

Secretariat,  
UN Global Compact

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

This Communication on Progress (COP) sets out how Westpac has continued to implement the UN Global Compact (UNGC) Principles during 2018, reflecting our continued support for the Compact. The key elements of our COP are included across our 2018 reporting suite, specifically in Westpac's [2018 Annual Report](#), [2018 Annual Review and Sustainability Report](#) and [2018 Sustainability Performance Report](#). Our sustainability reporting together with the Group's underlying sustainability policies, systems and processes have been prepared and independently assessed against the AA1000 Assurance Standard (2008), as in previous years. This year we transitioned to the Global Reporting Initiative Standards (2016), including the G4 Financial Services Sector Supplement.

In 2018, we completed the first year of our [2018-2020 Sustainability Strategy](#), which outlines our approach to building a sustainable future by taking action in the areas where we can make the most meaningful economic, social and environmental impact. Our strategy is centred on service and how we believe we can best support our customers, our communities and our people as we navigate the most pressing current and emerging issues. Titled 'It's about all of us', the strategy builds on our long commitment to sustainable business practices and is underpinned by the United Nations Sustainable Development Goals (SDGs) that provide a platform for business, government and the broader community to partner and take action.

Highlights of our performance in the financial year ending 30 September 2018 that support our 2020 Sustainability Strategy and the UNGC principles are listed below:

- One of 28 banks from around the world working as part of the United Nations Environment Program Finance Initiative (UNEP FI) to develop the Principles for Responsible Banking, an initiative to promote alignment of the global banking sector with the SDGs and Paris Climate Agreement. Westpac was the first bank globally to assess sustainability performance against the draft principles that are expected to be finalised in 2019.
- A decade on from our first published climate change agenda, we were the largest financier to greenfield renewable energy projects in Australia from 1 October 2017 to 30 September 2018, as well as achieving \$9.1 billion in lending to climate change solutions, moving us towards our target of \$10 billion by 2020. Renewable energy now represents over 71% of our lending to the electricity sector.
- Undertook further climate change scenario analysis in our Australia and New Zealand businesses including an assessment of physical risks in our Australian mortgage book for the first time and continued to align our climate change reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

- Determined Westpac's salient human rights issues and supported the introduction of comparable Australian legislation to the UK Modern Slavery Act.
- Helped customers experiencing hardship, issuing over 37,000 financial assistance packages.
- Announced a \$100 million Drought Assistance Package including discounted loans, deferring repayments and adjusted interest rates.
- Released BT Financial Group's Sustainable Investment Approach, which sets out how we address environmental, social and governance issues in our internally managed funds, including superannuation funds and signed the UNEP FI's Tobacco-Free Finance Pledge.
- Welcomed the next 100 Westpac Scholars, bringing the cohort to 330, as part of our commitment to backing those with the drive to shape Australia's future.

During the last financial year we also introduced a number of new or revised frameworks, strategies, policies and positions that allow us to drive further progress against the UNGC principles:

- Revised our [Sustainability Risk Management Framework](#) including the addition of a consistent classification of sustainability risks, adjusted review cycles, updates to reflect new accountabilities following the creation of a new Group Executive, Customer and Corporate Relations role, and updates to reflect the evolving external disclosure landscape.
- Refreshed our [Responsible Investment Position Statement](#) which explains our approach to understanding and managing environmental, social and corporate governance impacts, risks and opportunities in investments across all the portfolios within BT Financial Group. As part of the refresh, BT Financial Group expanded its divestment from tobacco and controversial weapons such as cluster munitions, anti-personnel mines and biological and chemical weapons for internally managed investments.
- Released our 2018–2020 Inclusion and Diversity Strategy which aims to harness our peoples' experience, age, gender, gender identity, race, accessibility requirements, sexual orientation or cultural background to inspire ideas and innovation across three focus areas – Best talent for innovation and service, Inclusive place to work, and Helping our customers and communities.

We remain committed to demonstrating our social and community leadership by helping our customers to make better financial decisions, helping our vulnerable customers when it matters most, and helping to build Australia's future prosperity. We will continue to actively be involved within the UN Global Compact Network Australia and explore opportunities for collaboration with business community, civil society and government towards more sustainable outcomes.

For further information regarding this assessment please email [sustainability@westpac.com.au](mailto:sustainability@westpac.com.au).

Yours sincerely,



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Westpac Group