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### To accompany Westpac Group's Communication on Progress on the UN Global Compact

This Communication on Progress (COP) shows how Westpac continued to implement the UN Global Compact Principles during 2017 and reflects our continued support for the Compact. This year the key elements of our COP are included across our reporting suite, most notably in the [2017 Annual Review and Sustainability Report and 2017 Sustainability Performance Report](#).

As in previous years, these reports together with the Group's underlying policies, systems and processes have been prepared and independently assessed against the AA1000 Assurance Standard (2008). Our reporting remains guided by Global Reporting Initiative G4 Reporting Framework, including the Financial Services Sector Supplement.

This year Westpac Group marked an extraordinary milestone in Australia's history – becoming the nation's first company to celebrate its 200th year in business.

Throughout our history we have experienced both significant growth and set-backs, which is why we know how important it is to make the right decisions today for tomorrow and to continually adapt to new and emerging opportunities and challenges. It's one of the reasons we were ranked the world's most sustainable bank in the Dow Jones Sustainability Indices this year, for the tenth time.

Highlights of our performance this year that support the principles included:

- Achieved our goal of 50% women in leadership roles<sup>1</sup> by 2017 and increased the number of women in general management positions to 41%.
- St. George bank accredited as Australia's first dementia friendly bank by Dementia Australia.
- Exceeded our 2015-2017 Reconciliation Action Plan (RAP) commitment of recruiting 500 new Aboriginal and Torres Strait Islander employees by 2017, and directed our focus to retention and development in our 2018-2020 RAP.
- Continued to maintain parity with 4% employees self identifying as Indigenous Australian<sup>2</sup>.
- Exceeded our target of \$3 million supply chain spend with Indigenous owned businesses by 2017 and increased our target to \$10 million by 2020.
- Updated our climate change targets including lending to climate change solutions of \$10 billion by 2020 and \$25 billion by 2030 as part of our third Climate Change Position Statement and 2020 Action Plan.
- Increased the proportion of renewable energy financing from 45% to 65% between 2011 and 2017 in the total electricity generation portfolio.
- Increased committed exposure to CleanTech and environmental solutions taking our total committed exposure to \$7 billion, 16% ahead of our 2017 target.
- Launched an industry-first sustainability scoring capability to BT Panorama, showing how investments on the ASX200 and over 200 managed funds rate on environmental, social and governance factors.

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<sup>1</sup>Proportion of women (permanent and maximum term) in leadership roles across the Group. It includes the CEO, Group Executives, General Managers, senior leaders with significant influence on business outcomes (direct reports to General Managers and their direct reports), large (3+) team people leaders three levels below General Manager, and Bank and Assistant Bank Managers.

<sup>2</sup> Data derived from an employee survey based on the number of individuals who self-identified as having Aboriginal, Indigenous Australian or Torres Strait Islander cultural heritage.

- Issued an offshore currency Climate Bond for US\$50 million, a first among the Australian banks and published our first Westpac Climate Bond Impact Report.
- Achieved a 6 Star Green Star – interiors rating for our Bank of Melbourne flagship branch at 525 Collins Street from the Green Building Council of Australia.
- Increased lending to the social and affordable housing sector to \$1.32 billion.
- Introduced a number of new products and services to meet the changing needs of customers, including Westpac Life and Bump savings accounts, and a new basic credit card, Westpac Lite, with an interest rate of 9.9%.
- Released our first Financial Inclusion Action Plan, laying out our vision and guiding priorities for the next 12 months, including around the areas of crisis and hardship, understanding money and inclusive growth.
- Made available close to \$475,000 in microfinance loans with Many Rivers Microfinance loans to support Indigenous Australian business owners.

During the year we introduced or significantly updated a number of new or revised frameworks, policies, positions, and procedures that allow us to drive further progress against the principles.

- Established a Sustainability and Reputation Risk Working Group to better share information across divisions on emerging sustainability and reputation risks to further support consistency in implementation of our policies.
- Published our updated Human Rights Position Statement and 2020 Action Plan and released our first statement in response to the UK Modern Slavery Act. Our Human Rights Position Statement outlines the key processes and mechanisms used to respect and advance human rights according to the varying roles we play as an employer, customer service provider, buyer, financier and investor, and supporter of the communities in which we operate. The statement recognises the importance of respecting and advancing human rights in the achievement of the UN Sustainable Development Goals. It also acknowledges the UN Declaration on the Rights of Indigenous Peoples and its principles in advancing the rights of Indigenous Peoples in the regions we operate.
- Commenced reporting on our ongoing efforts to implement policies and practices to respect human rights by applying the UN Guiding Principles Reporting Framework.
- Announced our third Climate Change Position Statement and 2020 Action Plan, outlining our commitment to helping limit global warming to less than 2°C. Underpinned by the scenario analysis performed in 2016, the action plan confirmed our commitment to net carbon zero, included new stringent criteria for lending to electricity generators and coal mines, set new targets for 2020 and 2030 for lending to climate solutions, expanded our support for retail customers, and committed to a science-based approach to reducing our direct footprint.
- Launched our new Responsible Sourcing Code of Conduct replacing our pioneering Sustainable Supply Chain Management framework that had been in place since 2003 enabling us to prioritise sourcing categories and suppliers for engagement and focus on the specific risk issues on which to engage suppliers and manage and mitigate risks within our supply chain.
- Updated our position on Financing Agribusiness and Providers of Payday Lending.

This year we marked the conclusion of Westpac Group's five-year 2013-17 Sustainability Strategy. Further detail on our strategy and progress against our targets can be found in the sustainability section of our report.

In November 2017, we launched our 2018-20 Sustainability Strategy which builds on extensive consultation and an analysis of the current and emerging issues that matter most to our stakeholders. Within our refreshed strategy, we have aligned our priority areas to the Sustainable Development Goals and identified opportunities to lift our contribution to the goals in partnership with other organisations.

We remain active within the UN Global Compact Network Australia and continually look for ways to collaborate towards more sustainable outcomes with the business community, government and civil society.

For further information in relation to this assessment, please email [sustainability@westpac.com.au](mailto:sustainability@westpac.com.au)

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