigenous and non-Indigenous Australians share social and financial equity. In doing so, we'll contribute positively to the national economy for the benefit of all Australians.



A YEAR OF PROGRESS

In August 2014, we introduced a refreshed Reconciliation Action Plan – our third since 2010 – which sets out commitments to guide our initiatives over three years to our bicentenary in 2017.

It is our most ambitious Reconciliation Action Plan yet, setting high benchmarks for us to achieve in partnership with Aboriginal and Torres Strait Islander peoples, in the areas we believe we can make the greatest contribution to genuine and sustainable change. The leadership shown by our commitments is reflected in our Reconciliation Action Plan being assigned the highest 'Elevate' status by governing body, Reconciliation Australia.

During the year, we established the Westpac Indigenous Advisory Committee, comprised of independent Indigenous and non-Indigenous leaders and relevant senior employees, to advise, monitor and evaluate our work as we implement the Reconciliation Action Plan.

We made good progress in each of our four key focus areas during the year, as outlined below.

MEANINGFUL CAREERS

As one of Australia's largest employers, we recognise the role we can play to advance the prosperity of Indigenous Australian people through employment. During the year, we continued to evolve the way we attract talented Indigenous Australians to join our business and lifted our focus on creating a workplace that promotes long-lasting careers.

Stepping up recruitment initiatives

An additional 150 people who identify as Aboriginal or Torres Strait Islander were employed across Westpac Group during 2015. This exceeds our target and puts us firmly on track to reach our ambitious goal of attracting at least 500 Indigenous Australians to our workforce by 2017.

We also announced our commitment to achieve employment parity by 2020, whereby the proportion of Indigenous Australians within our workforce will reflect the proportion of the broader Australian population.

A highlight of the year was the announcement of our ten year contract with CareerTrackers Indigenous Internship Program to recruit at least 400 Aboriginal or Torres Strait Islander university student interns in the decade to 2024. This is the largest commitment to the CareerTrackers program made by any company.

Our focus areas

Meaningful careers Creating employment opportunities remains core, and we're lifting our sights from simply hiring, to creating a workplace that stimulates long-lasting careers.

Financial inclusion We will work alongside customers to improve financial wellbeing among Indigenous Australians and build the capacity of Indigenous businesses.

Strong communities We will share our skills and work in partnership with Indigenous community leaders to help strengthen the sustainability of Indigenous communities.

Recognition and advocacy Underpinning success is our ongoing celebration and advocacy of Aboriginal and Torres Strait Islander customs and excellence.

Reconciliation Action Plan Scorecard

Objectives and Measures	2015	Target by 2017
Meaningful careers		
Indigenous Australians recruited	150	500 ¹
Indigenous Australian university student interns recruited through CareerTrackers Indigenous Internships Program (cumulative number)	34	120 ²
Retention reporting framework and career retention programs tailored to Indigenous Australian employees	Program design progressed	Implementation of programs
Financial inclusion		
Indigenous Australian organisations that undertake Westpac financial education training (cumulative number)	10	30
Visits to Indigenous Australian Communities by Westpac Indigenous Business Managers to engage and assess financial inclusion needs (cumulative)	25	30
Supply chain spend directed to Indigenous Australian businesses (cumulative \$m)	1.2	3.0
Indigenous Australian businesses utilised in Westpac's supply chain (cumulative number)	9	10
Investigate and implement new product and service offerings to better meet the needs of Indigenous Australians	Progressing	Address opportunities
Strong and thriving communities		
Time spent by Westpac Group employees on secondments ³ with Indigenous community organisations through Jawun	391 weeks during the year	276 weeks each year
Financial grants made to organisations supporting Indigenous Australians (number)	24	Increase YOY
Financial grants made to organisations supporting Indigenous Australians (\$)	721,781	Increase YOY
Recognition & advocacy		
Completions of Indigenous Cultural Awareness training module by employees	1,442	Increase YOY
Branches with permanent signs which acknowledge Traditional Owners of land (number)	750	Full network
Community visits by Westpac Group senior leaders to organisations through Jawun (cumulative visits)	6	15
Improve outcomes in biennial RAP Employee Perception Barometer	Survey in late 2016	Improve biennially

¹ 2015-17 cumulative target, introduced to align with 2015-17 Reconciliation Action Plan.

² Westpac aims to recruit at least 400 Indigenous Australian university interns over the 10 years to 2024 through our partnership with CareerTrackers.

³ Included nine 12-week secondments to support Empowered Communities program.

During the year, 34 university students were placed through CareerTrackers in a variety of internships across the business and different cities and regional locations around Australia. This brings the total since our partnership with CareerTrackers began in 2012 to 61.

To date, three CareerTrackers interns have progressed into our Graduate Program and we are welcoming two more graduates in 2016.

Almost 40 Indigenous Australian high school students joined our school-based trainee program, designed to kick-start their banking careers through on-the-job experience and mentoring. In addition, 35 Indigenous Australians participated in our open traineeship program to gain experience in the financial services industry or restart a career, and a further 42 people joined Westpac Group through our usual recruitment processes or specialist sourcing agencies.

We are pleased with the progress made during the year. At the same time, we recognise we have much work to do to continue the momentum and support our pipeline of future Indigenous Australian employees.

Shifting focus on career progression

While targets are an important catalyst to spur action, we recognise that simply recruiting people is not enough. Success can only be achieved if employees feel supported and engaged in our workplaces and enjoy long-lasting careers in which they attain professional and personal satisfaction.

To better understand how we can measure and achieve this, we set up a working group to develop a retention strategy and framework specifically focused on Indigenous Australians. As a starting point, we conducted focus groups among our existing employees nationally to explore potential barriers to career advancement, progression, peer support and cultural safety. The research findings are helping us to determine and prioritise the activities that are likely to be most effective in addressing the challenges, such as an Indigenous peer-led mentoring program.

Key to progress is to engender a workplace that embraces Aboriginal and Torres Strait Islander traditions and culture. This underscores the importance of our work in the fourth pillar – Recognition and Advocacy – discussed below, and the inclusion and diversity initiatives outlined in the ‘Embracing Societal Change’ section of our 2015 Sustainability Performance Report.

Collaboration on employment

In addition to direct recruitment and retention, we also worked with our corporate and community partners to create additional employment pathways through training and other programs.

In August 2014, we established a pilot of the innovative Warrigal Apprenticeship program in collaboration with our conference and catering partner, Compass Group. This saw six young Indigenous Australians graduate with accreditation into full time hospitality roles based at Westpac Place in Sydney. Due to the success of the pilot, a second intake of apprentices is planned, with participants to gain their practical experience in Westpac’s new workspace at Sydney’s Barangaroo.

In addition, Westpac Foundation has awarded financial grants to seven social enterprises delivering innovative employment programs for Indigenous Australians, while non-profit loans provided through Westpac’s microfinance partner Many Rivers have backed the creation or expansion of more than 100 entrepreneurial Indigenous businesses.

These partnerships have provided the necessary backing to support at least 1,239 employment pathways for Indigenous Australians.

We continue to explore other collaborative partnerships to create employment pathways and will refine the way we capture and report these efforts to help direct our resources towards the most effective activities.

FINANCIAL INCLUSION

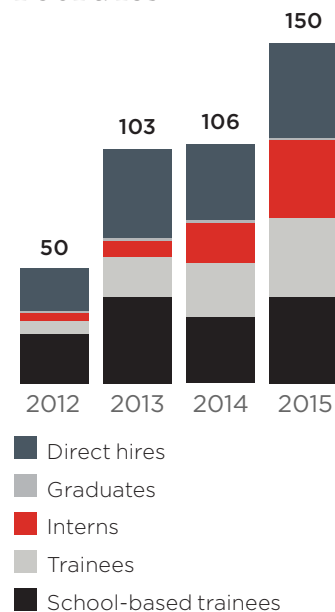
Financial inclusion and resilience is another key to prosperity. Our actions during the year have focused on supporting the growth of Indigenous Australian businesses because we know this supports employment opportunities and wealth creation for Indigenous Australian families and communities. At the same time we have identified ways to make financial services more accessible to Aboriginal and Torres Strait Islander people so as to improve financial wellbeing.

Supporting Indigenous Australian business growth

As the Indigenous Australian business sector grows and banking needs evolve, we have strengthened our resourcing and capability to better respond. This included setting up a new team of Indigenous Business Managers with a dedicated focus on Indigenous Australian business customers.

We also increased efforts to create a greater appreciation among our broader banking teams of the particular requirements of Indigenous business customers, primarily by encouraging a

Indigenous Australian recruits



1,239

Employment pathways created for Indigenous Australians through collaborative partnerships.

\$721,781

Value of grants awarded by Westpac Group’s Foundations to organisations which support Indigenous Australians.



Meet Jaimes.

Champion of change.

“I never thought just six weeks would be the start of something so much bigger. It’s added a whole new dimension to my work and life.”

Two years ago, Jaimes Adlington took a break from his day job as an Executive Manager in Westpac Group’s audit team to spend six weeks on secondment at independent Indigenous education provider, Tranby Aboriginal College.

Established in 1958, Tranby is Australia’s oldest, independent Indigenous Australian education provider, and a true pioneer in education and training for Aboriginal adults.

While on secondment, Jaimes’ remit was to share his expertise and recommend ways to improve the College’s financial position. His contribution was so highly valued by the Tranby team that, upon his return to Westpac, he was nominated to join the College board.

“The opportunity to become a board member was a great step for me, professionally. More importantly, working with Tranby has opened my eyes to the richness of Aboriginal culture and heritage. It’s a privilege to know I’m supporting an organisation that’s helping thousands of students to make lasting changes in their communities.”

Jaimes is one of more than 700 Westpac Group employees who have been seconded to share skills with Indigenous Australian organisations as part of the Jawun Indigenous Community Partnerships program, since it was co-founded 15 years ago.

“It’s a privilege to know I’m supporting an organisation that’s helping thousands of students to make lasting changes in their communities.”

greater number of bankers to complete our Indigenous Cultural Awareness training. Within the Commercial banking teams, around 70% of bankers have completed the training. We are now encouraging greater participation where the rates are not as high and our Indigenous Business Managers are also coaching colleagues.

To stay connected with the needs of our customers, our Indigenous Business Managers visited 32 rural and remote communities across Australia during the year.

As the number of Indigenous Australian businesses increase, more customers are seeking advice on managing risks and strengthening governance capabilities to help them grow. In response, Westpac's financial education school, the Davidson Institute, tailored a financial governance education program, which was delivered to more than 10 Indigenous organisations in Western Australia and NSW during the year. In addition, we provided financial education workshops to community groups and the employees of other businesses, including Jabiru in the Northern Territory and Mornington Island in Queensland.

Another aspect of our support for growth of the sector is public advocacy. In November 2014, we commissioned and released a report, *Enabling Prosperity: Success Factors for Indigenous Economic Development*. Its aim was to contribute to a broader discussion about critical factors needed to create a vibrant local economy in Indigenous areas.

Leveraging our supply chain

During the year, the value of the goods and services Westpac Group procured from Indigenous Australian businesses totalled \$1.2 million. This puts us in good shape to meet our target of directing at least \$3 million of supply chain spend to Indigenous Australian businesses by 2017.

We have commenced discussions with a number of other potential suppliers and are working with them to build their capacity, in partnership with Supply Nation, Westpac Foundation and Social Traders, while getting a better understanding of how we can improve our own processes to set them up for success.

We believe our approach to supplier diversity will not only create value for the businesses we buy from and economic wellbeing for the people they support, it will also improve Westpac's access to new markets, customers and employees.

Microfinance to back entrepreneurs

During the year, more than 100 Indigenous Australian entrepreneurs were supported by Westpac's microfinance partner, Many Rivers, to start up or expand businesses.

Although Many Rivers is not an Indigenous organisation, it has a strong focus on Indigenous communities through its work to tackle disadvantage in remote, regional and metropolitan communities. In addition to facilitating Westpac's microfinance loans, Many Rivers' field officers mentor and coach clients to help set them up for long term business success.

In total, 465 Indigenous Australian business owners have been supported by Many Rivers, representing just over 50% of its client base.

Improving access to financial services

For retail customers, we worked hard to gain better insights and take steps to improve access to financial services and products to help create greater wealth among Indigenous Australians.

This led to the introduction by BT Financial Group of an initiative to increase awareness and understanding of superannuation. We also made significant progress exploring new ways to overcome barriers to home ownership experienced by many Indigenous Australians.

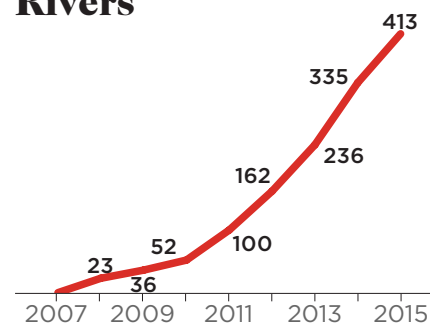
We initiated a new series of financial foundation training modules to be introduced by our school of money, the Davidson Institute, and delivered our first radio advertisements in local Indigenous language to support the opening of our new bank branch at Kununurra in Western Australia.

STRONG COMMUNITIES

Our experience shows an important way we can help strengthen Aboriginal and Torres Strait Islander communities is to build the capacity and sustainability of locally-led community organisations, such as lands councils, community centres and social enterprises. It is these organisations that are best placed to identify the most pressing local issues and have the knowledge, ideas and passion to facilitate change. However they often lack the resources, structures, funding and processes to turn that passion into reality.

Westpac Group continued to address that shortfall in a number of ways during the year. This included tapping into and sharing the skills and knowledge of our employees, awarding grants to organisations that focus on supporting Indigenous Australians, and collaborating with like-minded peer companies to increase our collective social impact.

Indigenous Australian businesses established or expanded with support from Many Rivers



Westpac has supported these businesses with access to microfinance loans and transaction banking since 2009.

101

Total number of Indigenous Australian business owners who have accessed Westpac microfinance loans through Many Rivers during the year.

Sharing the skills and expertise of employees

During the year, almost 60 employees undertook secondments with Indigenous Australian community organisations for periods of six weeks, and in some cases up to 12 weeks, through the Jawun Indigenous Corporate Partnerships program.

During these secondments, our employees worked across a variety of tasks - from reviewing business plans and risk management processes, to making recommendations on new technology systems and marketing plans. Not only do these secondments provide much needed resources to the host organisations, our employees benefit enormously both professionally and personally from the experience.

Since Westpac helped co-found Jawun 15 years ago, more than 700 Westpac Group employees have shared almost 90 years of time with Indigenous Australian community organisations.

Grant making and capacity building

Westpac Foundation distributed grants totalling \$721,781 to 24 organisations that focus on supporting Indigenous Australians.

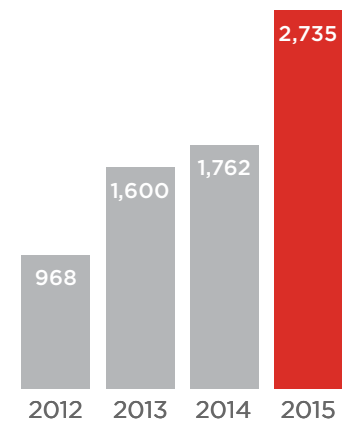
Many of these organisations also received non-financial support by way of business mentoring and advice to improve their capacity to achieve their goals. To shore up these efforts, we improved the way we promote skilled and general volunteering opportunities to our employees, which contributed to an increase in our pool of employee volunteers.

Collaboration for change

As an anchor tenant in Sydney’s Barangaroo precinct, we commenced a partnership with other companies taking up tenancies in the precinct to create a combined Reconciliation Action Initiative, to be announced in 2016. We also continued our work as members of Business Council of Australia’s Business Indigenous Network and Indigenous Corporate Network.

More than 33 senior leaders across Westpac have now visited Indigenous Australian community organisations, many in remote locations, through a program coordinated by Jawun. This is an important way for our leaders to see first-hand the issues faced by communities to better understand the importance of our ongoing involvement.

Number of days contributed by Westpac Group employees participating in Jawun Indigenous Community Secondments



Meet Alinta.

Proud advocate.

“When I first heard about it I almost fainted. For any Indigenous customer walking through the door of a Westpac branch, they’ll think ‘wow, they recognise my land, they recognise me, they recognise my country’.”

This was Alinta McGuire’s response when she found out permanent signs were being unveiled in every Westpac branch which acknowledge the traditional custodians of the land on which they stand.

Alinta is a Westpac Indigenous Business Manager based in the Berrimah branch in the Northern Territory, the first branch to install the acknowledgement sign during NAIDOC Week 2015.

“No other building I’ve ever come across has had an acknowledgement of traditional owners of the area. And now we’ve got it, proudly displayed on the front doors as you walk in.”

Introducing these signs is one of almost 50 commitments made in our ambitious Reconciliation Action Plan. They play a simple, but important symbolic role in demonstrating our recognition of and respect for Aboriginal and Torres Strait Islander culture.



RECOGNITION AND ADVOCACY

We continued to demonstrate respect and recognition for Indigenous Australian culture, heritage and excellence because we know this is an essential ingredient of wellbeing, confidence and success. It's also central to creating a genuinely inclusive workplace that values diversity and supports people to achieve their full financial, career and social potential.

Our challenge for this area of our Reconciliation Action Plan has been for us to encourage the same level of employee engagement and participation in educational and celebratory activities in geographical areas outside the major capital cities as in them.

A highlight of the year was the unveiling of permanent signs in every Westpac branch that acknowledge the Traditional Owners of the land on which the branches are built. Rolled out to coincide with NAIDOC Week, these signs play an important, symbolic role in cultivating greater recognition and respect for Indigenous Australian culture. We plan to unveil similar signs throughout the remaining network of branches from 2016.

The unveiling of the permanent acknowledgements, along with the opening of new branches across the country, provided opportunities to hold events to celebrate and publicly share our commitments. More than 40 celebratory events were held across Westpac Group's network of branches and offices to mark NAIDOC Week.

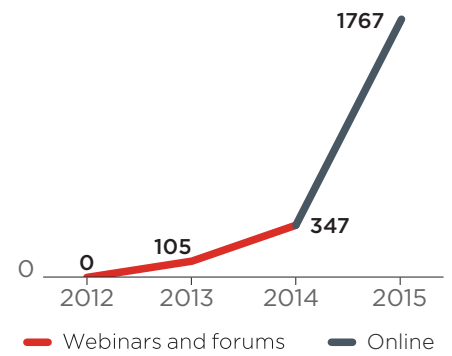
Another feature of these celebrations was an internal campaign to increase the number of employees completing our online Indigenous Cultural Awareness training. Almost 1,770 employees have now completed the training, with feedback about its effectiveness overwhelmingly positive. We plan to encourage a greater number of employees to complete the training through future internal campaigns.

