

IT'S ABOUT ALL OF US

2018-2020
Sustainability Strategy



WHY DO WE NEED A SUSTAINABILITY STRATEGY?

We believe that as one of Australia's largest companies we have a strong role to play in helping to create positive social, economic and environmental impact, for the benefit of all.

It was 30 years ago that the UN published Our Common Future, otherwise known as the Brundtland Report, which defined sustainability as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'.

15 years ago we set out our first sustainability strategy outlining our position on the responsibility of business, with the commitment that every generation should live better than the last.

Since then a lot has changed and, for many people, the future can feel challenging.

Our 2018-2020 Sustainability Strategy builds on extensive consultation and an analysis of the current and emerging issues that matter most to our stakeholders.



IT'S ABOUT **ALL** OF US

Now is a time of great change, for our customers, communities and employees.

We know many people are anxious about the future – for themselves, for their families and for future generations. Some people are prospering, while others are feeling left behind.

As Australia's first company and first bank to achieve 200 years in business, we've experienced both growth and set-backs and learned to adapt along the way. Our vision is to be one of the world's great service companies, helping our customers, communities and people to prosper and grow.

We're committed to putting service at the heart of everything we do and helping our customers achieve what's important to them, at every stage of their life, in both the good and the difficult times.

It's about making decisions today for tomorrow, to navigate change and adapt.

It's about creating new possibilities to create a brighter future.

It's about all of us – and together we can make a difference.

OUR **VISION** FOR TOMORROW

We imagine a world where everyone is included, and where no one gets left behind.

Where people can afford a home and have access to meaningful work, world-class education and healthcare.

Where Australia and its region continues to thrive over the next century.

We have a vision for the world where the United Nations Sustainable Development Goals have been realised by 2030, and carbon emissions have reached net zero.



OUR **SHARED** FUTURE

We believe we can create sustainable, long-term value for our customers, our communities and nation by:



1

**Helping people
make better
financial decisions**



2

**Helping people by
being there when it
matters most to them**



3

**Helping people create
a prosperous nation**



Culture



Fundamentals

At the heart of all that we do is our commitment to do the right thing by the customers and communities we serve, helping them through moments of change, and building a culture that's caring, inclusive and innovative.



HELPING PEOPLE MAKE **BETTER** FINANCIAL DECISIONS

We believe in creating a fairer, more inclusive and confident society by helping people understand money.

We help customers track and grow their wealth so they will feel more confident with financial decisions no matter their situation.

One way we'll do this is by **helping more people make better financial decisions, every day**, by creating services that help our customers:

- Budget and track their money;
- Understand ways to get ahead; and
- Make the most of product features to meet their needs.

We will know that we're getting this right when our customers tell us they have the right products for them and feel in control of their financial decisions.

ALIGNMENT TO THE
SUSTAINABLE DEVELOPMENT GOALS





HOW WE WILL ACHIEVE THIS

Goals and Measures

GOALS	INITIATIVES	2020 MEASURES	WHO
Help more people better understand their financial position, improving their financial confidence	<p>Deliver services that help customers make better financial decisions including:</p> <ul style="list-style-type: none"> Budget and track their money; Understand ways to get ahead; and Make the most of product features to meet their needs. <p>This will be demonstrated by developing and enhancing product features and services to increase financial awareness and informed decision making, such as:</p> <ul style="list-style-type: none"> Westpac Life, Westpac Bump, and CashNav (Westpac NZ) – helping customers track their money; Westpac Lite and SmartPlan – helping credit customers get ahead; and Product terms and fee simplification activities, and on-boarding and engagement programs – helping customers make the most of product features to meet their needs. 	<ul style="list-style-type: none"> Continued innovation to support customers make better financial decisions (e.g. new enhanced capabilities delivered). At least one in four customers to be contacted each year, to support better financial decisions (this includes customer contact programs for on-boarding and product usage such as savings opportunities or credit card reminders). 	<ul style="list-style-type: none"> Product, Consumer Bank Marketing, Product and Transformation, WNZL
	<p>Financial health checks and financial wellbeing assessments for employees and customers, building on the range of programs we already have in place such as the BT Wealth Review, the customer needs review, the NZ Value Me program and our employee financial wellbeing index.</p>	<ul style="list-style-type: none"> Financial health check programs in place for customers. Continued improvement in the financial wellbeing of our employees, as monitored by the BT Financial Wellbeing Index. 	<ul style="list-style-type: none"> Superannuation, BT HR Shared Services Marketing Product and Transformation, WNZL



HOW WE WILL ACHIEVE THIS CONT.

