



inclusion

WESTPAC GROUP 2016-2017
FINANCIAL INCLUSION ACTION PLAN



200

Westpac GROUP
200 years proudly supporting Australia



ACKNOWLEDGEMENT OF COUNTRY AND TRADITIONAL OWNERS

Westpac Group acknowledges the First Peoples of Australia and recognises their ongoing role as Traditional Owners of the land and waters of this country. We believe there is much work to be done to progress reconciliation and move forward together. Westpac is proud to work alongside Aboriginal and Torres Strait Islander peoples, advancing opportunities for Indigenous customers and communities, celebrating their contributions and learning more about their rich histories and culture. By recognising the past and investing in the future, Westpac hopes to shape a nation in which all Australians can share social and financial equity. We pay our respects to this country's First Peoples, their Elders past, present and future.

Our vision for financial inclusion.

WESTPAC GROUP'S VISION IS TO BE ONE OF THE WORLD'S GREAT SERVICE COMPANIES, HELPING OUR CUSTOMERS, COMMUNITIES AND PEOPLE TO PROSPER AND GROW.

As a financial institution, service leadership requires a commitment to helping people achieve their financial goals, at every stage throughout their lives. It requires us to demonstrate we care about our customers' success, and to help them feel confident, empowered and inspired about the possibilities for their future. It also requires us to be there to provide support when people experience financial hardship and, indeed, to help prevent them from falling into hardship in the first place. We have a role to play in helping to make things easier, especially when people come up against barriers to accessing banking services and through support for small business and social enterprise.

Our vision for financial inclusion is:

TO HELP AUSTRALIANS BETTER MANAGE THEIR MONEY, BUILD THEIR FINANCIAL RESILIENCE, AND SUPPORT THEM TO PARTICIPATE IN OUR ECONOMY THROUGHOUT THEIR LIVES.

This Financial Inclusion Action Plan (FIAP) sets out our foundational roadmap in pursuit of this vision. It is a 12 month commitment to outline the products and programs we already have in place, and to test and explore new actions that promote financial inclusion and financial resilience.

Our financial inclusion focus areas:

| | | |
|---|--|---|
| <p>1.</p> <p>CRISIS AND HARDSHIP: HELPING OUT IN TIMES OF NEED</p> <p>PAGE 8</p> | <p>2.</p> <p>UNDERSTANDING MONEY: ENABLING INDIVIDUALS' FINANCIAL RESILIENCE</p> <p>PAGE 12</p> | <p>3.</p> <p>INCLUSIVE GROWTH: SUPPORTING SMALL BUSINESS AND SOCIAL ENTERPRISES</p> <p>PAGE 16</p> |
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Prosper and grow



FOR ALMOST 200 YEARS, WESTPAC HAS BEEN HELPING AUSTRALIANS TO PROSPER AND GROW. WE BELIEVE WE HAVE A ROLE TO PLAY IN HELPING PEOPLE BUILD BETTER MONEY MANAGEMENT SKILLS.

For many people, the relationship with money is a tough one. At present, over 64% of Australian adults are facing some level of financial stress or vulnerability and one in two have limited or no savings.

Westpac Group has committed to financial inclusion – to helping people become more financially resilient and withstand financial shocks throughout their lives.

Our approach to financial inclusion covers a broad spectrum of people with different life experiences, needs and expectations – from those with no access to basic financial services, to those who experience financial hardship, those who require greater financial resilience as they approach retirement, and those needing support for their small business or social enterprise.

As a major financial institution, we are well positioned to apply our skills, expertise and resources to help prevent people from falling into financial distress, and provide assistance and pathways towards more inclusive growth.

This foundational Financial Inclusion Action Plan brings together the work already in progress across Westpac Group, as well as setting out the specific priorities that will guide our initiatives over the next twelve months. It focuses on three key areas where we believe we can make the greatest contribution to financial inclusion in Australia.

I am particularly proud to be amongst the first Australian organisations to release a Financial Inclusion Action Plan. I acknowledge the foundations established by Good Shepherd Microfinance and partners Centre for Social Impact, Ernst & Young and the Australian Government, and relish the opportunity to collaborate with other Australian businesses and community organisations through the Financial Inclusion Action Plan program.