We held or participated in a number of forums to provide informative and inspirational discussions on Indigenous Australian affairs topics. This included employee forums, known internally as 'Deadly Talks', hosted by our Brothers & Sisters Indigenous employee action group. For all major internal meetings, an Acknowledgement of Country has become embedded as a normal protocol.

87 working years

Time contributed to Indigenous Australian community organisations by Westpac Group employees on secondment since Jawun Indigenous Corporate Partnerships was founded 15 years ago.

Number of employees completing Indigenous Australian cultural awareness training



The fundamentals

OUR SUSTAINABILITY STRATEGY

At the heart of our approach to operating sustainably is a simple philosophy. We need to be constantly future-focused, looking to identify and respond to the emerging societal issues which present both risks and opportunities for our business and our stakeholders and for which we have the skills and experience to make a meaningful and valuable difference.

In line with this approach, in 2013 we set out a five-year plan which consisted of ten objectives across three broad priority areas: embracing societal change; economic solutions to environmental challenges; and better financial futures. As we've discussed throughout this report, we have aimed to anticipate and shape these issues - encouraging debate on the future landscape, working to have a positive impact through our own actions, and encouraging others to do the same.

Since setting out our plan, these issues have matured, the actions we've taken have moved closer to becoming part of our standard business practices and, in some cases, we have already achieved our targets ahead of schedule. In these cases, we have replaced or added new objectives to ensure our efforts are responding effectively. During the past year, for example, we have added three new performance measures relating to our direct environmental footprint to provide a more holistic view of our performance in this area.

In April 2015, we held our annual Sustainability 'Acceleration Zone' workshop which brought together leaders from across the Group to test and explore how our existing strategic themes are evolving across the geographies in which we operate. We also explored new emerging issues,

such as productivity and innovation, as we began to test ideas for the next phase of our sustainability strategy.

Westpac New Zealand's sustainability strategy, Our Tomorrow: Sustainable Business Strategy, supports the Group Sustainability Strategy while at the same time reflecting the particular needs of the New Zealand market. Initially due to conclude in September 2015, Westpac New Zealand's sustainability strategy was extended with new objectives through to 2017, to align with the Group-wide strategic timeline.

OUR FRAMEWORK TO GOVERN SUSTAINABLE PRACTICES

A robust governance framework underpins our Sustainability Strategy, comprising our committees, position statements, policies and processes which together keep us focused and accountable for sustainable practices in our day to day activities. This is illustrated in the diagrams that follow.

These accountabilities start with our Board and flow through to individual scorecards for relevant employees.

Our governance forums

Our Sustainability Council comprises senior leaders from across the business bringing different areas of expertise and perspectives and meets four times a year. This Council is responsible for championing sustainable business practices across Westpac Group and driving activities and objectives. Its specific roles include reviewing current and emerging issues looking at the risks and opportunities associated with our approach, endorsing key aspects of our policy framework and providing overall strategic direction including key accountability for our sustainability strategy targets and performance

indicators. Council members also play a key role in identifying and validating our material issues which guide our response as well as the content of our annual reporting.

During the year we sought feedback from a number of Sustainability Council members on the effectiveness of meetings in the context of the Council's role. As a result we have modified the information provided to the Council and the format of meetings to allow for more in-depth discussion of key issues, and providing greater opportunity for the Council to hear directly from external stakeholders.

Progress against our Sustainability Strategy is reported to and discussed with the Executive Team and Board twice each year, with other items discussed on an as needs basis. For instance, Executive Team approval is required for all new public policies and positions, together with Board oversight as appropriate.

Reporting to this Council are a number of Committees and Working Groups, including our Environmental Management Committee, the Westpac Indigenous Advisory Committee and our CleanTech Working Group. During the year we made changes to the Terms of Reference and membership of the Environmental Management Committee to enable more effective, senior level decision making.

A similar structure exists in New Zealand where oversight of our activities is provided by the WNZL Sustainable Business Steering Committee, comprising the Executive Team and the Chief Economist. Input is also received from an independent External Stakeholder Panel made up of leaders in the business and community sectors. During the year the membership of the Panel increased from seven to ten.

Forums to govern accountability



Our frameworks, policies and positions

We have a number of overarching frameworks, policies and positions which guide our approach to sustainability across Westpac Group.

Our Principles for Doing Business sets out the behaviours against which we expect to be judged in pursuit of our vision, and the framework through which we embed sustainable practices throughout our business in the areas of: governance and ethics; customer practices; employee practices; care for the environment; community involvement; and supply chain management.

Our Sustainability and Reputation Risk Management Frameworks set out how we manage these risks across the Group – for example in our operations as well as our lending and investment decisions, and in our supply chain – providing a clear guide on roles and responsibilities within the organisation, reflecting our ‘three lines of defence’ risk management approach.

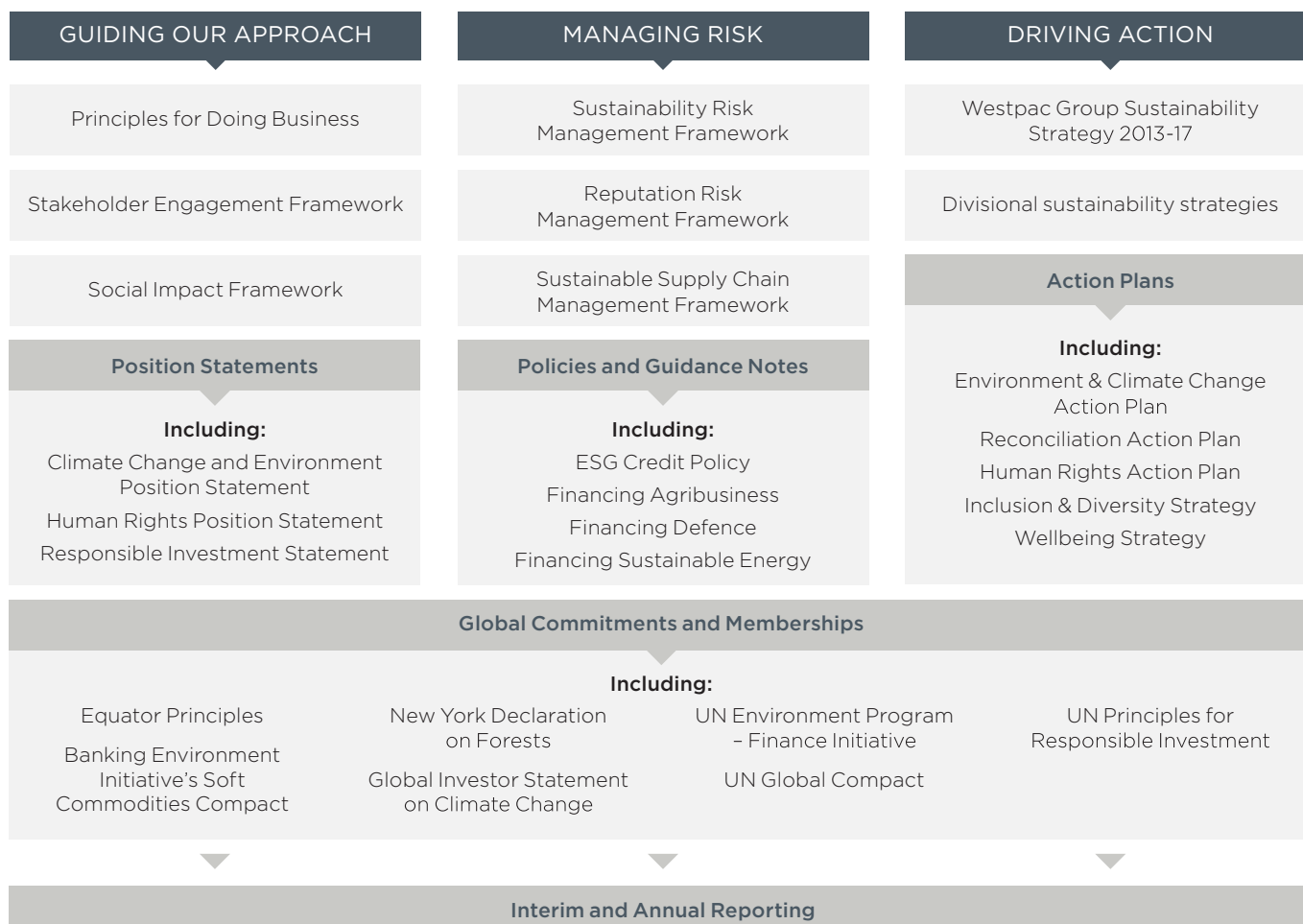
Alongside these frameworks sit a range of policies which embed the principles of these frameworks into our day to day operations. These include our internal and external credit risk position statements, as well as our Group-wide issue-based positions.

During the year we introduced a number of new frameworks, policies and positions, shown in the table on page 42.

We made progress on the implementation of our Climate Change and Environment Position Statement and 2017 Action Plan released in September 2014, detailed in the Environmental Challenges section of this report, and started a program of work to further deepen our approach to sustainable supply chain management, commissioning an independent review of sustainability risks within our supply chain.

One example of our frameworks working in practice was changes in our approach to ‘payday’ lending. In recent years, the payday lending sector has come under increased scrutiny and has been the subject of community and regulator concern. During 2015, after careful consideration, we took the commercial decision to exit customers who provide ‘payday’ lending products and will no longer support new customers where we are aware that they provide payday lending products. We are exploring options to better support vulnerable consumers, including through engagement with the Australian Banking Association on the development of an industry-wide, fair and sustainable solution.

Frameworks to guide decisions, manage risk and drive action



New frameworks, policies and positions introduced during the year

Financing Agribusiness Position Statement	We published our new Financing Agribusiness Position Statement in October 2014 which outlines the standards Westpac applies when lending to customers involved in cultivating, processing or distributing agricultural products, which we will work with our customers to achieve. This statement includes specific standards for customers in the palm oil, soy and forestry sectors, required by 2020, supporting the implementation of our commitments under both the Soft Commodities Compact and the New York Declaration on Forests.
Human Rights Position Statement and Action Plan	We published our Human Rights Position Statement and Action Plan in May 2015, which reconfirms our long-held public commitment to human rights as set out in the International Bill of Human Rights and endorses the United Nations Guiding Principles on Business and Human Rights ('the Principles'). In developing this position statement, we reviewed our due diligence processes for assessing human rights within our operations and found that whilst our overarching policy framework is strong, we need to deepen our understanding of the potential human rights impacts associated, directly or indirectly, with our activities. To address this, we have developed additional guidance notes for our bankers focusing on high risk sectors which will support them in effectively implementing the intentions of the statement. We will also be undertaking information sessions before the end of the calendar year. Since its introduction we have already applied this position statement in our assessments, identifying a number of relationships across the business where there was a potential for human rights concerns, and commenced discussions with a range of organisations in response.
Stakeholder Engagement Framework	We introduced a new Stakeholder Engagement Framework which sets out our approach to engaging with our stakeholders - to deepen our understanding of evolving expectations, priorities and concerns and to help ensure we are responding appropriately.
Social Impact Framework	We developed a Social Impact Framework, which clearly defines where we are best positioned, and should target our resources, to create social impact, together with a proprietary OurImpact tool to guide assessment not only of our community activities but of our broader business activities as well. A version of the tool is publicly available on our website.

EXTERNAL BENCHMARKING AND FRAMEWORKS

Our reporting continues to be in accordance with the Global Reporting Initiative's G4 Guidelines at a comprehensive level and is assured against the AA1000 Accountability Principles Standard (2008). This helps to ensure that we report transparently on how we identify and respond to the most material issues to our business and our stakeholders. The Board has endorsed the engagement of an independent external assurance provider, EY, to assure that we have reported in line with these standards.

We also participate in a range of multi stakeholder forums to develop our thinking and contribute to the

development of sustainability standards and practices more broadly. These include UNEP FI, the UN Global Compact, Business Environment Initiative, the Climate Partners Network and Equator Principles.

We continue to benchmark our activities using international indices to help improve our performance. This includes the Dow Jones Sustainability Index, in which we retained our global banking sector leadership, achieving our highest ever score of 94. We also participate in the CDP and were included in the 2014 Climate Disclosure Index, achieving our highest ever score of 98.

Changes made this year to the submission process for Ethisphere's Most Ethical Companies list meant that we decided to no longer participate.

This decision was taken in line with our publicly available policy on ratings assessments, in particular that, in order to avoid any suggestion of conflict, we will not pay a fee for an unsolicited ratings assessment. This decision meant we were not listed. We had previously participated annually since 2008.

With the finalisation of the Sustainable Development Goals by the United Nations in September of this year we have undertaken a review of our current activities against each of the goals and will use the framework it provides as a key input in developing our sustainability strategy post 2017 as the company enters its third century.

ENGAGING WITH STAKEHOLDERS

In April 2015 we released our revised Stakeholder Engagement Framework setting out in more detail our approach to identifying and prioritising stakeholders, the mechanisms we use to ensure meaningful engagement as well as how we communicate our progress

in relation to their issues of concern. Our Framework is guided by the AA1000 Stakeholder Engagement Standard and is published on our website.

The Framework is designed to help us gain a good understanding of the views and expectations of our stakeholders, and the risks and opportunities these create – both now and in the future.

The information from our stakeholder engagement provides essential input to our annual 'materiality assessment' which guides our focus for reporting and informs our strategic approach.

The following table contains the key mechanisms for engagement in 2015, the key interests which were identified, and how we have reported on these.

Methods and frequency of engagement	Examples of key interests	How we have responded in our reporting
Customers		
Ongoing tracking and analysis of customer feedback and complaints received via: our call centres and online; surveys; social media (including @WestpacSustain); mystery shopping; focus groups; and, ongoing local engagement by branch teams and relationship managers.	Customer service Digital and mobile banking (24/7) Ease of banking; simplicity Information security Housing affordability and home ownership Planning for future financial needs	Discussed across our reporting suite. In particular, customer service and digital are covered extensively in our Annual Review and Sustainability Report (CEO letter). Other aspects are discussed in our update on progress against our Sustainability Strategy – particularly under 'Better Financial Futures'.
Employees		
Monthly employee surveys, biennial Diversity and Flexibility Survey, annual Group Communications Survey, annual Community Engagement Survey and other Foundation surveys, blogs, Yammer (internal social media platform), biannual People Leader Forums, and ongoing team meetings.	Diversity and inclusion Flexible working Moving to an agile work environment Wellbeing Culture Developing capability	Discussed throughout our reporting suite – in particular within our Annual Review and Sustainability Report (CEO letter) and in our update on progress against our Sustainability Strategy – particularly under 'Embracing Societal Change'.
Investors		
Surveys, ongoing briefings and meetings with investors, and questions received prior to and during Annual General Meetings.	Financial and economic performance Digital systems and services, digital disruption Investing in growth Responding to regulatory change Conduct risk issues in the banking sector Exposure to cyclical downturns	Discussed across our reporting suite. In particular, customer service and digital are covered extensively in our Annual Review and Sustainability Report (CEO letter).
Suppliers		
Assessment against the SSCM Code of Conduct (for prospective, new and existing suppliers; assessments valid for three years), occasional supplier forums and meetings with individual suppliers.	Supplier diversity Sustainable Supply Chain Management compliance	Supplier diversity is discussed in the update on our Sustainability Strategy under 'Embracing Societal Change'. SSCM compliance is discussed in 'Our Fundamentals' and 'Environmental solutions'.
Community		
Ongoing dialogue with community partners including annual relationship review meetings and ongoing discussions to implement our social impact framework; ongoing local branch engagement, organisational mentoring and volunteering/secondments; periodic involvement in 'AZones' and workshops.	Social impact Investing in economic wellbeing and greater prosperity Helping out in times of need Financial inclusion Financial education Social and affordable housing Climate change	All aspects discussed in the update on our Sustainability Strategy under 'Better Financial Futures' and 'Environmental Solutions'.
Government and regulators		
Policy trend analysis, industry forums, submissions, reform proposals, reviews and meetings.	Our response to regulatory change Conduct risk issues in the sector Product responsibility Financial and economic performance Addressing financial crime	Discussed across our reporting suite. In particular, customer service and digital are covered extensively in our Annual Review and Sustainability Report (CEO letter).
Non-Governmental Organisations (NGOs)		
Regular one on one meetings, NGO participation in industry meetings (e.g. the Bank Environment Initiative), involvement in annual Sustainability Acceleration Zone, engagement on particular strategy of policy developments (e.g. Climate Change and Environment Position Statement refresh), ongoing written correspondence.	Social impact Financial inclusion Managing sustainability risk in our value chain Addressing climate change risks and opportunities Carbon risk disclosure	All aspects discussed in the update on our Sustainability Strategy under 'Better Financial Futures' and 'Environmental Solutions'.

Performance Metrics

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Employees

We measure and report progress on a number of indicators which reflect the key focus areas of our overall human resources strategy and the sustainability of our workforce. This includes progress we have made towards our inclusion and diversity goals, improving the health, safety and wellbeing of employees, how we attract and retain talent and building the knowledge and capability of our employees – all areas which will support the delivery of our customer service strategy.

Our five-year Sustainability Strategy sets out employee related targets we aim to achieve by 2017. These targets, and our progress against them, are set out in the Embracing Societal Change section from page 8.

Employee profile

Employees by employment type, region and gender (headcount)

	2015			2014			2013 ³		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Australia¹									
Full time	12,226	12,430	24,656	12,544	12,520	25,064	12,312	12,018	24,330
Part time	5,602	503	6,105	6,003	539	6,542	6,121	511	6,632
Temporary	1,236	1,535	2,771	1,347	1,589	2,936	1,231	1,475	2,706
Total Australia	19,064	14,468	33,532	19,894	14,648	34,542	19,664	14,004	33,668
New Zealand									
Full time	2,178	1,609	3,787	2,238	1,640	3,878	2,322	1,653	3,975
Part time	634	34	668	615	36	651	643	42	685
Temporary	370	248	618	323	223	546	365	275	640
Total New Zealand	3,182	1,891	5,073	3,176	1,899	5,075	3,330	1,970	5,300
Westpac Pacific²									
Full time	590	406	996	707	495	1,202	687	548	1,235
Part time	57	45	102	71	40	111	88	41	129
Temporary	26	25	51	8	4	12			
Total Westpac Pacific	673	476	1,149	786	539	1,325	775	589	1,364
Group total	22,919	16,835	39,754	23,856	17,086	40,942	23,769	16,563	40,332

1. Employee data is categorised by legal employer. 'Australia' includes employees located in Australia, UK, US and Asia.

2. The Westpac figures for FY13 and FY14 now reflect headcount numbers, previously reported as a percentage.

3. 2014 and 2013 data has been restated splitting out employees by gender for each employment type, as per Global Reporting Initiative requirements.