Goals and Measures

GOALS	INITIATIVES	2020 MEASURES	WHO
Help more people better understand their financial position, improving their financial confidence	Deliver programs to improve financial capability: <ul style="list-style-type: none"> Managing Your Money (WNZL), Davidson Institute and other programs delivered by our people for our customers and communities (including Indigenous communities); and Choice Wantok program helping to bank the unbanked in PNG. 	<ul style="list-style-type: none"> At least 100,000 customers participating in financial capability programs in Australia, New Zealand and Asia Pacific, feeling more confident about their money. 	<ul style="list-style-type: none"> Marketing Asia Pacific
	Deliver enhanced financial communication: <ul style="list-style-type: none"> Westpac Wire – Money Matters; and Reaching young Australians through Year 13 and The Cusp, older Australians through Starts at 60, and female customers through Ruby Connection. 	<ul style="list-style-type: none"> Communication channels reaching more Australians, enhancing their financial understanding. 	<ul style="list-style-type: none"> Corporate Affairs & Sustainability Marketing
	Deliver insights to business customers to support business performance and strengthening our customer understanding and relationships.	<ul style="list-style-type: none"> More than half our business customers receiving personalised cash management reports. 	<ul style="list-style-type: none"> Commercial Business Bank, Westpac SME Banking



HELPING PEOPLE BY BEING THERE WHEN IT **MATTERS MOST** TO THEM

We understand that life has its tough moments, and vulnerability is something that can affect anyone at any time.

We want to be by our customers' side and help more people as they go through major life events, such as the death of a loved one, divorce or illness, or loss of a job. We want to support our customers and their families and help them recover as quickly as possible.

And with our insights and tools, we can help customers avoid emerging risks too.

One way we'll do this is by **helping people beyond what's expected during difficult times.**

We will know that we're helping when our customers stay with us during these times and they tell us that we made a personal difference to their lives – because what matters to our customers matters to us.

ALIGNMENT TO THE SUSTAINABLE DEVELOPMENT GOALS





HOW WE WILL ACHIEVE THIS

Goals and Measures

GOALS	INITIATIVES	2020 MEASURES	WHO
Help people recover from financial hardship	<ul style="list-style-type: none"> Customers can access help when they need it and receive more targeted support to recover. We will invest in better understanding our employees and customers at risk. We will assess our own data and establish financial insights to identify groups of customers who need help, and better understand how we can support our customers to remain out of hardship. 	<ul style="list-style-type: none"> Of those customers who have recovered from hardship, reduce the proportion that return to hardship within three months, and within 12 months. 	<ul style="list-style-type: none"> Operations, Property & Commercial Services
Help people lift out of a difficult time and recover stronger	Customers and employees can access support when significant changes in their lives occur, such as divorce, the death of someone close and loss of income – working through the steps they need to take and important things to consider.	<ul style="list-style-type: none"> Re-design customer experiences aligned to pivotal life events through improvements in services, products and banker capability. 	<ul style="list-style-type: none"> Marketing
	Business customers can access support in preparing for a significant change and operating during new circumstances or difficult times; and in reducing risks for the future.	<ul style="list-style-type: none"> Increase the number of businesses supported through a transition, such as family succession, and generational change. 	<ul style="list-style-type: none"> Commercial, Business Bank, Westpac SME Banking



HOW WE WILL ACHIEVE THIS CONT.