I look forward to our progress over the next twelve months of our financial inclusion journey.

PETER KING
CHIEF FINANCIAL OFFICER
WESTPAC GROUP

Support from the FIAP Partnership Group

ON BEHALF OF THE FIAP PARTNERSHIP GROUP, I WOULD LIKE TO ACKNOWLEDGE AND CONGRATULATE WESTPAC GROUP FOR YOUR ONGOING PUBLIC COMMITMENT TO FINANCIAL INCLUSION AND FINANCIAL RESILIENCE.

Together we are embarking on a journey to explore, learn and grow – both as a program through this Foundation FIAP and as Trailblazers undertaking the important process of reducing inequalities and promoting inclusive growth in our communities.

Financial hardship can impact us all, at any stage in our lives – through the FIAP, our hope is that every organisation will be able to respond in time and every time to ensure financial hardship can be identified early, managed and overcome. By building capacity, awareness and greater access to appropriate products and services, organisations will see the social and economic benefits in their engagement, outcomes and prosperity of customers and employees.

**FINANCIAL
HARDSHIP CAN
IMPACT US ALL,
AT ANY STAGE
IN OUR LIVES**

The FIAP Partnership Group exists to support the growing community of practice to identify opportunities to better respond to financial risks, develop meaningful actions across key stakeholders and measure the social and economic impact. Drawing on our individual expertise the FIAP Partnership Group will provide implementation, evaluation and quality assurance support to ensure key actions you have identified are (i) on track to achieve the intended impact and (ii) engaging those stakeholders in most need of support. We are proud to be on this important journey with Westpac Group.

At the heart of the FIAP program is the belief that together we can achieve more. Westpac Group joins the growing community of organisations that understand they play a critical role in Australia's financial future – together we can reduce inequalities and realise inclusive growth for all Australians.

Sincerely,



VINITA GODINHO
GENERAL MANAGER, ADVISORY
GOOD SHEPHERD MICROFINANCE
ON BEHALF OF THE FIAP PARTNERSHIP GROUP



SUPPORTED BY



Australian Government
Department of Social Services



Our approach

WESTPAC GROUP'S FINANCIAL INCLUSION ACTION PLAN IS PART OF A SUITE OF ACTION PLANS WHICH SUPPORT WESTPAC'S STRATEGY IN PURSUIT OF OUR VISION.



WE HAVE ALIGNED THE THREE FOCUS AREAS OF OUR FIAP WITH OUR SOCIAL IMPACT FRAMEWORK, WHICH PROVIDES A STRATEGIC LENS FOR WHERE WESTPAC GROUP IS BEST PLACED TO MAKE A DIFFERENCE IN TERMS OF COMMUNITY INVESTMENT.



1. Crisis and hardship.



Helping out in times of need.

WE UNDERSTAND THAT ANYONE OR ANY BUSINESS CAN SUDDENLY EXPERIENCE FINANCIAL HARDSHIP, WITHOUT WARNING. LIFE TAKES UNEXPECTED TURNS MAKING IT DIFFICULT FOR PEOPLE TO MAINTAIN THEIR FINANCIAL OBLIGATIONS. WE ARE COMMITTED TO SUPPORTING CUSTOMERS AND EMPLOYEES THROUGH THE TOUGH TIMES AND HELPING THEM TO GET BACK ON TRACK.

WHAT WE DO

Hardship solutions

We offer tailored hardship solutions for customers, both consumer and commercial, through brand-specific Assist teams. Whether it's due to illness, loss of employment, a relationship breakdown or something else, our specialised professionals assess each circumstance on a case-by-case basis. Tailored solutions may include varying loan repayments and restructuring loan facilities, as well as referring customers to free support services such as not-for-profit financial counsellors.

Hardship solutions for employees

We lead by example, with initiatives for employees who find themselves in crisis. All employees are covered by salary continuity, life and total and permanent disability insurance, and we provide financial hardship grants to eligible existing and retired employees of Westpac, their spouses and dependants. All employees and their families have access to financial counselling, and we have targeted support for employees experiencing domestic and family abuse, including counselling, financial support, flexible working arrangements and time off work.