Employees (FTE)

	2015	2014	2013	2012	2011
Group total	35,241	36,373	35,597	35,675	37,806

Engagement, new starters, attrition and retention

	2015 ²	2014	2013	2012	2011
Employee engagement ¹	–	–	87	84	81
Employee voluntary attrition (number)	4,118	3,692	3,650	3,750	4,434
Employee voluntary attrition (% of total staff)	10.6	9.8	9.8	9.9	11.5
New starters (number) ³	4,214	4,591	4,368	–	–
New starters (% of total staff)	11	12	12	–	–
High performer retention (% of high performers)	95	96	96	96	95
New starter retention (% of new starters)	85	88	87	85	84

1. Employee engagement survey not conducted during 2014 and 2015 pending the outcomes of a major culture program started in 2015. Employee engagement survey will resume in 2016.

2. Data for 2015 includes Westpac Pacific. Not included in prior years.

3. Maximum term and westpac temp employees are excluded from the new starter population.

New starters by gender and age^{1,2}

	2015		2014		2013	
	Number	Rate (% total staff)	Number	Rate (% total staff)	Number	Rate (% total staff)
Employee new starters by gender						
Female	2,087	50	2,352	51	2,392	55
Male	2,125	50	2,236	49	1,973	45
Employee new starters by age						
≤ 24	887	21	800	18	856	20
25-34	1,795	43	1,946	44	1,874	43
35-44	1,020	24	1,170	26	1,057	24
45-54	427	10	474	11	476	11
≥ 55	83	2	76	2	85	2

1. Data relates to employees employed by Australian entity only, covering those located in Australia, UK, US and Asia.

2. Age and gender totals may not match overall reported numbers due to non-identified age and gender in some records.

Voluntary attrition by gender and age (%)

	2015	2014	2013	2012	2011
Attrition by gender (%):					
Female	10	10	10	10	11
Male	12	10	10	10	12
Attrition by age (%):					
≤ 24	18	17	16	19	20
25-34	14	13	13	12	15
35-44	10	9	9	9	10
45-54	7	6	6	6	7
≥ 55	5	5	5	6	7

Inclusion and diversity

Women in leadership

	2015	2014	2013	2012	2011
	%	%	%	%	%
Board	22	44	30	33	30
Executive	26	28	26	25	25
Senior Manager	42	39	39	39	38
Manager	47	45	43	41	38
Group total	46	44	42	40	38

Tenure and gender profile (%)¹

	2015		
	Female	Male	Total
<1 Yr	11	15	13
1 Yr	9	11	10
2-3 Yrs	13	15	14
4-5 Yrs	12	14	13
6-10 Yrs	23	21	22
11-15 Yrs	12	9	11
16-20 Yrs	9	6	8
21 Yrs +	11	9	10

Age and gender profiles (%)¹

	2015		
	Female	Male	Total
≤ 24	5	6	6
25-34	30	30	30
35-44	32	29	30
45-54	23	23	23
≥ 55	10	12	11

1. The percentages have been rounded to a whole percentage and may not total to exactly 100%.

Age profile of workforce compared to National Labour Force (%)

	≤24	25-34	35-44	45-54	≥55
Westpac Group – Australia	5	30	31	23	11
Australian labour force	16	23	22	21	18
Westpac Group – New Zealand	6	26	27	26	15
New Zealand labour force	16	20	20	22	22

Percentage of basic salary – female to male¹

	2015	2014	2013
Administrator	109	111	111
Senior Administrator	99	99	99
Team lead/supervisor	99	99	99
Manager	99	99	99
Middle Manager	99	98	99
Senior Manager	95	94	94
Executive ²	87	97	95

1. Calculated as (base salary – female salary as a % of male salary); ratios for the Group.

2. Change in Executive level attributable to CEO moving from female to male category.

Parental leave

	2015	2014	2013	2012	2011
Employees accessing parental leave – Australia	2,862	3,059	2,829	2,746	2,070
Employees accessing parental leave – New Zealand	104	108	153	141	110

Indigenous recruitment

	2015	2014	2013
Indigenous Australians recruited	150	106	103

Mature age workers

	2015	2014	2013
Participation of mature age workers (%)	20.8	20.9	20.5
Mean employee retirement age (years)	61.6	61.6	60.6

Health, safety and wellbeing

Lost time injury frequency rate

	2015	2014	2013	2012	2011
Lost time injury frequency rate – Group ¹	0.8	1.1	1.5	1.9	2.5

1. No work-related fatalities were reported during this period.

Wellbeing Westpac Group Average WorkAbility Index

	2015	2014	2013
Wellbeing Index – Australia (score out of 49)	40	— ¹	41

1. Biennial survey, not conducted in 2014.

Financial wellbeing of 40+ women¹

	2015	2014	2013
Financial wellbeing of 40+ women – Australia	6.10	— ²	6.38

1. Index score out of 11, for Australian Banking and BTFG 40+ women, compared with all Australian Banking and BTFG employees. Score of benchmark population was 6.45 in 2013 and 6.41 in 2015.

2. Biennial survey, not conducted in 2014.

Absenteeism¹

	2015	2014	2013
Australia	3.37	3.29	3.14
New Zealand	2.22	2.24	2.09

1. Calculated as number of actual absenteeism days lost (due to incapacity of any kind) as a percentage of total days (FTE) scheduled to be worked by workforce.

Occupational health and safety training¹

	2015	2014	2013	2012	2011
Group (%)	96	—	—	—	—
Australia, UK and USA (%)	—	94	95	92	94
New Zealand (%)	—	93	92	97	93

1. Data has changed from being geographically broken down to Group-wide reporting as we have moved to a consistent global training platform in 2015.

Training and capability

Average hours of training per employee

	2015	2014	2013	2012	2011
Australia ¹	20.9	18.1	21.3	18.3	22.6
New Zealand	11.6	8.1	16.9	12.4	9.1
Group	20.0	—	—	—	—

1. 'Australia' includes employees located in Australia, UK, US and Asia.

Capability

	2015	2014	2013
Customer-facing employees who hold externally recognised wealth accreditation in line with role requirements ¹	1,588	—	—
Employees who attained professional qualifications through Westpac managed programs (cumulative)	3,858	1,746	33 ²

1. Refers to Australian-based employees in customer facing roles who may identify a wealth opportunity, wealth referral or provide Tier 1 general or personal advice.

2. Westpac managed professional qualification ("Best Banker") program was introduced in 2012.

Conduct and compliance

Doing The Right Thing Training^{1,2}

	2015	2014	2013	2012	2011
Group compliance with training requirements (%)	97	—	—	—	—
Australia, UK and USA (%)	—	97	98	95	94
New Zealand (%)	—	93	92	97	93

1. The course covers the following topics: Equal Employment Opportunity in Action, Core Compliance and Operational Risk, Giving Advice, Privacy, the Technology Code of Use, the Code of Banking Practice, AML/CTF and Sanctions, Information Security, Complaints Management & Resolution, Records Management and Managing Regulator Relationships.

2. Data has changed from being geographically broken down to Group-wide reporting as we have moved to a consistent global training platform in 2015.

Whistle-blowing

Concerns reported on Concern Online	2015		2014	2013	2012	2011 ²
	Total	Substantiated	In Progress	Total	Total	Total
Dishonest conduct	90	16	19	66	39	17
Fraudulent or other illegal activity ³	3	—	—	—	5	9
Significant people or HR issues ¹	81	4	11	69	65	—
Substantial health and safety risk	15	-	1	6	4	4
Other	18	1	4	16	19	43
Total number of new concerns	207	21 ⁴	35	157	132	73

1. Includes items redirected to other channels.

2. Restated to reflect updated categories. Total number of new concerns have not changed.

3. Includes anti-money laundering issues and theft of Westpac property. Other fraud related concerns are reported under Dishonest Conduct (Breach of Westpac Policies and Codes).

4. Overall substantiated concerns have significantly increased as multiple concerns were raised for the same issue. A total of 14 issues were identified via Concern Online and substantiated.

Remuneration¹

	2014
Australia	
Ratio of the annual total compensation for highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	131:1
Ratio of percentage increase in annual total compensation for highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	0.40:1
New Zealand	
Ratio of the annual total compensation for highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	49:1
Ratio of percentage increase in annual total compensation for highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	-0.32:1

1. Based on FY14 compensation due to timing of Group remuneration review.

Customers

Through our service revolution, we have a strong focus on responding to the evolving needs of our customers. We measure and report against a number of indicators to track our progress, including the strength and depth of our customer relationships, our digital transformation, how we are improving access to advice and products, the number of complaints received and how we are supporting our customers towards a secure retirement.

Customer numbers

	2015	2014	2013	2012	2011
Total customers (millions)	13.1	12.8	12.2	11.8	11.5

Customer relationships and advocacy

	2015	2014	2013	2012	2011
Australia					
Net Promoter Score (NPS) – consumer	+1.1	+0.9	-2.4	-7.7	-7.7
Net Promoter Score (NPS) – business	-0.7	+1.2	-5.3	-10.8	-7.0
New Zealand					
Net Promoter Score (NPS) – consumer	+5	+2	+8	+9	— ¹
Group					
Average products per customer (consumer banking)	2.98	2.96	3.00	2.84	—
Wealth customer penetration (%)	19.7	20.0	18.7	18.4	17.0
Westpac Institutional Bank Relationship Strength Index Ranking¹					
Relationship Banking	1	1	1	1	2
Transactional Banking	1	1	1	1	1

1. Not provided for consistency purposes due to change in supplier of retail market monitor in 2012.

Digital transformation

	2015	2014	2013	2012
Digitally active customers (%) – Group	38	36	37	35
Mobile active customers (%) – Australian Banking	26	25	22	18

Access to financial services

	2015	2014	2013	2012	2011
Australia					
Branches	1,201	1,292 ²	1,282	1,281	1,274
Branches with 24/7 banking capability (%)	18	12	5	2	1
Westpac customer access to Bank@Post outlets ¹	3,586	—	—	—	—
ATMs	3,068	3,105	3,051	2,949	2,884
Smart ATMs (%)	34	25	18	0	0
Connect Now/Business Connect facilities	957	324	105	60	0
New Zealand⁴					
Branches	189	193	208	206	207
Branches with 24/7 banking capability (%)	49	40	0	0	0
ATMs	639	628	613	579	554
ATMs with 'Smart' (deposit-taking) functionality (%)	24	21	19	0	0
Westpac Pacific					
Net Basic Banking Account customers (cumulative)	292,374	225,260	147,392	71,000	—
Branches	39	49	54	52	51
Transactional volume of in-stores (per year)	391,843	379,971	—	—	—
ATMs	143	157	150	111	106
Mobile banking activations (cumulative)	58,660	11,875	—	—	—
Group					
Branches	1,429	1,534	1,544	1,568	1,532

1. Westpac's agreement with Bank@Post was formalised in December 2014.

2. Restated from 1,291 in FY14 reporting.

Customer complaints

	2015	2014	2013	2012	2011
Australia					
Change in customer complaints from prior year (%)	-31.0	-26.5	-15.0	–	–
Australian Banking complaints types (%) ¹					
Commercial/business decision	6.6	5.2	3.9	–	–
Communication/information/advice	14.5	16.1	13.4	–	–
Process and procedure issues and errors	40.5	34.3	32.8	–	–
Product features	7.3	8.6	5.7	–	–
Rates, fees and charges	11.4	17.0	26.6	–	–
Staff or service quality issues	19.5	18.9	17.3	–	–
Other	0.2	0.1	0.2	–	–
BTFG complaints types (%) ²					
Product, commercial and business	7.6	–	–	–	–
Information and advice	3.3	–	–	–	–
Fees, charges and interest rates	23.0	–	–	–	–
Process and procedure	51.8	–	–	–	–
Staff service quality	14.3	–	–	–	–
New Zealand					
Change in customer complaints from prior year (%)	-22.3	-18.7	16.1	3.1	–
Complaints types (%):					
Bank error	38	42	44	47	–
Commercial/business decision	0	0	1	1	–
Fees, charges and interest	17	18	19	18	–
Financial advisor service	0	0	0	0	–
Process and procedure	11	10	10	11	–
Product features	5	4	4	4	–
Service	21	20	17	15	–
System and equipment	8	5	5	4	–

1. Customer customer complaint breakdown by type for Australian Banking excludes RAMS.

2. Detailed complaint type breakdown for BTFG only available for 2015 due to change in classification methodology.

Helping our customers to put in place a secure income stream to meet their goals in retirement

	2015	2014	2013
Westpac Group customers with Westpac Group Superannuation (%)	8.1	8.1	7.4

Anticipate future needs of ageing & culturally diverse customers

	2015	2014	2013
Initiatives introduced to support the financial wellbeing of ageing and culturally diverse customers (cumulative number)	5	4	1

Responsible lending and investment

The tables below bring together information to provide a better understanding of our performance on responsible lending and investment. This includes aspects of our lending profile, how we have applied the Equator Principles, and the profile of our responsible investment funds under management. For the first time, we have introduced a new measure: the value of our lending and deposits which back initiatives and projects that create positive societal outcomes, which we call 'Positive Impact Finance'.

Group lending profile¹

	Australia	New Zealand	Other	Total
Accommodation, cafes and restaurants	9,007	209	108	9,324
Agriculture, forestry and fishing	9,691	7,426	976	18,093
Construction	9,385	699	337	10,421
Finance and insurance	69,553	6,743	14,712	91,008
Government, administration and defence	46,197	3,237	1,261	50,695
Manufacturing	18,850	3,428	9,148	31,426
Mining	9,139	481	4,235	13,855
Property, property services and business services	76,448	7,251	1,203	84,902
Services	17,536	1,978	296	19,810
Trade	23,143	3,800	5,634	32,577
Transport and storage	14,004	1,942	2,007	17,953
Utilities	10,205	2,598	1,277	14,080
Retail lending	485,351	48,059	1,778	535,188
Other	4,001	355	55	4,411

1. Exposure at default (EAD).

Application of Equator Principles

	2015	2014	2013	2012	2011
Loan value (\$m)¹	1,065.2	851.2	267.5	1,140	383.3
Transactions Closed					
Number of Category A transactions	0	0	0	1	1
Number of Category B transactions	7	5	4	5	4
Number of Category C transactions	1	0	0	3	0
Total transactions closed	8	5	4	9	5
Equator Principles – loan value by sector (%)					
Infrastructure	80	62	10	49	26
Power ⁴	6	0	90	6	74
Natural resources	14	38	0	45	-
Equator Principles – loan value by geography (%)					
Pacific	34	10	–	5	-
Australia	66	90	100	95	100
Equator Principles – loan value by category (%)					
Category A	0	0	0	25	21
Category B	91	100	100	44	80
Category C	9	0	0	31	0

1. Exchange rates assumed as 30 September of each respective year.

Sector specific lending profiles¹

	2015	2014	2013	2012	2011
CleanTech and environmental services – Australia and New Zealand					
Total attributable financing (\$m)	6,054	7,978	6,438	3,140	–
Disitribution by technology type:					
Energy Efficiency (%)	0.6	0.6	0.6	0.8	–
Green Buildings (%)	54.3	66.2	62.9	27.6	–
Green Businesses (%)	0.9	0.9	1.0	1.8	–
Renewable Energy Projects (%)	34.6	24.7	26.3	49.1	–
Waste (%)	3.7	3.5	3.6	7.0	–
Water (%)	0.2	0.2	0.2	0.2	–
Forestry (%)	5.4	3.5	3.5	7.5	–
Land Remediation (%)	0.1	0.1	1.7	0.0	–
Other (%)	0.2	0.2	0.3	6.0	–
Electricity generation – Australia and New Zealand					
Total attributable financing (\$m)	3,330	3,197	3,097	2,727	2,565
Distribution by fuel type (%):					
Renewable ²	60.7	58.6	54.9	51.7	45.2
Other Renewables	29.8	28.4	24.0	24.5	20.5
Hydro	30.9	30.2	30.9	27.2	24.7
Brown coal	2.9	4.0	4.5	5.2	11.9
Black coal	14.3	15.6	16.2	20.8	22.3
Gas	20.8	20.4	23.6	21.6	20.4
Liquid fuel	1.4	1.4	0.8	0.7	0.2
Westpac electricity generation portfolio emissions intensity (tCO ₂ -e/MWh)	0.38	0.41	0.44	–	–
Benchmark emissions intensity (NEM t/CO ₂ -e/MWh)	0.91	0.87	0.87	–	–
Mining					
Mining – Group					
Total mining exposure (\$m)	14,423 ⁴	–	–	–	–
Distribution by customer primary commodity (%):					
Coal mining	9	–	–	–	–
Oil and gas extraction	47	–	–	–	–
Iron ore mining	5	–	–	–	–
Other metal ore mining	19	–	–	–	–
Mining services	15	–	–	–	–
Other	5	–	–	–	–
Mining – Australia and New Zealand					
Total natural resources exposure (\$m) ³	8,785	7,578	6,160	–	–
Distribution by resource type (%)					
Coal mining (%)	7.6	7.6	9.6	–	–
Oil and Gas extraction (%)	28.9	26.0	26.0	–	–

1. All data is based on total committed exposures (TCE).

2. % of Renewable lending (Renewable) is the sum of exposures listed as Hydro and Other Renewables below.

3. Exposure for WIB only, excludes exposure in Commercial and Business Bank.

4. Increase in Group exposure partly due to reclassification of certain conglomerate customers to mining in 2H15.

Positive Impact Finance¹

	2015
Positive impact lending (\$m)	77,873.1
Positive impact deposits and wealth (\$m)	45,828.8
Total positive impact finance (\$m)	123,701.9

1. Includes lending to social and affordable housing, CleanTech and microfinance, as well as lending, deposits and wealth products for Indigenous Australian banking customers and customers in the social sector.

