

## 2013-2017 SUSTAINABILITY STRATEGY SCORECARD 1H14 PROGRESS UPDATE

5 May 2014

Operating sustainably is at the heart of Westpac Group's culture and practices. This means embracing new ways to do business to create a better future for the people who bank with us, work with us, invest in us or are part of our broader communities. It also means responding to the emerging issues we believe will affect the sustainability of our communities and, therefore, our own operations.

In 2013, we carefully assessed which issues will be most important over the next 30 years with a view to prioritising our current efforts towards the areas where we have the skills to be most effective.

As a result, we set ten objectives in three priority areas, with annual targets to 2017 to guide our efforts.

These are outlined below, along with the progress we've achieved as at 31 March 2014.

**EMBRACE SOCIETAL CHANGE:** Help improve the way people work and live, as our society changes

Australia's population is ageing and we're becoming more culturally diverse. We must think more creatively about how to embrace these shifting demographics, tapping into traditionally underemployed groups and supporting careers to attract and retain the best people, and shaping products and services to meet evolving customer needs.

Objective	Measure	Results		Targets	
		Year to 30 Sept 2013	Six months to 31 March 2014	Target by 2014	Target by 2017
1. Ensure our workforce is representative of the community	Women in leadership (%)	42	43	>42	Aspirational target of 50
	Participation of mature age workers (%)	20.5	20.8	>20.5	>20.5
	Financial Wellbeing of 40+ women (index score out of 11)	6.38 (total AFS population: 6.45)	Biennial survey	Biennial survey. FY15 target: Within 0.04 of the score for total AFS population	On par with total AFS population
2. Extend length and quality of working lives	Mean employee retirement age (years)	60.6	61.4	≥60.6	62.0
	Wellbeing Westpac Group Average WorkAbility Index (index score out of 49)	41	Biennial survey	Biennial survey. FY15 target: 42	44
3. Anticipate the future needs of ageing and culturally diverse customers	Initiatives introduced to support financial wellbeing	1	1	2	5

**ENVIRONMENTAL SOLUTIONS:** Help find solutions to environmental challenges

Natural resources, such as water and arable land, are becoming increasingly scarce. Our economy and way of life will be threatened if we don't act to change the way natural resources are accessed and valued. We must nurture a greater appreciation of the economic value of natural resources, and help customers and communities become more efficient so we can all continue to prosper and grow.

Objective	Measure	Results		Targets	
		Year to 30 Sept 2013	Six months to 31 March 2014	Target by 2014	Target by 2017
4. Provide products and services to help customers adapt to environmental challenges	Unique service offerings launched (cumulative number of initiatives)	2	3	2	5
5. Increase lending and investment in CleanTech and environmental services	Make up to \$6bn available for lending and investment in CleanTech and environmental services across WIB, WNZL and AFS (\$bn, cumulative total)	3.6	4.0	Make available up to \$6.0	Make available up to \$6.0
6. Reduce our environmental footprint	Kwh of electricity/m2 in commercial and retail sites (Kwh)	198	195	198	178
	Power usage effectiveness (PUE, a measure of how effectively a data centre uses power)	1.73	1.71	1.80	1.60
	Establish and maintain carbon neutrality	Achieved carbon neutrality	Maintained carbon neutrality	Maintain carbon neutrality	Maintain carbon neutrality
	Office paper (tonnes)	1,523	742	1,523	1,500
	Recycling rates in Sydney head offices (% of waste)	62	62	62	75

**BETTER FINANCIAL FUTURES:** Help our customers to have a better relationship with money, for a better life

As we live longer, the concept of retirement is evolving. To live comfortably post-work, income streams must stretch much further. People must manage their money well over their lifetimes, rather than playing 'catch-up' as retirement looms. This means exploring new paths of personal wealth creation that are less dependent on debt, and offering new models of financial education, advice and funding for social infrastructure.

Objective	Measure	Results		Targets	
		Year to 30 Sept 2013	Six months to 31 March 2014	Target by 2014	Target by 2017
7. Ensure all our customers have access to the right advice to ensure a secure retirement	AFS customer facing employees who hold appropriate wealth accreditation in line with role requirements (%)	11	Annual review only	18	61
8. Help our customers meet their financial goals in retirement	Westpac Group customers with Westpac Group superannuation (%)	7.4	7.9*	8.2	10.0
9. Increase access to financial services in the Pacific	Net Basic Banking Account customers (cumulative)	147,392	195,295	185,000	300,000
	Number of in-store banking facilities (cumulative)	179	272	196	300
10. Help people gain access to social and affordable housing	Make up to \$2bn available for lending and investment in social and affordable housing sector across WIB, WNZL and AFS (\$bn)	0.65	0.7	Make available up to \$2.0	Make available up to \$2.0

\* Data based on Roy Morgan Research, respondents aged 14+ and 12 months to Dec 13. Super penetration is defined as the proportion of Australians who have a Deposit or Transaction Account, Mortgage, Personal Lending or Major Card with the Westpac Group and also have Superannuation (incl. Pensions and Annuities) with the Westpac Group. Westpac Group includes Bank of Melbourne, BT, Challenge Bank, RAMS, Rothschild, Westpac, Advance Bank, Asgard, BankSA, Dragondirect, Sealcorp and St. George.