Support to maintain dignity

We were the first bank to build a Compassionate Recoveries model where we work in partnership with third party providers to deliver innovative solutions for customers who cannot afford to retain their properties. Westpac's philosophy is based on genuine care and we strive to help our customers take the necessary steps with confidence and exit with their dignity intact.

Natural disasters

Westpac has provided disaster relief support for customers affected by natural disasters such as bushfires, floods and cyclones since 1817 when we launched a disaster relief fund for victims of the Hawkesbury River flood. Disaster Relief Packages offer tailored products such as deferred repayments, emergency funds and temporary accommodation for home and contents insurance customers.

To ensure this process is as seamless and quick as possible, we introduced a new online feature during the year. When a natural disaster package is invoked, affected postcodes are flagged in our systems to enable automatic approval for affected customers when they apply for financial relief.

We also fundraise and provide grants for affected individuals, communities and community organisations.

30,759

**CUSTOMERS
EXPERIENCING
FINANCIAL
HARDSHIP
ACCESSED A
FINANCIAL
ASSISTANCE
PACKAGE IN FY16**

216

**CUSTOMERS PROVIDED
WITH NATURAL DISASTER
RELIEF PACKAGES IN FY16**

WHERE WE'RE GOING

Hardship

We have learnt that customers facing financial difficulty are less likely to proactively seek support because they feel embarrassed about their circumstances or don't know who to ask for help. Yet by getting help early, before financial hardship sets in, they can avoid subsequent distress.

To provide customers with greater choice and the ability to manage their accounts in a private, non-intrusive and flexible manner, we use digital technology to remind customers of outstanding payments and allow them to make payments without the need for a conversation. We also enable customers to apply for financial assistance online. We are continuing to evolve our digital capability to provide our customers with greater choice and improve our customer connectedness.

Domestic and Family Violence

Domestic and family violence is an issue which affects both our customers and employees and brings with it financial impacts. We provide support and tools to assist those experiencing family violence to re-establish their safety, increase their financial security and awareness, and access the support they need to re-build their confidence.

We have established an employee working group to inform Westpac's actions, created a dedicated Anti-Family Violence Help Team and will conduct banker training around interacting empathetically with customers.

Partnerships

We collaborate with community organisations to combine our unique skills and networks to develop more effective ways of addressing hardship and crisis. We will continue to work with Financial Counselling Australia and industry partners to improve cross-industry collaboration to better help vulnerable people suffering from financial distress.

OUR COMMITMENTS

| Action | 2017 Performance targets |
|--|--|
| <p>Providing economic support in times of need Solutions for customers experiencing financial hardship (both commercial and consumer)</p> | <p>Enhance Westpac Group's Assist service and tailor financial services for specific communities at risk of economic downturn. Achieve a net promoter score (NPS) of 75 among those customers who seek support through Westpac Group's Assist and no more than six complaints logged per 10,000 customer interactions.</p> |
| <p>Providing economic support in times of need Domestic and family violence</p> | <p>Investigate and implement service improvements to best support customers and employees with financial issues linked to domestic and family violence. Deliver banker training around sensitivity, not only for victims of domestic and family violence, but to enhance our service leadership for a broad spectrum of customers.</p> |

CASE STUDY

The human element.

“I LOVE COMING TO WORK EVERY DAY BECAUSE I BELIEVE WE CAN REALLY HELP CUSTOMERS IN THEIR TIME OF NEED,” SAID BRIAN, A MEMBER OF WESTPAC GROUP’S ASSIST TEAM.

Assist offers tailored financial solutions for customers experiencing hardship, with the main aim of getting them back to financial wellbeing.

“It’s about actively listening, being empathetic, finding a solution and taking the time to explain the details of that solution,” said Brian.

“For the people we help, the most rewarding part is not only seeing them get back on track, it’s also seeing their perception of banks change. They are often surprised to realise that we really do care and that we want to see them become more financially resilient.”

John Ramage, Westpac Group Head of Collections, said that Westpac has worked hard to ensure it provides better customer outcomes for those experiencing hardship.

“Over the past few years, we have worked closely with financial counsellors to improve the way we respond to customers experiencing financial hardship and support the organisation in bridging the trust gap within the community.”