BTFG portfolio carbon intensity

Product/investment option	Emissions intensity (CO ₂ e/ AU\$m)	Benchmark	Against Benchmark (%) ¹
LSEP/AESA/BTSFL/WGP/BTBS			
Multi Manager Balanced Fund	223.62	231.37	-3.35
LSEP/AESA/BTSFL/WGP			
MySuper Lifestage 1940s	223.33	231.40	-3.49
MySuper Lifestage 1950s	223.62	231.34	-3.33
MySuper Lifestage 1960s	223.84	231.28	-3.21
MySuper Lifestage 1970s	224.01	231.24	-3.12
MySuper Lifestage 1980s	224.07	231.22	-3.09
MySuper Lifestage 1990s	224.07	231.22	-3.09
MySuper Lifestage 2000s	223.74	231.22	-3.24
BTSFL			
BT Super for Life – Conservative Fund	223.69	231.27	-3.28
BT Super for Life – Moderate Fund	223.82	231.29	-3.23
BT Super for Life – Growth Fund	223.59	231.39	-3.37
BTBS / LSEP			
BT Multi-manager Conservative	223.69	231.27	-3.28
Westpac International Share	154.72	215.53	-28.22
BTBS			
Westpac Balance Growth	198.34	230.87	-14.09
MySuper Lifestage 1940s	212.80	230.92	-7.85
MySuper Lifestage 1950s	212.02	230.98	-8.21
MySuper Lifestage 1960s	212.29	230.98	-8.09
MySuper Lifestage 1970s	211.94	230.99	-8.25
MySuper Lifestage 1980s	211.99	231.00	-8.23
MySuper Lifestage 1990s	212.22	231.00	-8.13
MySuper Lifestage 2000s	212.13	231.00	-8.17
Westpac Moderate Growth	212.80	214.82	-0.94
BT Active Balanced	208.66	214.81	-2.87
BT Australian Sustainability Share	218.26	214.52	1.74
Westpac Australian Share	231.39	214.52	7.86
BT Multi-manager High Growth	223.52	231.40	-3.41
BT Core Global Shares	174.20	215.53	-19.18
LSEP			
BT Conservative Outlook	208.72	214.82	-2.84
BT Balanced Returns	208.78	214.81	-2.81
Westpac Balanced	198.34	214.81	-7.67
BT Multi-manager Growth	223.59	231.39	-3.37
BT Future Goals	208.50	214.81	-2.94
BT Multi-manager Australian Share	227.28	230.10	-1.23
BT Australian Share	216.57	214.52	0.95
BT Ethical Share	216.57	214.52	0.95
BT Multi-manager International Share	219.58	232.77	-5.67
AESA			
SMA Defensive	223.69	231.27	-3.28
SMA Moderate	223.82	231.29	-3.23
SMA Balanced	223.62	231.37	-3.35
SMA Growth	223.59	231.39	-3.37
SMA High Growth	223.52	231.40	-3.41
LSF			
BT Balanced Returns	208.76	214.81	-2.82

1. A negative variance against benchmark means the individual product/investment option is less emissions intensive as compared to its benchmark.

Total BTFG responsible investment funds under management¹

	2015	2014	2013	2012	2011
SRI (screened) ² (\$m)	1,499	1,693	1,376	981	644
ESG integration (\$m)	15,017	–	–	–	–

1. BTFG only - definition has changed to align to our position statement on responsible investing moving from SRI to ESG integration.

2. Number restated in 2015 to reflect BTFG funds. Prior to 2015 numbers represent BT Investment Management (BTIM) funds; from 2015 onwards BTIM is no longer a subsidiary of Westpac Group and is not represented in the data.

Environment

To track our progress in managing our direct environmental footprint, we measure and report our performance against a number of indicators, as set out in the tables below. These include our green house gas (GHG) emissions; energy use; paper consumption; waste and recycling; water use; and business travel. All data reflects a 1 July – 30 June reporting year, unless otherwise stated.

Our five-year Sustainability Strategy sets out the environmental footprint targets we aim to achieve by 2017. These targets, and our progress against them, are set out in the Environmental Solutions section from page 16.

For our performance on metrics related to our indirect environmental performance, such as lending to CleanTech and environmental services, see our Responsible lending and investment performance on page 46.

GHG Emissions

Group GHG Emission Summary¹

	2015	2014	2013	2012	2011 ²
GHG emissions (tCO₂-e)					
Total Scope 1 Emissions	10,830	10,270	10,663	10,277	9,282
Total Scope 2 Emissions	164,976	168,178	175,463	176,648	179,662
Total Scope 3 Emissions	68,484	81,774	85,283	92,029	57,354
Total Scope 1 and 2 emissions (tCO₂-e)	175,806	178,448	186,126	186,925	188,944
Total Scope 1, 2 and 3 Emission (tCO₂-e)	244,290	260,222	271,409	278,954	246,298

Group Energy Summary¹

	2015	2014	2013	2012	2011 ²
Energy consumption (GJ)					
Energy Consumption – Fuels	131,394	123,616	134,128	144,392	127,497
Energy Consumption – Electricity	778,393	790,828	826,104	809,355	853,063
Total energy consumption (GJ)	909,787	914,444	960,233	953,747	981,100

1. Includes Westpac Group operations in Australia, New Zealand, the United Kingdom and the Pacific.

2. 2011 Pacific excludes the Solomon Islands and Samoa. Australian Refrigerant data not reported in 2011.

Absolute GHG emissions

	Group		Australia		New Zealand		Pacific		UK	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Scope 1 emissions (tCO₂-e)										
Stationary Energy - Natural Gas ¹	1,184	967	784	640	261	189	75	84	64	54
Stationary Energy - Diesel	302	142	207	38	—	—	96	104	—	—
Stationary Energy - LPG	4	6	4	6	—	—	—	—	—	—
Transport - Fleet Vehicles	7,158	7,033	4,792	4,655	1,807	1,646	560	732	—	—
Refrigerants	2,181	2,122	1,986	1,950	195	172	—	—	—	—
Total Scope 1 emissions (tCO₂)	10,830	10,270	7,772	7,289	2,263	2,007	730	920	64	54
Scope 2 Emissions (tCO₂)										
Purchased Electricity	164,976	168,178	160,240	163,156	3,162	3,208	1,122	1,387	453	427
Total Scope 1 and 2 Emissions (tCO₂)	175,806	178,448	168,012	170,445	5,425	5,215	1,852	2,307	517	481
Scope 3 Emissions (tCO₂)										
Base Building Emissions ²	17,506	21,225	17,506	21,225	—	—	—	—	—	—
Transmission & Distribution Losses	24,053	31,789	23,783	31,423	270	366	—	—	—	—
Transport - Fleet Vehicles	379	369	379	369	—	—	—	—	—	—
Business Travel - Air	12,280	11,173	10,436	9,537	1,460	1,312	—	—	385	324
Business Travel - Hire vehicles & personal vehicles ³	303	216	138	98	165	118	—	—	—	—
Business Travel - Taxis	661	671	565	579	97	92	—	—	—	—
Business Travel - Hotels ⁴	57	41	—	—	57	41	—	—	—	—
Paper Consumption	11,252	13,854	10,471	13,060	580	640	199	152	2	2
Waste - Landfill	1,992	2,435	1,655	2,027	337	408	—	—	—	—
Total Scope 3 Emissions (tCO₂)	68,484	81,774	64,993	78,318	2,966	2,978	199	152	387	326
Total Scope 1,2 and 3 Emissions (tCO₂)	244,290	260,222	232,945	248,763	8,391	8,193	2,051	2,459	904	807

1. NZ 2014 data restated due to finalised 2014 emission factors from NZ Ministry for the Environment. Pacific 2014 restated to ensure consistency of calculation methodology.

2. Reported for Australia only.

3. Emissions from personal vehicles are reported for New Zealand only. Hire vehicles are reported for both Australia and New Zealand.

4. Reported for New Zealand only.

GHG Emission Intensity

	Group		Australia		New Zealand	
	2015	2014	2015	2014	2015	2014
Scope 1 and 2 emissions (tCO ₂ -e)/employee (FTE) ¹	4.9	5.0	5.7	5.7	1.2	1.2
Scope 1 and 2 emissions (tCO ₂ -e)/m ²	0.2	0.2	0.2	0.2	0.1	0.04

1. FTE metric is based on total FTE as at 30 June annually. 2014 data restated to align FTE methodology.

Energy

Energy Consumption

	Group		Australia		New Zealand		Pacific		UK	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Energy Consumption - Fuels (GJ)										
Stationary Energy - Natural Gas	21,562	17,643	15,265	12,475	4,840	3,539	1,456	1,628	1	1
Stationary Energy - Diesel	4,352	2,046	2,972	551	—	—	1,380	1,495	—	—
Stationary Energy - LPG	72	96	72	96	—	—	—	—	—	—
Transport - Fleet Vehicles	105,409	103,830	71,580	69,533	25,641	23,545	8,187	10,753	—	—
Total Energy Consumption - Fuels (GJ)	131,394	123,616	89,888	82,655	30,481	27,084	11,023	13,876	1	1
Energy Consumption - Electricity (GJ)										
Purchased Electricity	778,393	790,828	673,243	681,715	85,907	86,193	16,137	19,986	3,106	2,934
Total Energy Consumption (GJ)	909,787	914,444	763,131	764,370	116,338	113,277	27,160	33,862	3,108	2,935

1. NZ 2014 transport fuels restated to align with calculation methodology used in other regions.

Energy Intensity

	Group		Australia		New Zealand	
	2015	2014	2015	2014	2015	2014
Energy (GJ)/employee (FTE) ¹	25.6	25.3	25.9	25.4	25.6	25.0
Energy (GJ)/m ²	1.0	1.0	1.0	1.0	1.0	1.0

1. FTE metric is based on total FTE as at 30 June annually. 2014 data restated to align FTE methodology.

Paper Consumption

Paper Consumption

	2015	2014	2013	2012	2011
Paper Consumption (tonnes)					
Australia	4,319	4,741	5,101	5,360	5,602
New Zealand	537	593	661	669	660
Pacific ²	71	54	55	–	–
UK	2	2	3	–	–
Total Paper Consumption	4,929	5,390	5,820	6,029	6,262
Percentage of Carbon Neutral Paper – Australia	28	15	18	–	–
Percentage including FSC accredited content (%) ¹ – Australia	81	82	65	69	68
Percentage including recycled content (%) – Australia	12	18	10	11	9

1. All New Zealand office paper is FSC accredited. All UK office paper is recycled paper.

2. Pacific Paper consumption for 2013 and 2014 restated to align calculation methodology used in other regions.

Office Paper Consumption

	2015	2014	2013	2012	2011
Office Paper (tonnes)/employee (FTE) – Australia	0.15	0.16	0.17	0.18	0.19
Office Paper (tonnes)/employee (FTE) – New Zealand	0.12	0.13	0.14	0.14	0.15

Waste and recycling

Recycling

	2015	2014	2013	2012	2011
Paper Recycling (tonnes)					
Australia ¹	2,234	2,194	2,311	2,339	2,706
New Zealand	583	666	586	710	737
United Kingdom	9	9	10	2	9
Total Paper Recycling (tonnes)	2,827	2,869	2,907	3,051	3,452
General Recycling (tonnes)					
Australia – Commercial	746	787	869	–	–
Australia – Retail	143	145	130	–	–
New Zealand	91	–	–	–	–
UK	2	2	2	–	–
Total General Recycling (tonnes)	982	934	1,001	–	–
Specialty Recycling (tonnes)					
Australia – Fluorescent Tubes ²	2.9	4.3	3.0	4.4	2.3
Australia – E-waste	220.2	28.6	32.3	–	–
Total Recycling (tonnes)	4,032	3,836	3,943	4.4	2.3

1. Australian data restated from 2014 and 2013 to remove cardboard recycling. Cardboard recycling is reported under General Recycling.

2. Australia participates in the Fluorocycle Program.

Waste

	2015	2014	2013	2012	2011
Waste to Landfill (tonnes)					
Australia – Commercial	1,114	1,090	1,587	–	–
Australia – Retail	391	505	982	–	–
New Zealand	183	222	253	–	–
Total Waste to Landfill	1,688	1,817	2,822	–	–

Water

Water Consumption

	2015	2014	2013	2012	2011
Water Consumption (KL)					
Australia – Commercial	355,484	337,206	301,546	269,091	379,500
Australia – Retail	248,580	229,016	244,378	204,416	272,300
Total Water Consumption	604,064	566,222	545,924	473,507	651,800

Water Intensity

	2015	2014	2013	2012	2011
Water Consumption kL/m²					
Australia - Commercial	1.10	0.97	0.58	0.74	1.04
Australia - Retail	0.60	0.56	0.58	0.48	0.66

Business Travel

Land travel

	2015	2014	2013	2012	2011
Fleet - Total distance travelled (m km)					
Australia	23	22	34	26	26
New Zealand	9.0	—	—	—	7.8
Hire Vehicles and Personal Vehicles - Total distance travelled (m km)¹					
Australia	0.7	0.4	0.9	—	—
New Zealand	0.7	0.5	1.1	—	—
Fleet - Emissions/Vehicle (tCO₂-e/vehicle)					
Australia	4.7	4.8	3.6	4.8	4.4
New Zealand	4.7	4.3	4.5	4.9	4.8
Fleet - Fuel Consumption/ Vehicle (kL/vehicle)					
Australia ¹	2.1	2.1	1.6	2.1	1.9
New Zealand	1.7	1.6	1.7	1.9	1.8

1. Emissions from personal vehicles are reported for New Zealand only. Hire vehicles are reported for both Australia and New Zealand.

Air travel

	2015	2014	2013	2012	2011
Distance Travelled - Domestic					
Australia (m pkm) ¹	53.8	50.6	52.6	46.2	66.7
New Zealand (m pkm)	5.7	5.3	7.2	7.8	8.2
United Kingdom (m pkm)	0.3	0.4	0.4	0.2	0.3
Total distance travelled - Domestic	59.7	56.3	60.1	54.2	75.2
Distance Travelled - International					
Australia (m pkm) ¹	28.6	24.0	17.9	13.4	15.6
New Zealand (m pkm)	4.1	3.3	3.6	3.4	4.0
United Kingdom (m pkm)	2.2	1.8	1.2	0.9	1.5
Total distance travelled - International	34.9	29.1	22.7	17.7	21.1
Total Distance Air travel	94.6	85.4	82.8	71.9	96.3

1. In 2015, all Trans-Tasman air travel is reported under International. Prior to 2015, Trans-Tasman air travel was included as Domestic travel for Australia.

Additional metrics from 2017 Sustainability Strategy

Direct Environmental Footprint

	2015	2014	2013
Electricity efficiency in commercial and retail sites (kWh/m ²) ^{1,2}	193	198	200
Electricity usage in commercial and retail sites (MWh) ^{1,3}	165,402	169,839	172,956
Scope 1 & 2 GHG emissions in commercial and retail sites (tonnes CO ₂ -e) ^{1,3}	127,608	131,393	137,374
Power Usage Effectiveness (PUE) - Australia	1.7	1.7	1.7
Maintain Carbon Neutrality	Maintained	Maintained	Achieved
Office Paper (tonnes)	1,299	1,415	1,523
Recycling Rate in Sydney Head Offices (%)	61	59	55
Water consumption in Sydney head offices (kL) ³	171,559	171,330	—

1. Electricity efficiency, electricity usage and GHG targets include all Australian and New Zealand commercial and retail properties only. Excludes ATMs, stand alone Data Centres and fleet.

2. Rebaselined in 2014/2015 to align boundary and methodology used in New Zealand to be consistent with Australia.

3. New measure introduced in 2015.

Suppliers

Recognising that the actions of our suppliers are important to our sustainability performance, our Sustainable Supply Chain Management (SSCM) Framework provides strong foundations for us to better understand and manage risks and opportunities in our supply chain. We also have clear standards of ethical, social and environmental business practices for suppliers, outlined in our SSCM Code of Conduct. To track the sustainability performance of our supply chain, we measure and report on a number of indicators, including the extent of our assessment of suppliers against our SSCM Code of Conduct and the number of suppliers with action plans to improve sustainability performance as a result of the SSCM assessment.

All information reported (with the exception of supply chain spend) reflects Australia data only. We have commenced the process of extending the principles of the SSCM Framework to other geographies.

Total supply chain spend (\$ billion)¹

	2015	2014 ²	2013 ²
Australia	4.97	5.11	4.69
New Zealand	0.46	0.43	0.42
Pacific Banking ¹	0.02	0.02	0.02
Total	5.45	5.56	5.13

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

2. Spend in FY13 and 14 restated to reflect a change in definition, to exclude a number of expenditure items not directly involving suppliers, for instance staff reimbursements.

Supply chain spend with Indigenous Australian suppliers (\$ million)

	2015
Spend with Indigenous Australian suppliers	1.2

Top suppliers by type (%)¹

Percentage of supply chain spend	2015
Products, Marketing and Digitisation	21
Operations and Property	26
Workforce Enablement, Services and Wealth	19
IT and Telecommunications	34

1. % of top 80.

Top suppliers self-assessed against SSCM Code of Conduct and continuous improvement

	2015	2014	2013
Top suppliers self-assessed (%)	100	100	98
Self assessed suppliers as % of total supply chain spend	74	73	73
Suppliers that completed a self assessment in FY15 with mandatory improvement actions (%)	12	–	–
Suppliers that completed a self assessment in FY15 with preferred improvement actions (%)	41	–	–
Self-assessed suppliers with mandatory improvement actions completed within 1 year of action plan agreement (% of suppliers with mandatory improvement actions)	9	–	–

Supplier validations

	2015	2014	2013
Internal validations performed (number of suppliers)	15	18	66
Internal desktop assessments undertaken (number of suppliers)	13	–	–
Internal onsite assessments of our offshore providers (number of suppliers)	2	–	–
Internal validation (cumulative % of top suppliers over 3 years)	8	–	–
External validation (cumulative % of top suppliers over 3 years)	18	14	11

Social and economic impact

We measure and report the economic value we generate as well as our overall community investment, including charitable giving through donations, grants, volunteering and scholarships, and the financial education we provide. Our performance against a number of indicators is set out in the tables below. For the first time, we have introduced social impact measures which demonstrate the real value being generated for our customers and communities through our initiatives, beyond dollars or time.

Economic impact

Value generation and distribution (\$m)^{1,2}

	2015	2014	2013	2012	2011
Direct economic value generated (\$m)					
Net interest income	14,267	13,542	12,821	12,502	11,996
Non-interest income	7,375	6,395	5,774	5,481	4,917
Net operating income	21,642	19,937	18,595	17,983	1,6913
Supplier and non-salary input costs	(4,311)	(3,928)	(3,873)	(3,993)	(3,637)
Depreciation and impairment charges	(2,203)	(1,447)	(1,527)	(1,831)	(1,502)
Direct economic value generated	15,128	14,562	13,195	12,159	11,774
Direct economic value distributed (\$m)					
Shareholders (dividends and comprehensive income attributable to non-controlling interests)	5,808	5,901	5,633	4,990	4,561
Governments (income tax expense)	3,348	3,115	2,947	2,812	1,455
Employees (salaries and bonuses)	3,596	3,605	3,292	3,272	3,125
Community (community investments)	116	217	131	133	135
Direct economic value distributed	12,868	12,838	12,003	11,207	9,276
Economic value retained for future growth ³	2,260	1,724	1,192	1,060	2,498
Total economic value distributed and retained	15,128	14,562	13,195	12,267	11,774

1. This financial summary is prepared in accordance with AIFRS. Where accounting classifications have changed or where changes in accounting policy are adopted retrospectively, comparatives have been revised and may differ from results previously reported.

2. The extracts for 2014 and 2013 are derived from the consolidated financial statements included in the 2014 Westpac Group Annual Report and prior years are derived from financial statements previously published.

3. The methodology of this calculation has changed from reporting in prior years. In 2014 and 2013, depreciation and impairment charges were included as a distribution of economic value. In 2015 they have been classified as a component of value generation and therefore deducted from direct value generated.

