

# 2017 Slavery and Human Trafficking Statement

**This statement sets out the steps Westpac<sup>1</sup> has taken to prevent modern slavery<sup>2</sup> in our business and supply chains globally during the financial year ending 30 September 2017. It has been prepared in accordance with Transparency in Supply Chains provision (section 54) of the United Kingdom’s Modern Slavery Act 2015.**

## Our business

The Westpac Group provides consumer, business and institutional banking services along with wealth management, wealth administration and insurance services to customers predominantly located in Australia, New Zealand and the Pacific region. The Westpac Group also maintains branches and offices in New York, London and Asia. We employ almost 40,000 employees across the Group and buy goods and services from around 30,000 suppliers.

In 2017, we spent AU\$5.6bn with suppliers across Australia and New Zealand. Our major areas of spend fall within the defined supplier portfolios of:

- IT and telecommunications
- Workforce enablement, services and wealth
- Products, marketing and digitisation
- Operations and property

More information about Westpac’s business is set out in our 2017 Annual Report and Sustainability Performance Report available at [www.westpac.com.au](http://www.westpac.com.au).

## Our commitment to human rights and zero tolerance approach to modern slavery

The Westpac Group believes in respecting human rights in everything we do. Accordingly, we have zero tolerance for all forms of modern slavery and human trafficking.

The Westpac Group is a signatory to a number of international covenants and compacts on human rights, including the UN Global Compact, which stands for, among other things, the elimination of all forms of forced or compulsory labour and the abolition of child labour. Our approach to human rights

is further guided by the UN Guiding Principles on Business and Human Rights and is set out in our Human Rights Position Statement and 2020 Action Plan.

Supporting our Human Rights Position Statement, we have a number of principles, policies and frameworks in place to assist in mitigating human rights risks in our business and supply chains, including:

- Principles for Doing Business, which set out how we aim to conduct ourselves, including in the areas of governance and ethics,

employee practices and supply chain management.

- Operating principles and policies, which include our:
  - Code of Conduct, which sets out our expectation that all of our employees comply with applicable laws and act with honesty and integrity at all times;
  - Whistleblower Protection Policy, which aims to encourage reporting of suspected or actual wrongdoing; and
  - Economic and Trade Sanctions Policy.
- Procedures aimed at ensuring that all of our staff work under conditions that meet the employment standards and laws of the countries in which they operate.
- Sustainability Risk Management Framework, which sets out our approach to managing

sustainability risk, including environmental, social and governance risks, in relation to our lending and investment decisions, supply chain management, operations, and employees. This framework defines human rights risks (including modern slavery and human trafficking) as a form of social sustainability risk.

- Responsible Sourcing Code of Conduct (available at <https://www.westpac.com.au/about-westpac/sustainability/initiatives-for-you/suppliers-supply-chain>) which requires our suppliers to not participate in child labour, whether forced or involuntary, and to not otherwise breach employment laws and regulations (including, but not limited to, laws around minimum wages, discrimination, and/or harassment).

## Steps taken during the financial year ended 30 September 2017

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In the financial year ending 30 September 2017, the Westpac Group continued its commitment to sustainable business practices and respecting human rights, including through the activities described below:

1. We enhanced our approach on human rights through our second Human Rights Position Statement and 2020 Action Plan. Relevant elements include articulating our:
  - a. continued zero tolerance for all forms of forced, trafficked and compulsory labour and child labour; and
  - b. aim to restrict facilitation or support of activities such as slavery and human trafficking through our approach to financial crime.
2. We continued to apply our established standards for ethical and social business practices of suppliers through our Responsible Sourcing Code of Conduct (our Code). The Code replaced our Sustainable Supply Chain Management (SSCM) Code of Conduct and management framework, and included a number of enhancements. For example, the scope of the Code extends across the Group, meeting our objective<sup>3</sup> to further extend our responsible sourcing principles across other geographies.
3. We established our global Responsible Sourcing Steering Committee to oversee application of our Code across our operating geographies and management of key risks that may be

identified through our supplier assessments.

4. In line with our Code, we have undertaken due diligence and risk assessment processes to avoid involvement with suppliers where there could be the potential for breaches or abuses of fundamental human rights.
5. We implemented a refreshed Responsible Sourcing Supplier Assessment which now comprises a set of assessment screenings that act to identify the inherent environmental, ethical, social or governance risks present in a sourcing category based on:
  - a. country of operation of supplier and provision of service;
  - b. potential for direct brand impact; and
  - c. sector specific risks.

The outcome of these screenings then categorise our specific supplier engagement as presenting either a high, medium or low responsible sourcing risk to the Group. For those engagements ranked as high or medium, the supplier is required to complete a comprehensive assessment relevant to those areas of risk identified. For those ranked as low risk, no further formal risk assessment is required, however (as with all suppliers) the supplier is required to comply with our Code through our contract terms.

Our assessment asks suppliers assessed as medium or high risk to confirm the steps they have taken within their operations and supply chain to eliminate or manage their social and environmental risks focused on labour/workplace management, occupational health and safety, risk management, environment,

corporate governance and ethics, supply chain and community.

Once a supplier completes our assessment, a scorecard is generated, outlining key areas of performance and leadership and aspects requiring further management or enquiry, which are then integrated into our current supplier management and engagement processes for the duration of the contract.

This process is used in market engagement activities as well as for existing suppliers to Westpac's Australian operations, representing approximately 76% of our global procurement spend in 2017.

6. For suppliers that have been through our responsible sourcing assessment process we include in our contracts a right to require that they submit to an independent audit of their performance against our Responsible Sourcing Code of Conduct.
7. We place a continued emphasis on working collaboratively with suppliers to positively influence social, ethical and environmental performance in line with the Code and encourage our suppliers to extend the overarching principles of our approach to their suppliers.
8. We provide mandatory training for employees directly responsible for supplier engagement to ensure awareness of, implementation of, and adherence to, our relevant procedures.
9. As part of our continued endeavours to strengthen our Whistleblower Protection Policy to encourage employees to speak up when they see something not right

(including any human rights concerns).

This year we:

- a. increased the channels available to report matters by introducing a dedicated telephone hotline;
- b. extended protection to former employees who can now report issues via the new hotline; and
- c. established a program to monitor the welfare of whistleblowers and ensure the effectiveness of protections offered.

In addition we have increased awareness campaigns and training to ensure all employees are familiar with our Whistleblower Protection Policy.

10. We engage in ongoing monitoring of our procedures and review our systems to measure performance against the aims and targets set out therein with the goal of identifying where further improvements can be made.

This statement has been approved by Westpac Group's Chief Executive Officer, under delegated authority from the Group's Board of Directors, and will be reviewed and released annually.



Brian Hartzler  
Chief Executive Officer  
February 2018

## End notes

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<sup>1</sup> In this statement a reference to 'Westpac', 'Group', 'Westpac Group', 'we', and 'our' is to Westpac Banking Corporation ABN 33 007 457 141 and its subsidiaries.

<sup>2</sup> Modern slavery is defined by the Modern Slavery Act 2015 as including the offences of "slavery, servitude and forced or compulsory labour" and "human trafficking".

<sup>3</sup> As we committed to in our Human Rights Position Statement and 2017 Action Plan and our 2016 Slavery and Human Trafficking Statement.