Westpac has engaged with Financial Counselling Australia, the peak body for financial counsellors, on a number of programs. These include a pilot to provide a single point of contact at Westpac Group for case workers assisting victims of domestic violence; moving debt waivers from an annual to an ongoing basis in an industry-first solution; and empowering financial counsellors to make solution

recommendations for Westpac Group Customers, reducing the time for a decision on a solution by up to 21 days.

John said that he was pleased that the team’s work had led to Westpac being recognised as the top performer in Financial Counselling Australia’s 2015 Rank the Bank survey assessing bank responses to financial hardship.

“We are really proud of the results we achieved,” said John.

“It demonstrates that our focus on making it easy to do business with us is making a difference for our customers.”

“FOR THE PEOPLE WE HELP, THE MOST REWARDING PART IS NOT ONLY SEEING THEM GET BACK ON TRACK. IT’S ALSO SEEING THEIR PERCEPTION OF BANKS CHANGE.”

WESTPAC GROUP’S ASSIST TEAM



2. Understanding money.



Enabling individuals' financial resilience.

AS A MAJOR FINANCIAL INSTITUTION WE HAVE AN IMPORTANT ROLE TO PLAY IN BUILDING MONEY MANAGEMENT SKILLS ACROSS SOCIETY. HELPING PEOPLE BECOME SMARTER WITH THEIR MONEY IS FUNDAMENTAL TO OUR VISION OF HELPING PEOPLE TO PROSPER AND GROW.

MONEY MANAGEMENT SKILLS CAN HELP TO PREVENT FINANCIAL DISTRESS AND BUILD FINANCIAL RESILIENCE TO POTENTIAL LIFE SHOCKS. BY EDUCATING OUR CUSTOMERS, EMPLOYEES AND COMMUNITIES IN A WAY THAT IS RELEVANT TO THEIR NEEDS AND PARTICULAR CIRCUMSTANCES, WE ARE HELPING PEOPLE GAIN THE KNOWLEDGE AND CONFIDENCE TO MAKE INFORMED FINANCIAL DECISIONS.

WHAT WE DO

A free education in money

Financial literacy is key to increasing financial capability and resilience. That's why we launched Davidson Institute, Westpac's free school of money in 2011.

Davidson Institute makes financial literacy accessible to everyone, regardless of their level of experience. Topics covered range from foundational personal financial skills such as opening and using a bank account, budgeting and borrowing, through to financial governance for board directors. Resources offered by Davidson Institute include face-to-face seminars, live and pre-recorded money management webinars and downloadable tools for individuals, businesses, not-for-profit organisations and community groups.

Tailoring our communication

Different groups have different financial needs, attitudes and experiences and we need to respond to these needs.

To help our children learn about money so they grow up financially confident, we have a range of interactive financial literacy experiences, Financial First Steps workshops and Little Savers Financial Literacy booklet, website, app and face-to-face training.

For Millennials we worked with Junkee media to create The Cusp, an online resource covering wellbeing, career and money, with real world advice and inspirational stories from successful young Australians.

Our Westpac Women's Markets team helps women build sustainable and profitable futures through education, information and networking opportunities such as the Ruby Connection, an interactive online community designed to inspire, promote and connect Australian women.

Westpac Migrant Banking assists both newly arrived and soon-to-arrive migrants access the Australian banking system. We have banking specialists across Australia who speak a variety of languages and understand the needs and challenges migrants may face when moving to Australia.

For Indigenous Australians we offer a money management tool called Money Diary, face-to-face financial literacy programs such as the Developing Good Habits program for employees of Indigenous businesses, and the Measuring Financial Performance program focussing on business skills. We are also exploring ways to explain finance and money using concepts and visuals more culturally appropriate for Indigenous customers.

We also work in partnership with targeted organisations to ensure our message reaches the right audiences within the community. We partner with Chris O'Brien Lifeline to assist seriously and terminally ill people and their carers navigate the financial issues they face; with Chartered Accountants Australia and New Zealand we created a guide for financial officers of community organisations; and for the Mission Australia Housing team we developed a money management program and booklet.