Community Investment

Group Summary

	2015	2014	2013 ¹	2012
Australia (\$)	107,839,946	211,185,891	126,343,246	128,427,285
New Zealand (\$) ¹	8,010,153	5,591,175	4,344,157	4,349,815
Pacific (\$)	598,446 ³	256,387	544,118	679,525
International (\$) ⁴	277,762	–	–	–
Group Community Investments	116,726,307	217,033,452	131,231,521	133,456,625
Community investment as a % of operating profit before income tax (cash basis) (%) ⁵	1.04	1.99	1.28	1.41
Operating profit before income tax (cash basis) (\$m) ²	11,152	10,924	10,227	9,485
Community investment as a % of pre-tax profits (%)	1.02	2.02	1.34	1.51
Pre-tax profit – Westpac Group (\$m) ²	11,416	10,740	9,772	8,814

1. 2013 operating profit before income tax and pre-tax profit figures restated due to adoption of new or revised accounting standards.

2. The exchange rate for NZD is based on the average rate at 30 September 2015: 1.0802 (2014: 1.1195, 2013: 1.2153, 2012: 1.2891).

3. Pacific figure for FY15 includes disaster response activities related to Cyclone Pam in Vanuatu.

4. International includes offices in the United States, United Kingdom and key Asian centres. FY15 is the first reporting year for International. The exchange rate for SGD is based on the average rate at 30 September 2015: 1.0572.

Group Community Investment

	2015	2014	2013	2012
	\$	\$	\$	\$
Monetary contributions				
Charitable gifts	4,545,270	102,407,012	1,806,019	2,190,472
Matched giving	2,684,623	2,688,221	2,311,112	2,057,708
Community partnerships	16,242,553	17,819,533	14,966,733	14,715,678
Total monetary contributions	23,472,446	122,914,766	19,083,863	18,963,858
Time contributions				
Volunteer time	3,330,252	2,706,460	2,105,730	1,597,899
Skilled volunteering	99,760	77,073	287,769	179,249
Indigenous community secondments	1,231,000	894,000	817,688	483,057
Total time contributions	4,661,013	3,677,533	2,591,187	2,260,205
In-kind contributions				
Foregone fee revenue – not-for-profit organisations	2,081,168	2,277,984	2,295,354	2,440,606
Foregone fee revenue – other fee free accounts	66,361,512	84,843,576	104,504,963	106,451,372
In-kind donations	916,965	434,905	307,941	835,211
Indigenous in-kind	188,872	169,374	148,800	100,056
Total in-kind contributions	69,548,517	87,725,839	107,257,058	109,827,245
Management costs				
Management costs – General	4,577,380 ¹	2,188,868	1,776,557	1,929,701
Management costs – Indigenous	810,590 ¹	526,445	522,855	475,616
Total management costs	5,355,102	2,715,313	2,299,412	2,405,317
Total excluding commercial sponsorships	103,069,945	196,146,479	114,551,867	—²
Commercial sponsorships	13,488,855	20,886,973	16,679,654	— ²
Group Total	116,726,307	217,033,452	131,231,521	133,456,625

1. A new methodology was used in the calculation to include non-wage administration costs, such communications, evaluation and research, related to community investment.

2. Commercial sponsorships were not broken out in FY12 data.

Financial education – number of participants

	2015	2014	2013	2012
Australia	4,038	5,022	3,132	2,407
New Zealand	35,904	21,034	8,870	17,967
Pacific	27,180	23,756	20,575	15,808
Group Total	67,122	49,812	32,577	36,182

Financial education – number of hours¹

	2015	2014	2013	2012
Australia	4,705	7,390	5,100	14,006
New Zealand	13,348	8,859	12,162	15,424
Group Total²	18,053	16,249	17,262	29,430

1. Hours data not available for the Pacific.

2. The downward trend in number of hours from 2012 is attributable to the shift from face to face to online financial literacy training and self-help tools.

Our Foundations

Family of Giving distribution and grants

	2015	2014
	\$	\$
Distribution (\$)		
Westpac Bicentennial Foundation	150,000	— ¹
Westpac Foundation	2,403,687	2,382,362
St. George Foundation	1,429,841	741,387
Bank of Melbourne Neighbourhood Fund	116,060 ²	373,374
BankSA Fund	81,700 ²	485,107
Total	4,181,288	3,982,230
Number of grants/scholarships		
Westpac Bicentennial Foundation	38	— ¹
Westpac Foundation	131	104
St. George Foundation	54	43
Bank of Melbourne Neighbourhood Fund	52 ²	25
BankSA Fund	42 ²	25
Total	232	197

1. Westpac Bicentennial Foundation was established in April 2014, 38 scholarships have been awarded to date with funding for 22 distributed within the reporting year.

2. Due to grant distribution timelines, a number of grants for FY15 were made in FY14 and some will be paid in FY16.

Family of Giving distribution by State

	2015	2014
	\$	\$
National	389,483	782,072
NSW/ACT	1,862,553	1,257,229
VIC/TAS	532,820	620,374
QLD	605,775	533,158
SA/NT	201,860	560,107
WA	538,797	129,290
Pacific	50,000	100,000

Family of Giving distribution by type

	2015	2014
Community grants - locally focused ¹	1,067,764	1,446,771
Community grants - organisations supporting children	1,429,841	741,387
Retired employee hardship grants	54,483	72,072
Scholarships	150,000	— ²
Social enterprise grants ³	1,479,200	1,722,000

1. Includes Indigenous focused grants of \$138,621 in FY15 and \$90,000 in FY14.

2. Westpac Bicentennial Foundation was established in April 2014.

3. Includes Indigenous focused grants of \$583,160 in FY15 and \$390,000 in FY14.

Social impact

Social impact framework measures¹

	2015
Helping out in times of need	
Customers provided with natural disaster relief packages	469
Individuals assisted in times of crisis by community organisations supported by Westpac Group	2,000
Customers experiencing financial hardship who accessed a financial assistance package	47,047
Enabling more inclusive banking and building financial capability	
Customers who sought assistance from Westpac Assist specialists to manage through financial hardship	48,667
Westpac Group products and services and supported community partner delivered products and services (e.g. microfinance) for individuals that are financially excluded or in underserved communities	7
Individuals completing Westpac Group financial literacy training	67,122
New customers accessing basic banking for the first time (in the Pacific)	67,114
Investing in economic wellbeing and greater prosperity	
Micro and social enterprises established or expanded that have received Westpac Group assistance e.g. micro-enterprise loans or social enterprise grants	250
Employment pathways and jobs supported at social enterprises supported by Westpac Foundation	1932 employment pathways, 389 jobs
Employees involved in and hours given to skilled mentoring and volunteering	122 participants, 21,708 hours
Grants designed to improve economic wellbeing made by the Westpac Foundation	25
Advancing the nation through social change	
Scholarships awarded to individuals by the Westpac Bicentennial Foundation	38
Employees trained to use the OURImpact social and business value tool	524

1. In the metrics contained in this table: Individuals refers to members of the public who may or may not be Westpac Group customers, Customers refers to individuals who and businesses that are current customers of the Westpac Group, Employees refers to current employees of the Westpac Group and Communities refers to the broader communities within which Westpac Group operates. In the first year these metrics are largely focused on Westpac Group's Australian businesses, however there is scope to expand the data set in coming years to cover the whole Group.

Global Reporting Initiative Index

Indicator	Description	Location
Strategy and Analysis		
G4-1	Statement from most senior decision maker	2015 Annual Review and Sustainability Report CEO Report
G4-2	Description of key impacts, risks and opportunities	Issues that matter and accompanying responses, (p.5-7), The Fundamentals (p.40)
Organisational Profile		
G4-3	Name of organisation	Westpac Banking Corporation
G4-4	Primary brands, products and services	Company overview
G4-5	Location of headquarters	275 Kent St, Sydney NSW 2000, Australia
G4-6	Countries of operation	Global locations
G4-7	Nature of ownership and legal form	Publicly company limited by shares under the Australian Corporations Act 200 (Cth)
G4-8	Markets served	Company Overview
G4-9	Scale of the organisation	2015 Annual Review and Sustainability Report - 5 year summaries, About Us
G4-10	Workforce overview	Employee Performance Metrics (p.45)
G4-11	Coverage of collective bargaining agreements	Approximately 99% of Westpac Group employees in Australia were covered by a collective agreement as at the end of September 2015. In New Zealand the coverage is 56%. In Fiji, our Collective Agreement became null and void on 8 November 2011 by virtue of the Fijian Government's essential National Industries Decree of July 2011. However, Westpac has continued to apply the terms conditions of employment set out in the collective agreement as they apply to individual employees. In Papua New Guinea, our business has not concluded a collective agreement with the Papua New Guinea Banks and Financial Institutions Workers Union and the status of this is unlikely to change in the medium term. Other international based employees are not covered due to specific local industrial relations arrangements.
G4-12	Supply chain	Suppliers Supplier Performance Metrics (p.58)
G4-13	Changes during the reporting period	Restructuring of Australian business Sale of three Westpac Pacific businesses
G4-14	Precautionary approach or principle	Westpac publicly recognises this principle through our signatory to the United Nations Global Compact and in the implementation of our risk frameworks.
G4-15	External sustainability initiatives subscribed to	Commitments and frameworks
G4-16	Associations and advocacy organisations	The Fundamentals (p.42)
Identified Material Aspects and Boundaries		
G4-17	List of entities in the financial statements	2015 Annual Report Note 35: Investments in subsidiaries and associates This does not include philanthropic foundations that are not owned or operated by the Group.
G4-18	Process for defining report content and boundaries	The issues that matter (p.5-7), The Fundamentals (p.40)
G4-19	Material aspects/issues	The issues that matter (p.5-7), GRI table (p.64-68)
G4-20	Aspect boundaries for material aspects/issues within Westpac	Issues that matter (p.6-7)
G4-21	Aspect boundaries for material aspects/issues outside Westpac	Issues that matter (p.6-7)
G4-22	Impacts of restatements	All restatements are noted within the relevant data sets
G4-23	Significant changes in scope and aspect boundaries	No significant changes have been made from previous period
Stakeholder Engagement		
G4-24	Stakeholder groups engaged	The Fundamentals - Engaging with stakeholders (p.43)
G4-25	Identification and selection of stakeholders	Stakeholder Engagement Framework
G4-26	Approach to stakeholder engagement	
G4-27	Key topics and concerns raised by stakeholders	
Report Profile		
G4-28	Reporting period	1 October 2014 - 30 September 2015 unless otherwise stated
G4-29	Date of most recent report	2014 Annual Review and Sustainability Report
G4-30	Reporting cycle	Annual
G4-31	Contact point for the report	sustainability@westpac.com.au Telephone +61 2 8254 8488
G4-32	GRI Content Index for 'In accordance - comprehensive' option	This GRI table
G4-33	External assurance	The Fundamentals (p.42), Assurance report (p.69)

Indicator	Description	Location
Governance		
Governance structure and composition		
G4-34	Governance and structure of the organisation	2015 Annual Report – Governance Framework, Board Committees and Oversight of Management
G4-35	Delegation process from Board to senior executives	2015 Annual Report – Governance Framework, Board Committees and Oversight of Management
G4-36	Executive level positions with responsibility for sustainability	The Fundamentals (p.40-41)
G4-37	Process for consultation between stakeholders and the highest governance body	The Fundamentals (p.41, 43)
G4-38	Board breakdown	2015 Annual Review – Directors Report - Directors
G4-39	Chair of the Board also an executive officer	The Chair of the Westpac Board is an independent director and a non-executive member
G4-40	Nomination process	2015 Annual Report – Governance Framework, Board Committees and Oversight of Management Board Nominations Committee Charter
G4-41	Board conflicts of interest	2015 Annual Report – Corporate Governance – Conflicts of Interest Corporate governance – Constitution and the Board
Highest governance body's role in setting purpose, values and strategy		
G4-42	Board and senior executive involvement in sustainability	The Fundamentals (p.40, 41)
Highest governance body's competencies and performance evaluation		
G4-43	Measures taken to develop Board understanding of sustainability	The Fundamentals (p.40)
G4-44	Evaluation of Board governance performance	Independent reviews of Board performance are undertaken annually as outlined in the 2015 Annual Report: Corporate Governance – Performance – Corporate Governance Statements Results of independent benchmarks are reported in The Fundamentals
Highest governance body's role in risk management		
G4-45	Board role in ESG risk identification	The Fundamentals (p.40)
G4-46	Board role in review of ESG risk policies	Board Charter , G4-48
G4-47	Frequency of review of ESG risks	2015 Annual Report - Corporate Governance (Board Risk & Compliance Committee)
Highest governance body's role in sustainability reporting		
G4-48	Highest position that reviews and approves the sustainability report	Sustainability information included in the Annual Report and the Full Year Financial Results is approved by the Board. The General Manager, Corporate Affairs and Sustainability and the Head of Investor Relations ensure that all material aspects are covered in our reporting
Highest governance body's role in evaluating economic, environmental and social performance		
G4-49	Process for communication critical concerns to the highest governance body	Stakeholder Engagement Framework
G4-50	Nature and total number of concerns reported to the highest governance body	2015 Annual Report – Risk Management. Quarterly reporting to the Board Risk and Compliance Committee (BRCC) typically contains 2-3 critical ESG issues
Remuneration and incentives		
G4-51	Board remuneration report	2015 Annual Report: Corporate Governance – Remuneration
G4-52	Process for determining Board remuneration	2015 Annual Report: Directors Report – Remuneration Report
G4-53	Process to seek stakeholder views on remuneration	The outcome of the annual vote on remuneration at the AGM is provided on our website. Last year it was passed (93% Yes vote)
G4-54	Ratio of organisation's highest paid individual to the median	Employee Performance Metrics
G4-55	Ratio of the percentage increase in G4-55	Employee Performance Metrics
Ethics and Integrity		
G4-56	Description of the organisations values and principles	The Fundamentals (p.41) Employee Performance Metrics (p.48) Supplier Code of Conduct Supplier Performance Metrics (p.58) Employee Code of Conduct Principles for Doing Business
G4-57	Internal and external mechanism for seeking advice on ethical and lawful behaviour	Concern reporting and whistleblowing Whistleblower protection policy
G4-58	Mechanisms for reporting concerns about lawful and unlawful behaviour	In addition to the channels above external concerns can be raised via our call centres or online at Feedback and complaints This includes links to relevant external bodies through which concerns can be raised. Complaint resolution policy

Specific Standard Disclosures

Material Aspects	Description	
Economic		
Economic Performance		
G4-EC1	Direct economic value generated and distributed	Social and Economic Impact Performance Metrics (p.59)
G4-EC2	Financial implications of climate change	Economic solutions to environmental challenges (p.16-22) 2015 CDP Submission Climate Change
G4-EC3	Coverage of organisation's defined benefit plan obligations	Our Australian and our Pacific nations operations have regulatory requirements for employers to make contributions to defined contribution and savings plans, known as superannuation. Employees are free to choose their own superannuation fund. In New Zealand, Westpac employees are offered the option of a defined contribution scheme as outlined on our website.
G4-EC4	Financial assistance received from government	No significant financial assistance has been received from governments during 2015.
Indirect Economic Impacts		
G4-EC7	Development and impact of infrastructure investments and service supported	Economic Solutions to Environmental Challenges (p.20) Responsible Lending and Investment Performance Metrics (p.51-53)
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Better Financial Futures (p.24-25) Economic and Social Impact Performance Metrics (p.59) 2015 Annual Review and Sustainability Report – CEO Report
SOCIAL - Labour		
Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Employee Performance Metrics (p.46). A review will be undertaken to report NZ data separately in 2016.
G4-LA2	Benefits provided to full-time employees only	Employee Benefits are available to all employees living in the country where the benefits are offered with the exception of temporary employees. Additional benefits are available to expatriate employees as part of a relocation package. Embracing Societal Change (p.15)
G4-LA3	Return to work retention rates after parental leave, by gender	We are currently piloting reporting of this metric and expect to publicly report in the near future
Diversity and Equal Opportunity		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category	Employee Performance Metrics (p.46-47) Board of Directors
Supplier Assessment for Labour Practices		
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Supplier Performance Metrics (p.58)
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	Supplier Performance Metrics (p.58)
SOCIAL - SOCIETY		
Local Communities		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs	Better Financial Futures (p.24) The Fundamentals (p.43) Social Impact Tool Stakeholder Engagement Framework
G4-SO2	Operations with significant actual or potential negative impacts on local communities	Specific changes made during the year are discussed in Embracing Societal Change. In addition we recognise that we can have an indirect impact on communities through our lending, investment and supply chain. Significant areas of impact are disclosed in The Issues that Matter and responses discussed within this report.
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	Better Financial Futures (p.27,28,36) Customer Performance Metrics (p.49) Social Impact metrics (p.62)
G4-FS13	Access points in low-populated or economically disadvantaged areas by type	Westpac provides a number of services to help those in low-populated or economically disadvantaged areas. See: Better Financial Futures for Westpac Pacific Everywhere Banking initiatives (p.28), Customer Performance Metrics (p.49) for details of our access points.
Anti-corruption		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	2015 Annual Report: Operational Risk and Compliance Risk, Note 22
G4-SO4	Communication and training on anti-corruption policies and procedures	Employee Performance Metrics: Doing the right thing training (p.48)
G4-SO5	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	2015 Annual Report: Risk and Risk Management Employee

Material Aspects	Description	
Compliance		
G4-SO8	Monetary value of significant fines for non-compliance with laws and regulations	There were no significant fines, non-monetary sanctions reported nor any cases brought through dispute resolution mechanisms.
Supplier Assessment for Impacts on Society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Supplier Performance Metrics (p.58)
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Supplier Performance Metrics (p.58). There were no significant changes to supplier locations, relationships with supply chain structure during 2015, with no terminations on ESG grounds.
PRODUCT RESPONSIBILITY		
Product and Service Labelling		
G4-PR3	Type of products and service information required for product and service information and labelling and percentage subject to information requirements	Product labelling requirements refer primarily to disclosures on effective use and the quality of financial advice provided. These are governed by the Banking Code of Practice. See also Sustainability in Action
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes by types of outcomes	0
G4-PR5	Results of surveys measuring customer satisfaction	Customer Performance Metrics (p.49)
Marketing Communications		
G4-PR6	Sale of banned or disputed products	In 2015, no products were sold that were banned in other markets.
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes by types of outcomes	There were no significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. However, there was an instance of potentially misleading statements in two separate online advertising campaigns. Each infringement notice imposed a penalty of \$10,200. The payment of an infringement notice is not an admission of a contravention of the Australian Securities and Investment Commission Act 2001 consumer protection provisions. See also ASIC finding
Customer Privacy		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no substantiated complaints from regulatory bodies regarding breaches of customer privacy recorded in 2014.
Compliance		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There were no significant fines during the year. 2015 Annual Report: Note 15. However, there was an instance of potentially misleading statements in two separate online advertising campaigns. Each infringement notice imposed a penalty of \$10,200. The payment of an infringement notice is not an admission of a contravention of the Australian Securities and Investment Commission Act 2001 consumer protection provisions. See also ASIC finding
FINANCIAL SERVICES SUPPLEMENT		
Product Portfolio		
G4-FS6	Percentage of the portfolio for business lines by specific region, size	Following the creation of the Commercial and Business Bank during the year, we will include more detail on our portfolio breakdown in 2016. Responsible Lending and Investment Performance Metrics - Group Lending Profile (p.57)
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line	Responsible Lending and Investment Performance Metrics (p.54), Positive Impact Finance definition (p.79), Better Financial Futures (p.24)
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line	Responsible Lending and Investment Performance Metrics (p.52-53) Economic solutions to environmental challenges (p.19-20)
Audit		
G4-FS10	Percentage and number of companies engaged on environmental or social issues	We monitor and track our engagements with companies in our asset portfolio as required. We disclose the outcomes of these engagements to clients and/or beneficiaries only. Our preference is undertaking non-public engagement with companies and will report on ESG activity relating to engagements of influence on an as needs basis. Responsible Investment Transparency Report
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening	Responsible Investment Transparency Report
ENVIRONMENTAL		
Supplier environmental assessment		
G4-EN32	Percentage of new suppliers that were screened using environmental data	Supplier Performance Metrics (p.58). All new suppliers in the top 80 have been screened.
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Supplier Performance Metrics (p.58) There were no significant changes to supplier locations, relationships or supply chain structure during 2015, with no termination on ESG grounds.