2,212
INDIVIDUALS
COMPLETING
WESTPAC GROUP
FINANCIAL
LITERACY TRAINING
IN AUSTRALIA
IN FY16

WHERE WE'RE GOING**A free education in money**

Davidson Institute is designed to build financial literacy and, ultimately, resilience. To better understand the impact and value of Davidson Institute's programs, we will evaluate its effectiveness.

Davidson Institute will also launch an innovation toolkit designed to complement its financial literacy education and build practical business skills to foster innovation.

Tailoring our communication

People need to be able to understand our products and services to make sensible decisions. This is why we are committed to marketing our products and services responsibly, using plain accessible language and anticipating potential language and cultural barriers.

We recently piloted 'Banking Story' communication material that uses icons and visuals to explain banking concepts for our remote Indigenous Australian customers. In the year ahead we plan to roll out the Banking Story across remote Indigenous Australian

communities to build understanding and confidence around personal banking. This will be done by community representatives with the authority to open transaction accounts.

To better service segments of the youth market, we will collaborate with a new partner to provide information, tips and education on practical financial decisions in a way that is tailored to the needs and experiences of young people.

Supporting our remote Indigenous Australian customers

There are banking challenges around supporting Indigenous Australian customers living in remote locations. In particular, issues associated with identification verification for lost cards and/or personal identification can make it difficult for these customers to access their money. We are exploring ways we can best serve these customers, potentially using alternative methods for identification verification and creating a better experience that is scalable across the remote communities we serve.

OUR COMMITMENTS

| Action | 2017 Performance targets |
|---|--|
| Building financial capability and resilience Support the work of Davidson Institute, which provides free financial literacy education for all Australians | Increase the number of Australians and small businesses accessing Davidson Institute compared to 2016. Investigate how to measure the impact and value of Davidson Institute's financial education and ways to amplify impact for people that need it most. |
| Building financial capability and resilience | Deliver financial education, via bank and relationship managers, to support Murdi Paaki Regional Assembly across regional NSW. |
| Enabling more inclusive banking | Explore the financial wellbeing of women over 40 through a survey to understand how to support personal financial management among these customers. |
| Enabling more inclusive banking | Implement initiatives to help remote Indigenous Australian customers access banking facilities in all ways - in person, via telephone and online. |
| Enabling more inclusive banking and investing in economic well-being Understand the youth market and financial literacy | Develop a free online financial literacy program for young people that is relevant and engaging. Track use and report on completions and performance. |

CASE STUDY

The money story.

MAIMIE BUTLER TRAVELLED ALMOST 1,000KM TO LEARN ABOUT BALANCE SHEETS.

“It’s exciting,” said Maimie. “I really enjoyed it.”

She is one of ten Elected Directors of NPY Women’s Council from across the central desert region of Australia who attended a Westpac financial education workshop delivered by Westpac’s Davidson Institute in Alice Springs.

NPY Women’s Council – a community-based organisation that delivers a range of cultural, family and advocacy services across the Ngaanyatjarra, Pitjantjatjara and Yankunytjatjara lands, an area of 350,000 sq km in the tri-state region of NT, SA and WA – is one of a number of not-for-profit organisations that have participated in the financial education workshops.

“Women’s Council is both cultural and corporate,” said Andrea Mason, CEO of NPY Women’s Council. “In addition to our own language and law, it is important that we also understand the language of money and of trade.”

Maimie believes that this new financial knowledge will help her and her fellow Directors with their duties.

“The workshop opened up a pathway and I’ve started to understand more,” Maimie said.

“When we get financial report papers, now I can work it out better,” she said.

Sylvia Benson, fellow director and NPY Women’s Council Vice Chairperson, said she liked the workshop’s teaching style, which used case studies and a Pitjantjatjara translator to explain financial concepts for the group, many of whom have English as a second, third or even fourth language.

“It brings it out in a way that’s easy to understand,” Sylvia said. “It’ll help us to have a clear picture of the figures and the money story. This will help the ladies to make better decisions.”

“I’ll share what I’ve learnt with my children and other organisations that I am involved in,” said Sylvia.

The Westpac Davidson Institute team has delivered financial workshops in remote, regional and urban locations all over Australia, including Tiwi Islands, Northern Territory; Mornington Island, Queensland; and Surry Hills, New South Wales. Surveys following workshops held by Westpac’s Davidson Institute in Indigenous Australian communities indicated 68% of participants believed their overall financial confidence improved as a result.

“IT BRINGS IT OUT IN A WAY THAT’S EASY TO UNDERSTAND. IT’LL HELP US TO HAVE A CLEAR PICTURE OF THE FIGURES AND THE MONEY STORY. THIS WILL HELP THE LADIES TO MAKE BETTER DECISIONS.”

MAIMIE AT DAVIDSON INSTITUTE’S WORKSHOP



3. Inclusive growth.



Supporting small businesses and social enterprises.

WESTPAC GROUP HAS A PROUD HISTORY OF CHAMPIONING INCLUSIVE GROWTH AND PLAYING AN ACTIVE ROLE IN CREATING INCREASED ECONOMIC PARTICIPATION AND EMPLOYMENT OPPORTUNITIES FOR ALL AUSTRALIANS, INCLUDING THE MOST VULNERABLE.

WESTPAC HAS DIRECTLY CONTRIBUTED TO BUILDING MORE DIVERSE AND INCLUSIVE GROWTH THROUGH PROVIDING MICROFINANCE FOR SMALL BUSINESSES, SUPPORTING SUPPLIER DIVERSITY AND CONTRIBUTING OUR SKILLS TO SOCIAL ENTERPRISES.

WHAT WE DO

Helping disadvantaged Australians start a business

Since 2009, Westpac has partnered with Many Rivers Microfinance Limited, a not-for-profit microenterprise development organisation, to provide unsecured Westpac small business loans to disadvantaged Australians who wish to start or expand a small business but cannot access mainstream bank finance due to a history of welfare dependency and/or poor credit. The program aims to enable aspiring business owners to move away from welfare dependency into self-employment, by giving them access to essential start-up capital (loan funds) and ongoing business support and guidance. The program is available in 25 regions nationally, across a mix of urban, regional and remote locations.

Helping businesses grow

Small and medium enterprises (SMEs) employ about two-thirds of the Australian workforce and are often referred to as the growth engine of Australia's economy. We offer a range of support for SMEs in Australia to help businesses grow and, in turn, create employment.

To assist small businesses accessing credit, in February 2016 we launched a new unsecured lending product called BizExpress, acknowledging that mainstream banks have not historically offered unsecured lending products to small businesses. BizExpress helps customers obtain a lending decision and access funds of up to \$50,000 within 24 hours.

We also provide non-financial support to help the financial confidence and the overall robustness of SME customers, including offering our office space for their meetings and providing financial literacy training materials.

Social procurement and supplier diversity

Westpac recognises the significance of our supply chain to drive positive social and environmental change. Through our Supplier Inclusion and Diversity Policy we have committed to increase opportunities in our supply chain for businesses that are owned by women or Indigenous Australians, or that support and employ people who have traditionally been financially excluded.

We also focus on capacity building for our current and potential suppliers. This may take the form of specific training and capacity building or mentoring and partnering with industry and member bodies that may assist in developing businesses to achieve their full potential.

2,921
EMPLOYMENT
PATHWAYS
SUPPORTED
BY SOCIAL
ENTERPRISES
BACKED BY
WESTPAC
FOUNDATION
SINCE FY15,
INCLUDING
839 JOBS

Creating employment and training opportunities through social enterprise

Westpac Foundation has been funding not-for-profit social enterprises for ten years, with more than \$14 million of grant funds invested so far. In 2016, Westpac Foundation launched Social Scale-up Grants, a program supporting not-for-profit social enterprises with a proven model in creating jobs and employment pathways for Australians who need it the most, including women at risk, youth at risk, people with a disability, Indigenous Australians, people experiencing homelessness, refugees and asylum seekers.

Contributing our skills and expertise

Our employees have a broad range of professional skills that we can share with social enterprises and Indigenous Australian organisations to help them build their own capacity and prosper. Our skilled volunteering programs benefit both Westpac and the recipient organisation, with volunteers experiencing professional development, while their hosts gain from the sharing and transfer of specialised skills.