DISCLOSURES ON MANAGEMENT APPROACH

An overview of the process used to determine our material issues and aspects together with the underlying reasons why they have been deemed material is set out in the Issues that Matter on pages 54-57. Further detail, including our impacts and response is also available at the relevant pages referenced within this section.

Our overall approach to managing the underlying issues associated with these aspects is set out in 'The Fundamentals' section of this report on pages 40-43 and at the links below. This includes an overview of the relevant governance and policy frameworks as well details of internal reviews undertaken during the year and the key issues raised by stakeholders. Our current performance, including targets can be found within the detailed performance tables in this report, the GRI table and discussions on the performance against our sustainability strategy.

Wherever possible our approach is to reduce any negative impacts associated with our activities and seek opportunities to enhance the positive impacts.

Information on our current activities, including performance against targets is referenced within the Issues that matter and are detailed throughout this report and the 2015 Annual Review and Sustainability Report.

More specific information, including publicly available copies of the relevant policies can be found online where indicated below.

Material Aspect	More detailed information in addition to this report
Economic Performance	2015 Annual Report
Indirect Economic Indicators	Our approach
Employment	Westpac as an employer Westpac New Zealand
Diversity and Equal Opportunity	Westpac as an employer Social procurement and diversity Westpac New Zealand
Labour Practices and Decent Work	Westpac as an employer Westpac New Zealand
Indigenous Rights	Westpac Weave
Local Communities	Our Community Contributing to our communities
Anti-corruption	Principles for doing business Human Rights Position Statement
Compliance	2015 Annual Report – Risk and Risk Management
Suppliers	Our suppliers
Product and Service Labelling	Principles for doing business Responsible banking and investment
Marketing Communications	2015 Annual Report – Operational Risk and Compliance Risk Principles for doing business
Customer Privacy	Committed to protecting your privacy
Product Portfolio	Sustainability Risk Management Framework Responsible banking and investment
Audit	Responsible Investment Transparency Report

Assurance Statement



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Independent Limited Assurance Report to the Directors of Westpac

Assurance conclusions

Based on our limited assurance procedures, as described in this statement, nothing has come to our attention that causes us to believe that the subject matter, as presented in the 2015 Westpac Group Sustainability Performance Report and the 2015 Westpac Group Annual Review and Sustainability Report, is not presented, in all material respects, in accordance with the criteria detailed below.

Scope

We have performed a limited assurance engagement in relation to the 2015 Westpac Group Sustainability Performance Report and the 2015 Westpac Group Annual Review and Sustainability Report for the year ended 30 September 2015 ('the Reports') in order to state whether anything has come to our attention that causes us to believe that the subject matter, described below, is not presented, in all material respects, in accordance with the criteria, also described below.

Subject matter

The subject matter for our assurance includes:

- ▶ Disclosures and performance data relating to areas defined as *Material* or *Highly Material*, being:
 - ▶ Customer experience;
 - ▶ Conduct and compliance;
 - ▶ Financial resilience;
 - ▶ Social impact;
 - ▶ Talent attraction and retention;
 - ▶ Diversity and inclusion;
 - ▶ Sustainability risk in our value chain; and
 - ▶ Climate change risks and opportunities.
- ▶ Disclosures associated with alignment to the AA1000 Principles of Materiality, Inclusivity, and Responsiveness; and
- ▶ The Global Reporting Initiative's G4 disclosures 'in accordance' level to achieve 'comprehensive'.

Criteria

The criteria for our procedures ('the criteria') are:

- ▶ Westpac's own criteria as set out in its 2015 Westpac Group Sustainability Performance Report and 2015 Westpac Group Annual Review and Sustainability Report;
- ▶ Global Reporting Initiative's ('GRI') G4 Guidelines, including the Principles for Defining Report Content;
- ▶ Westpac's relevant policies and procedures; and
- ▶ AA1000 Accountability Principles Standard (2008).

Westpac's Responsibility

The management of Westpac ('Management') is responsible for the collection, preparation and presentation of the subject matter in accordance with the criteria, and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process.

EY's Responsibility

Our responsibility is to express a limited assurance conclusion as to whether the subject matter is presented in accordance with the criteria. Our assurance engagement has been planned and performed in accordance with the Australian Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000').

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, controls testing, and other evidence-gathering procedures that are sufficient for us to obtain a meaningful level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. The procedures performed in a limited assurance engagement vary in nature, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our Approach

Our assurance procedures performed included, but were not limited to:

- ▶ Interviewing selected business unit and group level personnel to understand the key sustainability issues related to the subject matter and processes for the collection and accurate reporting of performance information;
- ▶ Undertaking social media, mass media, and peer reporting analysis to consider and challenge relevant material aspects for inclusion in Westpac's reporting;
- ▶ Determining whether material topics and performance issues identified during our procedures had been adequately disclosed;
- ▶ Reviewing selected performance information on a materiality basis and selected management information and documentation supporting assertions made on the subject matter;



- ▶ Performing analytical tests and detailed testings to source for material qualitative and quantitative information, on a sample basis;
- ▶ Checking the accuracy of calculations performed;
- ▶ Obtaining and reviewing evidence to support key assumptions in calculations and other data or statements;
- ▶ Checking that data and statements have been correctly transcribed from corporate systems and/or supporting evidence into the Report;
- ▶ Reviewing the presentation of claims, case studies and data against the relevant GRI principles contained in the criteria; and
- ▶ Assessing Westpac's disclosures associated with the alignment to the AA1000 Principles.

Use of Report

Our responsibility in performing our assurance activities is to the directors of Westpac only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third party purpose.

Our Independence and Assurance Team

In accordance with APES 110, the firm and all professional personnel involved in this engagement have met the independence requirements of Australian or International professional ethical requirements. Our team has the required competencies and experience for this assurance engagement.

Limitations

There are inherent limitations in performing assurance. For example, assurance engagements are based on selective testing of the information being examined, and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to AA1000 and GRI principles is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to 2015 Westpac Group Sustainability Performance Report and 2015 Westpac Group Annual Review and Sustainability Report and did not include statutory financial statements or forward looking statements. We provide no assurance over changes to the online content after the date of this assurance report.

Observations on particular aspects of our engagement

Westpac has requested that we provide selected observations and areas for improvement, as identified through the assurance procedures, within this assurance report. These observations, below, do not affect our issuance of an unqualified assurance conclusion:

In combination, we believe that the 2015 Westpac Group Sustainability Performance Report and the 2015 Westpac Group Annual Review and Sustainability Report adequately reflect the outcomes of Westpac's materiality assessment process. However, in isolation the 2015 Westpac Group Annual Review and Sustainability Report – which might be taken by some readers as a complete summary of Westpac's material sustainability issues – does not provide comprehensive disclosures relating to all material issues. In particular it provides limited commentary in relation to 'conduct and compliance' which was assessed as being 'Highly Material'. In future, EY would encourage Westpac to seek to ensure that any stand-alone summary of annual sustainability performance contains, at a minimum, commentary and performance data related to all issues determined to be Highly Material.

Ernst & Young
Ernst & Young

Matthew Bell

Dr Matthew Bell
Partner
Sydney, Australia
4 November 2015

Definitions

Indicator or term	Definition
Absenteeism	Measured as the number of actual absentee days lost as a percentage of total days scheduled to be worked by the workforce for the same period. Employees absent from work because of incapacity of any kind, not as the result of work-related injury, excluding permitted leave such as holidays, study, parental and compassionate leave. Includes permanent full time, part time and maximum term employees.
Advancing the nation through social change	Refers to the Group's overarching community investment goal to set the agenda for responsible banking and lead on meaningful social progress in Australia and beyond.
Age profile of workforce compared to National labour force (%)	Compares the age profile of permanent employees (permanent full time, permanent part time and maximum term employees) to that of the national workforce. Australian workforce data is as per ABS 6291.0.55.001. New Zealand workforce data is as per the Department of Labour Key Information Tool (KIT).
ATMs	Refers to the total number of branded automatic teller machines, including talking ATMs.
Australian Banking Customer facing employees who hold appropriate wealth accreditation in line with role requirements	The number of Australian Banking customer facing employees (headcount) who can have conversations that incorporate their wealth requirements, and who hold appropriate 'wealth' accreditation in line with role requirements determined by Westpac. The target population is focused on those roles which are more likely to have a full customer needs conversation in order to identify a wealth opportunity, a wealth referral or provide Tier 1 general or personal advice.
Average hours of training per year per employee	Total number of hours of training (both workshop and online) in the period as captured by Westpac Group learning management systems, divided by headcount as at 30 September. Excludes non-managed training and some training conducted at a business unit level. 'Australian employees' refers to geography of legal employer which includes UK and US based employees. All data sourced from Australian and New Zealand Learning Management Systems.
Base Building Emissions	Emissions from shared building facilities or services which are attributable to Westpac but not under our direct operational control, including both direct and indirect emissions sources (electricity, natural gas, diesel, transmission and distribution losses)
Branch	Refers to locations where customers can undertake retail transactions face-to-face including in stores and advisory centres.
Branches with 24/7 capability	Branches that allow customers to self-serve 24/7 via a range of devices that allow them to withdraw and deposit cash, coin exchange etc. (N.B. not all these services would be available at every 24/7 zone). Access determined by individual location (i.e. shopping centre opening hours may prevent 24/7 access). For New Zealand this includes branches with a 24/7 lobby (where customers can use their Westpac card to swipe in to a secure lobby in the front of the branch (outside of business hours) and have access to use coin exchange machines, Smart ATMs and ATMs); and Smart Stations - unmanned sites with 24/7 access where customers can use iPads, Smart ATMs and ATMs.
BTFG portfolio carbon intensity	Measurement of the Scope 1 and Scope 2 carbon emission intensity for the investment portfolios based on their exposure to Australian and International equities at 30 June 2015. For each company, carbon intensity is measured as tonnes of carbon dioxide equivalents (tCO ₂ e) per million Australian dollars of revenue. Investment options covered by this process include <ul style="list-style-type: none"> • BT Super For Life (BTSFL) and Westpac Group Plan MySuper (WGP) option • All default investment options of on market BTFG MySuper products; including Asgard Employee Super Account (AESAs), BT Lifetime Super - Employer Plan (LSEP) and BT Business Super (BTBS). The default investment options reported on will be the current MySuper Lifestage investment options (as well as the product default investment option in place prior to the Launch of MySuper in 2013) • BT Lifetime Personal Super (LSF) default • Additional investment options on the BTBS and LSEP investment menus managed by BTFG and BT Investment Management (BTIM) Note that BTFG does not actively manage to a carbon benchmark; the analysis is used to understand where risks may lie within the portfolio, and provide customers with information on the investments they hold.
Business Connect	Video conferencing capability installed into a St.George, BankSA or Bank of Melbourne branch providing support to small to medium sized commercial customers.
Business Travel - Air	Air travel undertaken by Westpac Group employees for business purposes and booked through Westpac's preferred travel management supplier. For Australia and the UK, emission factors are sourced from the UK Government conversion factors for Company Reporting (2014, v1.2) published by DEFRA, excluding radiative forcing. For New Zealand, emission factors are sourced from the Ministry for the Environment Guidance for Voluntary, Corporate Greenhouse Gas Reporting, and are uplifted by 8% for greater circle distance as recommended by DEFRA.
Business Travel - Hire Vehicles and Personal Vehicles	Hire vehicle travel undertaken by Westpac Group employees for business purposes, including Preferred Supplier kilometres travelled and non-preferred spend. Data is supplied by the Preferred Supplier or extracted from Westpac's supplier database, and where required kilometres travelled are estimated based on average \$/km. For Australia and the UK, emission factors are sourced from the UK Government conversion factors for Company Reporting (2014, v1.2) published by DEFRA. For New Zealand, emission factors are sourced from the Ministry for the Environment Guidance for Voluntary, Corporate Greenhouse Gas Reporting. Personal vehicle travel includes distance travelled by employees using their vehicles for business purposes and is reported for New Zealand only. For NZ emission factors are sourced from the Ministry for the Environment Guidance for Voluntary, Corporate Greenhouse Gas Reporting.
Business Travel - Hotels	Hotel stays include accommodation nights undertaken by Westpac New Zealand employees at domestic, Trans Tasman [Australian] and international hotels booked through the Westpac New Zealand travel supplier agency. Excludes Australia, UK and Pacific
Business Travel - Taxis	Taxi travel undertaken by Westpac Group employees in Australia and New Zealand for business purposes. For Australia, spend data is sourced from Westpac supplier database and total kilometres travelled estimated utilising State based flag fall and kilometres fees of major taxi providers. Emission factors are sourced from the UK Government conversion factors for Company Reporting (2014, v1.2) published by DEFRA. For New Zealand, spend data is sourced from the supplier database and emission factors are sourced from the Ministry for the Environment Guidance for Voluntary, Corporate Greenhouse Gas Reporting.
Charitable gifts	Comprises of cash donations to a charity and with no branding or strategic intent. Cash support for charitable purposes not directly linked to the company's community investment or commercial strategies. Typically in response to an appeal or initiated by management or employee; tend to be one-off.

Indicator or term	Definition
CleanTech and environmental services lending and investment	<p>Lending and investment to CleanTech and environmental services (CleanTech) is defined as the total direct and indirect financing of customers to the extent they are involved in CleanTech activities reported in total committed exposures (TCE) as at 30 September 2015. CleanTech activities are those which:</p> <p>a) Have been specifically identified as such; or</p> <p>b) Are over and above what is considered to be business as usual in the relevant industry, and which produce a material net benefit to the environment. To meet this, the activity must:</p> <ul style="list-style-type: none"> involve process changes used to reduce environmental impacts or greenhouse gas emissions; and be over and above normal compliance obligations (e.g. legal, license or regulations). <p>CleanTech activities specifically include, but are not limited to, any of the following:</p> <ul style="list-style-type: none"> Energy Efficiency: Projects qualifying for government energy efficiency schemes Green Buildings: Buildings that are able to demonstrate environmental credentials over and above normal compliance standards for the industry. This includes buildings that are able to demonstrate a minimum 5 Star NABERS rating in Australia and a minimum 4 Star Green Star rating in New Zealand. Green Businesses: Businesses involved in providing green products or services including, consulting Renewable Energy: Projects qualifying for government renewable energy schemes and hydro-electric Generation Waste: Alternate waste treatment, resulting in displacement of carbon emissions resulting from landfill. Water: Rehabilitation of waterways, water recycling & efficiency. Excludes desalination projects Carbon Farming Projects: Projects qualifying for inclusion in the Carbon Farming Initiative. Forestry: Plantation forestry only. Land Rehabilitation: Rehabilitation of contaminated land, returning developed land to natural habitat or otherwise reserving land for long term carbon sequestration. Other: Case by case determination of additional activities that meet the criteria listed above. <p>Direct financing refers to structured exposures to specific assets or unstructured exposures to an organisation whose operations are focused on only one type of activity which meets the definition for CleanTech.</p> <p>Indirect financing refers to organisations where one or more of the following apply:</p> <ul style="list-style-type: none"> Finance is provided centrally, as unstructured lending and forms part of the general capital of the company at large; The company has operations other than CleanTech; and/or The company operates multiple assets or facilities which are funded centrally. <p>The level of indirect financial exposure has been apportioned from total exposures reflecting the proportional value contribution of the CleanTech business or activity of each organisation and relative proportions within each organisation.</p> <p>Figures are for Australia and New Zealand only, and cover financing undertaken by Westpac Institutional Bank Australia and New Zealand, WNZL Business Banking (including corporate, mid-markets, agri and property finance), above a threshold of NZD1m TCE and Commercial and Business Bank above a threshold of AUD1m from 1 October 2013 TCE. For WNZL exposures below NZD1m and for all Commercial and Business Bank retail exposures (Aust and NZ), only new lending (after 30 September 2012) and facilitated investment associated with green products fitting the CleanTech activity definition are included.</p>
CO₂-e/employee	This is a normalised figure describing the tonnes of Scope 1 and 2 greenhouse gas emissions per full time equivalent employee (FTE) during the reporting year. Note that FTE data is calculated on a 30 June year end, consistent with environmental data. Australian emissions data is prepared in alignment with NGER and New Zealand data is prepared in alignment with New Zealand Ministry for the Environment guidance for GHG reporting.
CO₂-e/m²	This is a normalised figure describing the tonnes of Scope 1 and 2 greenhouse gas emissions per weighted net lettable area (NLA) measured in square meters (m ²). Australian emissions data is prepared in alignment with NGER and New Zealand data is prepared in alignment with New Zealand Ministry for the Environment guidance for GHG reporting.
CO₂-e	Carbon dioxide equivalent (CO ₂ -e) is the universal unit of measurement for measuring carbon dioxide footprint. It is used to indicate the radiative forcing of the six greenhouse gases relative to carbon dioxide (CO ₂). CO ₂ -e is calculated using the Global Warming Potential of each gas.
Community investment as a % of operating profit before income tax (Cash Earnings basis)	Refers to the total Group Community Investment made during the reporting year as expressed as a proportion of operating profit before income tax (cash earnings basis) over the same period.
Community investment as a % pre-tax profits	Refers to the total Group Community Investment made during the reporting year as expressed as a proportion of pre-tax profit over the same period.
Community partnerships	<p>Contributions which are typically:</p> <ul style="list-style-type: none"> longer term (1-5 years), strategic investments in community partnerships, address specific community issues chosen by the company to fulfil a business objective, such as culture of engagement and to support staff desires to make a contribution to the communities which in turn support our enterprise. <p>They include partnerships with non-profits or community groups chosen because of their programs' relevance to business objectives. Also include memberships and subscriptions to non-profit and community groups.</p>
Complaints type	Refers to the percentage of a specific customer complaint problem type, from a set list of problem categories, compared to the total number of complaints received during the reporting period.
Connect Now	Video conferencing capability installed into a Westpac Branch (excluding Instores) providing access to small business lending, home lending, financial planning, personal lending and other specialist services (e.g. FFX) over video conference where these services are not available in the branch face to face.
Customer numbers	All customers with an active relationship (excludes channel only and potential relationships). For Australian Banking an active relationship is where the customer has at least one open product; where a product has joint ownership, both owners are counted.