During 2016, the time contributed by Westpac Group employees on secondment in Indigenous organisations through the Jawun program surpassed the equivalent of 100 years. Since 2000, more than 780 employees have participated. Jawun's Indigenous partners reported a 70-90% uplift in areas including organisational culture, planning, governance, systems and skills development as a result of hosting a secondee.

Building on the existing partnerships with grant recipients of Westpac Foundation, we provide expertise and skills to maximise their financial sustainability and social impact. The support includes access to business mentors, skilled volunteers and ambassadors as well as capacity building and networking opportunities.

Working at Westpac Group

As one of Australia's largest employers, we recognise the impact we can have through our own employment practices. By creating a flexible workplace we enable workforce participation that is more inclusive of a broad spectrum of employees' needs, including their caring, community or cultural responsibilities.

We were one of the first publicly listed companies to introduce paid parental leave in 1995, were the first to introduce superannuation on unpaid parental leave to eligible employees in 2010, and, in 2016, we changed the standard operating procedure so that paid parental leave and return-to-work income would be recognised when assessing borrowing potential for home lending.

WHERE WE'RE GOING

**MORE THAN
1,000
BUSINESSES
ESTABLISHED OR
GROWN THROUGH
MANY RIVERS
MICROFINANCE
PARTNERSHIP**

Helping disadvantaged Australians start a business

The number of businesses established or expanded through our Many Rivers microfinance partnership has exceeded 1,000, including over 500 Indigenous Australian owned businesses and more than \$5.9 million in business loans provided. In July 2016, Westpac announced a further \$2.25 million in funding towards the expansion of the program across Australia.

Helping refugee and asylum seekers

Thrive is a start-up not-for-profit that supports business enterprise among refugee and asylum seeking communities in Sydney and Melbourne with microfinance business loans and mentoring support. Westpac has agreed to extend a \$2 million line of credit for Thrive to fund small business lending.

Helping small businesses

Davidson Institute will continue to provide financial education to businesses and not-for-profits with topics on fundamentals such as understanding cashflows and financial statements. During 2017, face-to-face seminars for Indigenous organisations will continue, with the aim of building financial governance capability. To complement the online financial education work of Davidson Institute we are developing an online toolkit for small business to build practical business skills and tips for innovation.

Social procurement and supplier diversity

To overcome the perceived risk and costs associated with using more diverse suppliers, we will investigate how we can increase uptake through the creation of business engagement activities that drive spend towards more diverse suppliers with associated social or environmental benefits.

Contributing our skills and expertise

To build employee understanding around the professional growth and development associated with skilled volunteering, we are re-framing our suite of opportunities so our employees can more easily support social enterprises and not-for-profit organisations through sharing their skills.

In addition to Westpac Foundation's Social Scale-up monetary grants, grant recipients will gain valuable business support through our 'More than Money' program. Recognising that Westpac Group is well positioned to provide dedicated mentoring and skilled volunteering, social enterprises will receive business support to help address risk, finance and general commercial challenges over the next three years.

Working at Westpac Group

We have committed to the target of recruiting an additional 500 Indigenous Australians in the three years to 2017. Through our Reconciliation Action Plan we are creating a new retention reporting framework and tailored career development and mentoring programs to support Indigenous Australian employees to transition into specialist and leadership roles. We also seek to build a workforce that demonstrates pride around our shared Indigenous Australian heritage through Jawun secondments, recognition in the workplace and culturally competent employees.

Westpac is also a foundational supporter of CareerSeekers, a newly established social venture which helps facilitate paid internships for refugees and asylum seekers who are students or mid-career professionals.