Indicator or term	Definition
Customer satisfaction - business	Source: DBM Consultants Business Financial Services Monitor, September 2014, 6MMA. MFI customers, all businesses. The Customer Satisfaction score is an average of customer satisfaction ratings of the customer's main financial institution for business banking on a scale of 0 to 10 (0 means 'extremely dissatisfied' and 10 means 'extremely satisfied').
Customer satisfaction - consumer	Source: Roy Morgan Research, September 2014, 6MMA. Main Financial Institution (as defined by the customer). Satisfaction ratings are based on the relationship with the financial institution. Customers must have at least a Deposit/Transaction account relationship with the institution and are aged 14 or over. Satisfaction is the percentage of customers who answered 'Very' or 'Fairly satisfied' with their overall relationship with their MFI.
Digitally active customers	WRBB - customers that have logged into Online Banking in the last 90 calendar days; St.George - customers that have performed an event (interaction) within Online Banking in the last 90 calendar days; RAMS - customers that have logged into Online Banking in the last 90 calendar days; NZ - customers that have logged into Online Banking in the last 90 calendar days; Pacific - customers that have utilised the appropriate electronic channel at least once in the last 6 months.
Products, Marketing & Digitisation	Includes customer loyalty, schemes and cards, event management, marketing services, media, market research, mail and sponsorship
Doing the Right Thing training	All Westpac employees must complete the "Doing the Right Thing" e-learning module. This module covers: acting with integrity; maintaining privacy; equal employment opportunity in action; AML and counter-terrorism; operational risk; our information security; giving advice; managing regulator relationships; managing records; information security; complaints management and resolutions; sanctions. This training must be completed by all new recruits and existing employees every 2 years.
Domestic air travel	For Australia includes passenger kilometres travelled for all domestic flights as provided by air travel supplier. Emission factors are sourced from the UK Government conversion factors for Company Reporting (2014, v1.2) published by DEFRA. For New Zealand includes passenger kilometres travelled for domestic flights as provided by travel suppliers, assumed to be an accurate reflection of the direct distance between flight points. The emission factors used are sourced from the New Zealand Ministry for the Environment, Guidance for Voluntary, Corporate Greenhouse Gas Reporting. An aviation multiplier of 1.08 is applied to reflect non-direct flights. For UK data is based on total number of flights within Europe multiplied by the average distance. Emissions are calculated using the Greenhouse Gas Protocol emissions factor for economy class short haul flights.
Electricity Efficiency (kWh/m²)	Electricity consumption measured in kilowatt hours (kWh) over weighted net lettable area (NLA) measured in square meters (m ²) for Australian and New Zealand commercial and retail properties and subsidiaries. This includes commercial offices, contact centres, disaster recovery sites, branches, business banking and subsidiaries and excludes stand-alone ATMs, stand-alone data centres, sites which the Westpac Group does not have operational control over, and all facilities in the Pacific, UK, USA and Asia.
Electricity generation - Australia and New Zealand	This includes both direct and indirect financing to energy generation assets in the Australian and New Zealand electricity markets, reported in total committed exposures (TCE) as at 30 September 2015. Direct financing refers to structured exposures to specific energy generation assets or unstructured exposures to an organisation whose operations are focused on only one type of energy generation asset that is registered for operation in Australian or the New Zealand electricity markets. Indirect financing organisations where one or more of the following apply: <ul style="list-style-type: none"> • Finance is provided centrally, as unstructured lending and forms part of the general capital of the company at large; • The company has operations other than electricity generation; and/or • The company operates multiple generation assets or facilities which are funded centrally. Where a company has operations other than electricity generation and/or operates multiple generation assets or facilities, TCE is apportioned based on the proportional value contribution of the energy generation business of each organisation and the relative proportions of the different types of energy generation within each organisation. Figures do not include generator financing outside of Australia and New Zealand and refer only to financing undertaken by Westpac Institutional Bank (Infrastructure and Utilities) and Westpac NZ.
Electricity generation portfolio emissions intensity - Australia	Data is based on the reported exposures to Energy Generation (AUD lending only). The average financed emissions intensity is calculated by weighting each loan (total committed exposures) by the emissions intensity of each company. The emissions intensity of a company is calculated as the average carbon intensity of their generation fleet, weighted by the most recently available generation data. Where carbon emissions intensity for a facility is not available from data provided under the National Greenhouse and Energy Reporting Act (2007), an average carbon emissions intensity of similar facilities is used. Where a facility is controlled by one company, but owned and financed by a special purpose vehicle, the facility is attributed to the special purpose vehicle and excluded from the controlling company. Where energy generation forms a small part of a customer's business and Westpac's lending is provided as general corporate debt the customer has been excluded from the portfolio emissions calculations. Where accurate carbon emissions intensity data is not available for a facility the facility has been excluded from the portfolio emissions calculations. For 2013, 75% of the AUD I&U loan book was able to be covered by this methodology. For 2014, 89% of the AUD I&U loan book was able to be covered by this methodology.
Employee engagement	Employee engagement score is determined through a voluntary employee survey conducted internally using Towers Watson's licensed survey methodology and is a score of employee engagement levels at the time the survey is administered. Not conducted in the year ending 30 September 2015.
Employee numbers	The number of headcount (total number of full time, part time and temporary) as at 30 September 2015.
Employee voluntary attrition (%)	Refers to the total number of permanent (full time and part time) and maximum term employees (those leaving before their contract has expired) that voluntarily separated from the Westpac Group during the 12 month period, as a proportion of the average total headcount for the 12 month period (also full time, part time and maximum term employees). 2015 data includes Westpac Pacific (not included in prior years).

Indicator or term	Definition
Employees accessing parental leave	The total number of employees, including permanent full time, part time and maximum term employees accessing parental leave during the reporting period.
Enabling more inclusive banking and building financial capability	Refers to Group activities that support people facing financial hardship and lift inclusion through access to fair and appropriate financial services, awareness and education.
Energy Consumption – Electricity (GJ)	Total consumption of electricity purchased from the grid for the year end 30 June, as per supplier invoices for all facilities under the operational control of Westpac, normalised to gigajoules
Energy Consumption – Fuels (GJ)	Total consumption of liquid and gaseous fuels (natural gas, diesel, gasoline and LPG) used for stationary and transport purposes, as per supplier invoices or provider reports for all facilities under the operational control of the Westpac Group, normalised to gigajoules.
Equator Principles	The Equator Principles are a voluntary set of standards for determining, assessing and managing social and environmental risk in project financing. Westpac applies the Equator Principles to all project finance transactions, project-related corporate loans that meet the requirements of the Equator Principles and bridge loans with a tenor of less than two years that are intended to be refinanced by project finance or a project-related corporate loan. Project finance is a form of debt financing that relies on repayment from the underlying project cash flows, with no recourse to other assets or support from the parent company. Loan exposures include both direct and contingent lending, and are represented by sector, geography and Equator Principle categories. Further explanation of the principles can be found at www.equator-principles.com
ESG integration	ESG integration is an approach to investing that takes a range of non-financial performance indicators into account, including environmental, social and corporate governance (ESG). Our approach to ESG integration does not apply a specific screening process. ESG factors may be considered at a company, stock or sector level; may impact a country specifically; or be part of a global trend. When considering ESG factors in the investment process, BTFG is not seeking to take a moral or ethical stance on ESG issues. Instead, our approach is motivated by financial goals, aiming to create value and/or manage risk over varying time-frames.
E-waste	Electronic waste recycled, repurposed or re-used in Australia by Westpac Group's preferred provider. From 2015, this includes IT hardware and peripherals. Excludes New Zealand, Pacific and UK.
External validations	External validations are conducted on a sample of the top suppliers. Suppliers are selected to ensure a good cross section of validations each year, criteria may include: industry, concerning incidents/negative media, size and whether or not they have been externally validated in the last 3 years. External validations are those conducted by an independent third party. Data is cumulative.
Family of giving	Refers collectively to Westpac Group's five foundations (Westpac Foundation, Westpac Bicentennial Foundation, St.George Foundation, Bank of Melbourne Neighbourhood Fund and BankSA Foundation).
Female / Male Salary Ratios	Refers to the average full time equivalent (FTE) base salary (excluding variable reward, leave loading, superannuation and any other allowances) for males and females across the Westpac Group broken down by the classification levels consistent with our reporting to the Board to satisfy ASX listing requirements. The report includes permanent employees (full time, part time and flexi part time), employees on a fixed term arrangement (full time maximum term, part time maximum term and flexi part time maximum term), and expatriate employees.
Financial education (hours)	Refers to the number of hours of financial education, offered by the Westpac Group, undertaken by employees, customers and the general public (including via online channels). In Australia financial education covers personal, business and social sector content inclusive of modules on financial basics, owning your home, building wealth, retirement planning, starting and growing a business and financials for non-profit organisations. New Zealand and Pacific businesses deliver locally tailored programs.
Financial education (participants)	Refers to the total number of employees, customers and general public attending financial education courses offered by the Westpac Group during the year (including online webinars). In Australia financial education covers personal, business and social sector content inclusive of modules on financial basics, owning your home, building wealth, retirement planning, starting and growing a business and financials for non-profit organisations. New Zealand and Pacific businesses deliver locally tailored programs.
Financial Wellbeing of 40+ women	Financial Wellbeing is defined and measured by the BT Australian Financial Health Index ("BT AFHI"), a statistical index built on a national research initiative involving 4,966 Australians and validated across an independent sample of 8,486 employees. The BT AFHI provides an assessment of Australian's relative position in terms of their overall Financial Wellbeing, personal financial management, preparation for life after work, investments and risk appetite, and insurance coverage. Predictive questions are aggregated to estimate a person's position on the BT AFHI, the resulting metric is a standardised score between 1 and 11 that is comparable to benchmarks obtained from the nationally representative research. The reported indicator is calculated as the weighted average Financial Wellbeing score for women over the age of 40 employed across Westpac's Banking and BTFG divisions.
Fleet – Emissions per Vehicle	Refers to the total Scope 1 emissions from fuel consumption used by Australian and New Zealand based fleet vehicles under Westpac Group operational control during the year divided by the average number of vehicles in the fleet during the reporting year.
Fleet – Fuel Consumption per Vehicle	Refers to the total kilolitres of fuel used by Australian and New Zealand based fleet vehicles under Westpac Group operational control during the year divided by the average number of vehicles in the fleet during the reporting year.
Foregone fee revenue	Where the financial institution has made an effective donation by not charging fees to charitable organisations or low income earners. The estimated value of the effective donation is calculated as the difference between what was charged (if anything), and what would have been charged on equivalent standard accounts.
Forest Stewardship Council (FSC) accredited paper purchased	FSC has been recognised as an international organisation that provides a system for different stakeholders interested in forest issues to work towards responsible forest management. In providing this system, FSC promotes environmentally appropriate, socially beneficial, and economically viable management of the world's forests. The percentage of paper purchased during the reporting period that has some content that is accredited by the Forest Stewardship Council (FSC) and/or Programme for the Endorsement of Forest Certification (PEFC) as indicated by the supplier.

Indicator or term	Definition
General Recycling (tonnes)	Total waste recycled or reused (or otherwise diverted from landfill) for commercial and retail facilities under Westpac Group's operational control, for the year end 30 June. Includes commingle, organics, cardboard, glass and printer cartridges/toners, where data is available. Excludes stand alone ATMs and fleet. For Australia, commercial sites and data centres are based on recycling provider invoices where available or estimated based on averages from properties within the same portfolio for which actual data is available. For retail sites, based on representative waste audits and extrapolated across the retail network. For New Zealand, based on supplier records.
Greenhouse Gases (GHG)	Greenhouse gases include the six gases listed in the Kyoto Protocol (CO ₂ , CH ₄ , N ₂ O, SF ₆ , hydrofluorocarbons and perfluorocarbons) as well as the Montreal Protocol gases, where activity data is available and meets materiality requirements. For Australia, GHGs are calculated in accordance with the National Greenhouse and Energy Reporting Act 2007 (NGER Act) and the National Carbon Offset Standard. For New Zealand GHG are calculated in accordance with the Ministry for the Environment, Guidance for GHG Reporting. For UK and Pacific, GHGs are calculated in accordance with the GHG Protocol.
Group community investment (\$AUD)	Total amount in AUD provided in support of community based activities during the reporting year. It includes monetary contributions, time contributions, management costs and in-kind contributions comprising of gifts and foregone fee revenue. Reported amounts have been compiled with reference to the Global Reporting Initiative's G4 Sustainability Reporting Guidelines under EC1 and the Financial Services Sector Disclosures. Refer to separate definitions for each of these items for more detail of inclusions.
Group lending profile	Represents total exposure in lending products broken down as a percentage by: geography (based on country of registration of direct customer); and by sector (based on Australian New Zealand Standard Industrial Classification (ANZSIC) codes produced by the Australian Bureau of Statistics and the New Zealand Department of Statistics) and assigned by Westpac based on companies primary source of revenue. All data is in exposure at default.
Helping out in times of need	Refers to Group activities that provide emergency relief to communities during disasters, and help people recover faster and better from financial crisis.
High performer retention	Voluntary high performer retention over the 12 month rolling high performer headcount for the period (includes permanent full time, part time permanent and maximum term employees). A high performer is defined as a staff member who receives one of the top two performance ratings. 2015 data includes Westpac Pacific (not included in prior years).
In-kind contributions	In-kind contributions comprise foregone fee revenue, in-kind gifts or donations.
In-kind gifts or donations	Use of company premises, donation of resources such as computers and in-kind marketing to community organisations.
In-store	In-store is a value added service to the EFTPOS platform. In-store is designed to bring specific banking facilities to communities through local businesses (merchants) and is designed to be used not only in urban areas but extends to rural and remote areas that have had no banking presence before. Through an in-store, Westpac customers have the opportunity to do the following basic banking services all through a standard EFTPOS terminal: Withdrawal, Deposit, Pay others, Transfer, Bill Pay, Mini Statement and Balance Enquiry. An in-store is seen as active when the terminal has been deployed to the merchant. In St.George, in-stores are referred to as Bragencies.
Internal validation	Each year we conduct a range of supplier validations that to help to ensure the integrity of responses and the Westpac Group's SSCM program. The full range of these are described in our SSCM Framework. Internal validations refer to those conducted by internal Westpac staff. They are triggered when action plans are completed; for offshore suppliers every two years, and annually as part of site visits to offshore suppliers.
International air travel	For Australia includes passenger kilometres travelled for all international and Trans-Tasman flights as provided by air travel supplier. Emission factors are sourced from the UK Government conversion factors for Company Reporting (2014, v1.2) published by DEFRA, based on flight distances and air travel class. For New Zealand includes passenger kilometres travelled for international and Trans-Tasman flights as provided by travel suppliers, assumed to be an accurate reflection of the direct distance between flight points. The emission factors used are sourced from the New Zealand Ministry for the Environment, Guidance for Voluntary, Corporate Greenhouse Gas Reporting, based on flight distances. An aviation multiplier of 1.08 is applied to reflect non-direct flights. For UK data is based on total number of flights outside Europe multiplied by the average distance. Emissions are calculated using the Greenhouse Gas Protocol emissions factor for economy class short haul flights.
Investing in economic wellbeing and greater prosperity	Refers to Group activities that identify, pilot and finance innovative ideas and partnerships to create opportunities for economic participation and increase financial wellbeing and prosperity.
IT and telecommunications	Includes professional IT services, business process outsourcing, application services and infrastructure.
Lost Time Injury Frequency Rate (LTIFR)	Lost Time Injury Frequency Rate (LTIFR) measures the number of Lost Time Injuries (LTIs), defined as injuries or illnesses (based on workers compensation claims accepted) resulting in an employee being unable to work for a full scheduled day (or shift) other than the day (or shift) on which the injury occurred where work was a significant contributing factor, per one million hours worked in the rolling 12 months reported. Excludes Westpac Pacific.
Management costs	Management costs comprise costs associated with facilitating donations and volunteering by employees, managing the community investment program and non-wage administration costs e.g. research or evaluation and communications.
Mandatory improvement actions	Mandatory improvement actions relate to areas of the SSCM Code of Conduct that we consider important to address before we enter into a contractual relationship with a supplier, or within the first year of the contract. They include requirements to comply with relevant local and national laws and regulations relating to environmental impacts, human rights impacts, labour practices and societal impacts. Indicator only looks at actions that are being actioned during the reporting period as part of an Action Plan. This is currently used to identify improvements and may evolve over time.
Matched giving	Where employees raise or donate money and the financial institution matches with its own contribution. Only the money the financial institution itself donates is counted, not that contributed by employees. Westpac Group's program is referred to as Matching Gifts.

Indicator or term	Definition
Mean Employee Retirement age	Mean Retirement Age is defined as the Sum of Retirement Age over the Retirement Headcount for the 12 month period (includes permanent full time, part time and maximum term employees). Excludes Westpac Pacific.
Mining – Australia and New Zealand	Total exposure to natural resources is reported in Total Committed Exposure (TCE) as at 31 August. This includes any company (at the subsidiary level) that is incorporated in Australia or New Zealand where greater than 50% of its earnings (EBITDA), or revenue where EBITDA is not available, is generated from upstream production activities (including mining and oil and gas extraction) and related services. Where companies have more than mining activity, TCE is apportioned based on the % of the total company revenue or earnings (as appropriate) earned from each activity. In 2015 Westpac decided to report overall mining exposures at a group level however, to maintain clarity and transparency we will continue to report our exposure to Coal Mining and Oil and Gas extraction for Australia and New Zealand, in line with our 2014 report. These are reported as a percentage of our total exposure to natural resources metric. The remaining portion of this exposure includes metal ore mining, mining services and other lending related to the resources and mining sector, not attributable to a particular company or resource. We note that Westpac does not lend to pure exploration companies.
Mining – Group	Data is reported in Total Committed Exposure (TCE) as at 30 September. Data represents group wide exposures (TCE) to all customers where mining forms the primary basis of their business. Where companies operate in multiple industries they are classified according to their primary industry exposures which have been classified into six commodity categories (coal mining, oil and gas extraction, iron ore mining, other metal ore mining, mining services and other) and are reported as a percentage of the metric mining – group. Where companies have more than one mining activity TCE is apportioned based on the majority activity of the company. Where the major activity does not meet any of the categories presented above the exposure has been categorised as other.
Mobile active customers	Australian Banking only. Customers are those that have logged into Mobile Banking in the last 90 calendar days.
Monetary contributions	Monetary contributions is comprised of charitable gifts of money or other cash donations, matched giving and community partnerships.
NEM	National Electricity Market. The average emissions intensity of generation for the NEM is determined as the sum of emissions arising from electricity generation on the NEM, divided by the sum of generation from those same generating units.
Net Basic Banking Account Customers	Refers to the net number of new Choice Basic Accounts across the Pacific Island Nations since product launch that remain open at 30 September. This number does not include any closed Choice Basic Accounts. The product was launched in most Pacific Island Nations in late 2011.
Net Lettable Area (NLA)	Net lettable area (NLA) is measured in square meters (m ²) as recorded on lease agreements during the reporting year. Weighted NLA is calculated as net lettable area (m ²) x days in operational control / days in the period.
Net Promoter Score (NPS)	Net Promoter Score measures the net likelihood of recommendation to others of the customer's main financial institution for retail or business banking. Net Promoter Score SM is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld. For retail banking, using a scale of 1 to 10 (1 means 'very unlikely' and 10 means 'very likely'), the 1-6 raters (detractors) are deducted from the 9-10 raters (promoters). For business banking, using a scale of 0 to 10 (0 means 'extremely unlikely' and 10 means 'extremely likely'), the 0-6 raters (detractors) are deducted from the 9-10 raters (promoters).
Net Promoter Score (NPS) – business	Australia source: Source: DBM Consultants Business Financial Services Monitor, September 2011 – 2015, 6MMA. Westpac Group, MFI customers, all businesses.
Net promoter Score (NPS) – consumer	Australia source: Source: Roy Morgan Research, September 2011 – 2015, 6MMA. Westpac Group, Main Financial Institution (as defined by the customer). Consumers aged 14 or over. NZ source: NZ Retail market monitor provided by Camorra Research.
New starters (number)	Total number of new starters over the last 12 months (includes permanent full time and part time employees). 2015 data includes Westpac Pacific (not included in prior years).
New starters (%)	Voluntary new starters over the 12 month average headcount for period (includes permanent full time and part time employees). 2015 data includes Westpac Pacific (not included in prior years).
New starters by gender and age	The total number of employees (permanent full time and part time) who started in FY15, FY14 and FY13 respectively split by age and gender. Number and percentage of the total. Not reported historically. 2015 data includes Westpac Pacific (not included in prior years).
New starter retention	Voluntary new starter retention over the new starter headcount for the 12 month period (permanent full time and part time employees). 2015 data includes Westpac Pacific (not included in prior years).
Occupational health and safety training	Our global program of OH&S training is made up of 5 e-learning modules: Doing the Right Thing, Your Health and Safety, Building Emergency Procedures, Health & Safety for People Leaders, Hazard Management for People Leaders, and a face to face training H&S Leadership program (HSL). The full program is available in Australia and New Zealand and the 5 e-learning available globally. Prior to 2015, NZ employees undertook 'Doing the Right Thing' training (one module of the full global program). Data prior to 2015 excludes Asia and the Pacific. All permanent employees and temporary employees of more than 30 days are required to complete these training.
Office Paper (tonnes)	Total office copy paper purchased by the Westpac Group in Australia and New Zealand as reported by suppliers (in tonnes).
Office Paper (tonnes)/ employees (FTE)	Normalised figures of total office copy paper purchased by the Westpac Group in Australia and New Zealand as reported by suppliers (in tonnes) per Full Time Equivalent employee (FTE) during the reporting year. Note that FTE data is calculated on a 30 June year end, consistent with environmental data.
Paper Consumption (tonnes)	Total office paper and paper products purchased (in tonnes) by the Westpac Group as reported by suppliers. Includes office copy paper, paper products and printed materials, including direct mail and marketing documents (e.g. office stationery, marketing brochures, customer statements). Emission factors are calculated utilising the Victoria Government GHG emission factors for Office Copy Paper.

Indicator or term	Definition
Paper Recycling (tonnes)	Total paper recycled via secure document recycling (in tonnes) including archived documents that have exceeded their expiry date, for commercial and retail facilities under Westpac Group's operational control, as reported by recycling provider. Includes commercial offices, retail and business banking centres and data centres. Excludes stand alone ATMs.
Participation of Mature Age Workers	Refers to the Average Mature Age Workforce aged 50 and above over the Average total permanent headcount for the 12 month period (includes permanent full time, part time and maximum term employees). 2015 data includes Westpac Pacific (not included in prior years).
Positive impact finance	Positive impact finance is that which verifiably produces a positive impact on the economy, society or the environment once any potential negative impacts have been duly identified and mitigated. Positive Impact Finance includes: <ul style="list-style-type: none"> • lending which directly addresses a widely recognised societal issue, or to sectors or markets which operate with an explicit societal goal; and • deposits or products and services provided (other than lending) to customers or markets which would otherwise meet our definition of positive impact. This does not include lending to any individual customer where we have made a specific sustainability requirement as part of our lending or encouraged sustainable practices as part of our customer engagement.
Power usage effectiveness (PUE)	Power Usage Effectives (PUE) is an industry accepted ratio for the measurement of the effective usage of electrical power in a standalone Data Centre Facility and is represented by the quotient Total Facility Power Load divided by IT Equipment Power Load. PUE is calculated for Australian Data Centres only.
Preferred improvement actions	Preferred improvement actions relate to areas of the SSCM Code of Conduct that are not mandated but we strongly encourage our suppliers to adopt best practice over the course of the contract. Indicator only looks at actions that are being actioned during the reporting period as part of an Action Plan.
Average products per customer (consumer)	Source: Roy Morgan Research, 6 month rolling average, September 2015. Products per customer results are based on the total number of Banking & Finance products from the Institution Group held by a Retail customer.
Operations and Property	Includes security, facilities maintenance, catering, utilities, valuations, settlements, freight, travel, entertainment, conferences, information services, office suppliers
Recycled content paper purchased	The percentage of paper purchased during the reporting period that has some content that is from recycled sources as indicated by the supplier.
Recycling rates for Sydney Head Office locations (%)	Recycling rate for five Westpac Group Sydney commercial offices (Westpac Place, 182 George St Sydney, 33-35 Pitt St Sydney, 316 George St Sydney, 4-16 Montgomery St Kogarah) calculated as the percentage of waste recycled (in tonnes) compared to the total waste generated (in tonnes, including waste recycled and waste sent to landfill). Excludes all other commercial offices, storage units, retail sites (branches & business banking centres), stand-alone ATMs, stand-alone data centres, fleet and sites which the Westpac Group does not have operational control over.
Relationship Strength Index	The Peter Lee Associates' Relationship Strength Index (RSI) is a single measure that differentiates the overall breadth and quality of service experienced by institutional banking customers. The index reflects all of the qualitative scores for a financial service provider (FSP) in a single number. This number is a statistical combination (fitted to a normal distribution curve) of the client's evaluation of their FSPs shown on a scale from 0 to 1,000 with a mean score of 500 and a standard deviation of 166.67. The RSI displays the relative positions of competitors and the distribution of relationships within the corporate and institutional financial sector. The Relationship Banking measure is provided through the 'Peter Lee Associates Large Corporate & Institutional Relationship Banking survey'. The Transactional Banking measure is provided through the 'Peter Lee Associates Large Corporate & Institutional Transactional Banking survey'.
Scope 1 & 2 GHG emissions in commercial and retail sites (tonnes CO₂-e)	Scope 1 and 2 emissions from Australian and New Zealand commercial and retail properties and subsidiaries. This includes commercial offices, contact centres, disaster recovery sites, branches, business banking and subsidiaries and excludes stand-alone ATMs, stand-alone data centres, Westpac Group fleet, sites which the Westpac Group does not have operational control over, and all facilities in the Pacific, UK, USA and Asia.
Self-assessment	We ask our suppliers and others seeking to do business with us to comply with Westpac's SSCM Code of Conduct. Compliance typically involves a self assessment against the SSCM Code of Conduct. Relates to self-assessment undertaken during the reporting period.
Skilled volunteering	Volunteering that utilises employee skills including unique life and/or professional skills and advice to help not-for-profits or community organisations realise and achieve their potential and aspirations.
Smart ATMs	Automatic teller machines with deposit taking functionality. Numbers exclude old style envelope deposit machines.
Social and Affordable housing lending and services	Refers to the cumulative total of funds, including refinancing, lent to the sector at the end of the period (measured as Total Approved Exposures since 30 September 2013) across WIB, WNZL and Australian Banking committed to customers in the Social and Affordable Housing sector. Social Housing is low cost housing provided to tenants who are typically reliant on benefits as a significant source of income. Tenants cannot pay more than 35% of their income on rent. Affordable Housing is provided to employed tenants who have low or moderate incomes and priced to ensure households are able to meet other essential basic living costs. Rent must be less than 75% of the market rent. These customers include Community Housing Providers, Property Investors with National Rental Affordability Scheme (NRAS) Entitlements, Not for Profits that provide low cost or free accommodation and Public Private Partnerships in social and affordable housing. This excludes Borrowers who have a total aggregate exposure of less than \$1.0m, individual Australian Banking retail customers who have sought financing of NRAS affordable housing and listed and unlisted property developers who participate in the development of affordable housing through the utilisation of NRAS entitlements.
Social impact framework	Community investment decision making framework for the Group, which identifies the community focus areas where the organisation can deliver the greatest positive social impact. The framework also articulates the social impact outcomes and performance measures against these outcomes.

Indicator or term	Definition
Spend with indigenous suppliers	Annual spend with businesses that are 51% or more owned and operated by an Aboriginal or Torres Strait Islander person and certified with a relevant member organisation.
Supplier Action Plans	Supplier Action Plans are continuous improvement plans developed and implemented by suppliers to improve their sustainability. They require evidence of how that action has been met before it can be closed. There are two types of actions: mandatory and preferred. The time period for completing mandatory actions is within a year, and for preferred actions it is as agreed with the supplier. This only considers where Action Plans have been agreed with a supplier.
Sustainable Supply Chain Management (SSCM) Code of Conduct	We ask our suppliers and others seeking to do business with us to comply with Westpac's SSCM Code of Conduct. The Code has been updated in 2014. It sets out Westpac's standards of ethical, social and environmental business practices required for suppliers. The SSCM Code of Conduct is available at http://www.westpac.com.au/about-westpac/sustainability-and-community/governance/suppliers/sscm-code-of-conduct
SRI (screened)	Total funds under management in BTFG's Socially Responsible Investment (SRI) funds. This includes the Ethical and Sustainable funds that positively or negatively screen or tilt to a particular ethical or sustainable thematic.
Temporary staff	Temporary staff includes overtime, temporary and contract staff.
Tenure & gender profile (%)	Tenure and gender profile refers to the proportion of male and female employees (permanent full time, part time and maximum term) within each defined bracket of years of employment at the end of the reporting period.
Programme for the Endorsement of Forest Certification (PEFC)	The Programme for the Endorsement of Forest Certification (PEFC) is an international non-profit, non-governmental organization dedicated to promoting Sustainable Forest Management (SFM) through independent third-party certification. PEFC works throughout the entire forest supply chain to promote good practice in the forest and to ensure that timber and non-timber forest products are produced with respect for the highest ecological, social and ethical standards. Thanks to its eco-label, customers and consumers are able to identify products from sustainably managed forests.
Top Suppliers	Top 80 suppliers to Westpac Australia by spend and material and major suppliers.
Total Committed Exposure (TCE)	The maximum amount of credit exposure Westpac has approved to incur for a particular customer or project. This is the total value of any outstanding credit facilities plus unutilised limits of facilities.
Total customers	All customers, primary and secondary, with an active relationship (excludes channel only and potential relationships).
Total employees by employment type and region (headcount)	Refers to the total number of employees by headcount including full time, part time permanent employees, maximum term employees and contractors broken down by region as at 30 September.
Total Scope 1 and 2 emissions (tCO₂e)	Total Scope 1 and Scope 2 emissions as a result of Westpac Group's operations across Australia, New Zealand, the United Kingdom and Pacific.
Total Scope 1 greenhouse gas emissions (tonnes CO₂ -e)	Scope 1 emissions are the release of greenhouse gases into the atmosphere as a result of Westpac Group's direct operations for the period 1 July - 30 June. Australian data is prepared in accordance with the National Greenhouse and Energy Reporting Act. New Zealand data is prepared in accordance with the New Zealand Ministry for the Environment's Guidance for GHG reporting.
Total Scope 2 greenhouse gas emissions (tonnes CO₂ -e)	Scope 2 emissions are indirect greenhouse gas emissions from the consumption of purchased electricity by Westpac Group for the period 1 July - 30 June. Australian data is prepared in accordance with the National Greenhouse and Energy Reporting Act. New Zealand data is prepared in accordance with the New Zealand Ministry for the Environment's Guidance for GHG reporting, using emission factors from the Ministry for Business, Employment and Innovation.
Total Scope 3 greenhouse gas emissions (tonnes CO₂ -e)	Scope 3 emissions are indirect greenhouse gases emitted as a consequence of Westpac Group operations but occur at sources owned or controlled by another organisation. Australian data is prepared in accordance with the National Carbon Offset Standard. New Zealand data is prepared in accordance with the New Zealand Ministry for the Environment's Guidance for GHG reporting.
Total supply chain spend	Total dollars spent captured through Group reporting systems in AUD spent with external suppliers that provide products or services to the organization during the reporting period.
Transmission & Distribution Losses	Emissions from energy losses which are attributable to the transmission and/or distribution of energy to the end user. For Australia this includes electricity and natural gas. For New Zealand this includes electricity only.
Transport - Fleet Vehicles	Includes consumption of liquid fuels for transport purposes (diesel, gasoline) by vehicles under the operational control of the Westpac Group, regardless of whether these vehicles are owned or leased. Excludes Novated Lease, salary sacrifice purchased vehicles, transport services provided by a third party supplier or vehicles sponsored by the Westpac Group. For Australia includes emissions from direct Scope 1 (fuel consumption) and indirect Scope 3 (upstream extraction and distribution) prepared in accordance with NGER and the NGA Factors. For New Zealand includes direct Scope 1 emissions only prepared in accordance with the Ministry for the Environment, Guidance for Voluntary, Corporate GHG Reporting.
Volunteer time	Staff participation in authorised volunteering activities. Comprises of employees community leave tracked through the HR system and the results of an internal survey which is then calculated using average salaries for non management, middle management and senior management.
Waste to landfill (tonnes)	Total waste sent to landfill across commercial and retail facilities under Westpac Group's operational control for the year ended 30 June. Excludes stand alone ATMs and fleet. For Australia, commercial facilities and data centres are based on provider invoices where available and estimated based on averages from properties within the same portfolio for which actual data is available. For retail sites are based on representative waste audits and extrapolated across the retail network. Emission factors are sourced from the National Greenhouse Accounts Factors for commercial and industrial waste. For New Zealand, based on provider records and calculated in accordance with the Ministry for the Environment Guidance for GHG Reporting.
Water consumption (kL)	Water consumption is the total potable water consumed at Australian commercial and retail facilities where the Westpac Group has operational control. Water consumption is based on supplier reports where available, or estimated based on the net lettable area and average consumption of similar properties for which actual data is available. Excludes recycled and reclaimed water consumption, and all water consumption across New Zealand, UK and Pacific.

Indicator or term	Definition
Water consumption in Sydney head offices (KL)	Water consumption for five Westpac Group Sydney commercial offices (Westpac Place, 182 George St Sydney, 33-35 Pitt St Sydney, 316 George St Sydney, 4-16 Montgomery St Kogarah) based on supplier reports. Excludes recycled and reclaimed water consumption and all other commercial offices, storage units, retail sites (branches & business banking centres), stand-alone ATMs, stand-alone data centres, fleet and sites which the Westpac Group does not have operational control over.
Wealth Penetration Metrics	Data based on Roy Morgan Research, Respondents aged 14+. 12 month average to September 2015. Wealth penetration is defined as the proportion of Australians who have a Deposit or Transaction Account, Mortgage, Personal Lending or Major Card with a Banking Group and also have Managed Investments, Superannuation or Insurance with the same Banking Group. WRBB includes Bank of Melbourne (until Jul 2011), BT, Bankers Trust, BT Financial Group, Challenge Bank, RAMS (until Dec 2011), Rothschild, and Westpac. St.George includes Advance Bank, Asgard, BankSA, Bank of Melbourne (from Aug 2011), Dragondirect, Sealcorp, St.George and RAMS (from Jan 2012). Westpac Group includes Bank of Melbourne, BT, Bankers Trust, BT Financial Group, Challenge Bank, RAMS, Rothschild, Westpac, Advance Bank, Asgard, BankSA, Barclays, Dragondirect, Sealcorp and St.George 'Peers includes: ANZ Group, CBA Group, NAB Group, WRBB and St.George'.
Wellbeing index	The Financial Wellbeing Index (FWI) is a comprehensive index that determines the factors that contribute to a person's financial wellbeing at different life stages and in different circumstances. The Wellbeing Assessment included the Work Ability Index (WAI) and the 5 Wellbeing Factors of Finances, Health, Work, Values and Family & Community. The WAI is a predictive measure of peoples' ability to continue to work and their current productivity. This has been represented in the Individual Wellbeing Report as the "Overall Wellbeing Rating".
Westpac Group customers with Westpac Group super (%)	Data based on Roy Morgan Research, Respondents aged 14+. Super penetration is defined as the number of Australians who have Superannuation with the Westpac Group and who also have a Deposit or Transaction Account, Mortgage, Personal Lending or Major Card with the Westpac Group as a proportion of the total number of Australians who have a Deposit or Transaction Account, Mortgage, Personal Lending or Major Card with the Westpac Group. 12 month moving average to Sep 2015. Westpac Group includes Bank of Melbourne, BT, Challenge Bank, RAMS, Rothschild, Westpac, Advance Bank, Asgard, BankSA, Dragondirect, Sealcorp and St. George.
Whistleblower reporting	Number of complaints reported and confirmed via the bank's Concern Online system, broken down into the most common categories reported.
Women in Leadership (%)	Refers to the proportion of women (permanent and maximum term employees) in people leadership roles or senior roles of influence as a proportion of all leaders across the Group. Includes CEO, Executive Team, General Managers, Senior Managers as direct reports to General Managers and the next two levels of management. 2015 data includes Westpac Pacific (not included in prior years).
Workforce Enablement, Services and Wealth	Includes recruitment, training, wardrobe, staff wellbeing services, legal and consulting.

WESTPAC GROUP SUSTAINABILITY

For questions and comments on our sustainability performance:

Email sustainability@westpac.com.au

Telephone +61 2 8254 8488

www.westpac.com.au/sustainability

For information on our compliance with International Agreements, including the United Nations Global Compact and Declaration on Human Rights, contact the General Manager of Group Corporate Affairs & Sustainability via the above details.

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