OUR COMMITMENTS

| Action | 2017 Performance targets |
|---|--|
| Leveraging opportunities with suppliers for more inclusive growth and greater prosperity | Increase supply chain spend directed to: <ul style="list-style-type: none"> • Businesses owned by women • Businesses owned by Indigenous Australians • Social enterprises • B-Corporations. |
| Enabling more inclusive banking and building financial capability Financial support for social enterprises as commercial customers and via Westpac Foundation | Increase lending to: <ul style="list-style-type: none"> • Businesses owned by women • Businesses owned by Indigenous Australians • Social enterprises Increase the number of Indigenous Australian social enterprises that are supported with finance and business skills compared with FY16. |
| Enabling more inclusive banking and employee diversity Strengthen the representation of women in leadership positions | Achieve 50% leadership positions held by women by end FY17. |
| Enabling more inclusive banking and employee diversity Create a workplace that provides meaningful and enduring careers for our Indigenous employees | Recruit an additional 500 Indigenous Australians in the three years to end FY17. Increase retention of Indigenous Australian employees. Maintain parity between percentage of Indigenous Australians employed at Westpac and Indigenous Australians in the community. |
| Driving inclusive growth and job creation Business mentoring and financial support for social enterprises | Award five Westpac Foundation grants of \$300,000 each to support social enterprises to scale up and increase jobs and employment pathways for Australians experiencing disadvantage. Support at least 15 social enterprises and community organisations via Westpac Foundation with business mentoring to enhance their employment outcomes. |
| Strengthen financial capabilities | Continue to back the expansion of Many Rivers microfinance program including employee secondments and mentoring opportunities with Many Rivers. |
| Driving inclusive growth Financial support and business resources to back refugee small businesses | Extend a line of credit for Thrive to fund refugee small business lending. Facilitate the secondment of a Westpac Group employee to share skills with Thrive between 2017-2020. |
| Investing in economic wellbeing and greater prosperity | Deliver online toolkit of business resources, to complement existing financial resources, for social and small to medium enterprises to help them innovate and/or scale up. |



STEVE AT TOOWOOMBA CLUBHOUSE

CASE STUDY

A hopeful future.

ABOUT TWENTY YEARS AGO, STEVE HARRISON WAS DIAGNOSED WITH SCHIZOPHRENIA.

"I thought my life was over and that I'd never have a job or any kind of reasonable life," he says.

Steve would work for short stints, but always end up unwell. He also spent ten years as the carer for his mother until she died. At that stage, finding himself with time on his hands, Steve went to the Toowoomba Clubhouse.

Supported by Westpac Foundation, Toowoomba Clubhouse is a social venture based in regional Queensland.

"Our work is to help our members, who have lived experience of mental illness, get back to a common goal," says Clubhouse CEO Luke Terry.

"Sometimes that goal is around living independently, but a lot of the time that goal is around education and employment," he says.

Steve's decision to get involved with Toowoomba Clubhouse was a pathway to employment.

"I was broken and ready to give up, but a staff member took the time to sit and talk to me and I felt like I was worth something again," he says.

"A staff member suggested I apply for a job here and before I knew it I was doing Peer Support work. A paid job for the first time in about 14 years!"

Over the past three years Toowoomba Clubhouse has assisted more than 150 individuals like Steve back to employment. More than half of these people had not been employed for ten years or more.

By the end of 2016, Toowoomba Clubhouse will open its new flagship social enterprise: a commercial laundry called Vanguard Laundry Services. The laundry will create 60 employment and training opportunities a year.

Luke says Westpac's early support of the Vanguard Laundry has been vital for the project.

It is the latest chapter in a longstanding and multi-faceted relationship between the two organisations, which began with a Community Grant of \$10,000 in 2014 and has developed to include a \$100,000 grant in 2015, and access to the skills of Westpac's employees through the Westpac Foundation's 'More than Money' program.

"They said: 'Imagine you have a corporate of 40,000 people behind you'," says Luke. "Through the 'More than Money' program Westpac has helped us develop a new website, write employment contracts and do graphic design."

Beyond the support Westpac Foundation has provided to build and scale up the social enterprise, Toowoomba Clubhouse's relationship with Westpac has also grown to include a strong commercial element, with Westpac Bank providing a business loan for the Vanguard Laundry project.

But the real success of the relationship is best seen in the results it has achieved for people like Steve.

"I feel like a well-rounded, stable human being again with a hopeful future," he said.

"I WAS BROKEN AND READY TO GIVE UP, BUT A STAFF MEMBER TOOK THE TIME TO SIT AND TALK TO ME AND I FELT LIKE I WAS WORTH SOMETHING AGAIN."

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