Goals and Measures

GOALS	INITIATIVES	2020 MEASURES	WHO
Help people lift out of a difficult time and recover stronger	People in regional communities recovering from a natural disaster (with the support of disaster relief packages and recovery grants), or doing it tough following major changes in the local economy (such as a major industry or employer shutting down) are able to access grants and special relief packages.	<ul style="list-style-type: none"> Communities receiving support to recover from difficult times reporting that they are more resilient. 	<ul style="list-style-type: none"> Corporate Affairs & Sustainability Operations, Property & Commercial Services Marketing
Helping our most vulnerable customers	<p>Some of our customers are more vulnerable, or have specific circumstances that require us to place a greater focus on creating access to our services, in line with our commitment to inclusion.</p> <p>This includes:</p> <ul style="list-style-type: none"> Dementia-friendly banking; Helping Indigenous Australians towards owning their own home and saving for funeral expenses; and Tackling financial abuse – stemming from elder-abuse, family violence and other forms of abuse. 	<ul style="list-style-type: none"> Initiatives implemented to improve the financial wellbeing of our most vulnerable customers. Improved wellbeing and increased participation of our most vulnerable customers (by impact assessment). 	<ul style="list-style-type: none"> St.George Retail, Consumer Bank Product, Consumer Bank Product, Business Bank



HELPING PEOPLE CREATE A PROSPEROUS NATION

Our world is changing at an unprecedented rate, affecting how we all live and work.

New technologies and climate change have wide implications on economies, housing, business models, energy sources and jobs.

We believe in backing innovation, and making a meaningful difference to the lives of others. We want to help more people gain the skills that will be needed in the future, and accelerate how we identify and solve the biggest issues impacting Australia and the world.

One way we'll do this is by **backing the people, businesses and ideas that have the potential to shape the future of Australia.** We will know that we're making a difference when:

- Scholars have been backed as researchers and leaders;
- Jobs have been created for vulnerable Australians;
- Australians have been supported to create stronger communities;
- Microbusinesses have been established and are growing;
- Fintech businesses have received investment support; and
- Businesses have been helped to grow as leaders of Australia's knowledge and service economy.

ALIGNMENT TO THE SUSTAINABLE DEVELOPMENT GOALS





HOW WE WILL ACHIEVE THIS

Goals and Measures

GOALS	INITIATIVES	2020 MEASURES	WHO
Build the workforce of the future	Employees can access learning opportunities to help them stay relevant and ahead of the market, in a rapidly changing workforce.	<ul style="list-style-type: none"> • Delivery of Divisional Capability Plans to support employees accessing training and new opportunities to support reskilling. 	<ul style="list-style-type: none"> • Enterprise HR Strategy & Services
Invest \$50 million by 2020, to back the people and ideas shaping Australia	Deliver programs that back Australians, including: <ul style="list-style-type: none"> • <i>Westpac Bicentennial Foundation</i>: every year 100 of the brightest minds who have the potential to shape Australia receive a scholarship to realise their vision; • <i>Businesses of Tomorrow</i>: backing a further 200 outstanding businesses to access mentoring and advice to take their business to the next level, and grow Australia's service and knowledge economy; • <i>Kick Start Grants</i>: St.George Business Bank backing emerging businesses with great ideas; • <i>Westpac Foundation – Social Scale-up Grants</i>: backing social enterprises that are scaling up employment opportunities for vulnerable Australians; • <i>Westpac Foundation – Community Grants</i>: supporting local community organisations to create opportunities for people in need; and • <i>Reinventure</i>: a fund established by Westpac to uncover and scale early fintech businesses. 	<ul style="list-style-type: none"> • Invest \$50 million by 2020, to back the people with the ideas and drive to shape Australia, including: • A community of more than 300 scholars funded; • 15 community partners backed to create 2,000 jobs for vulnerable Australians; • 50,000 Australians supported by 300 community grants; • 2,000 microenterprises established/growing; • 30 fintechs with investment support; and • 200 emerging businesses supported and growing. 	<ul style="list-style-type: none"> • Corporate Affairs & Sustainability • Marketing • Business Development



HOW WE WILL ACHIEVE THIS CONT.

Goals and Measures

GOALS	INITIATIVES	2020 MEASURES	WHO
Back the growth of climate change solutions	Provide support and finance to those businesses creating climate change solutions.	<ul style="list-style-type: none"> • \$10 billion to climate change solutions by 2020, and \$25 billion by 2030. • \$3 billion in facilitation in climate change solutions by 2020. 	<ul style="list-style-type: none"> • Corporate & Institutional Banking
Back the growth of housing affordability solutions	Provide support and finance, and create innovative partnerships with industry, the social sector and government, to create more affordable long-term housing options.	<ul style="list-style-type: none"> • \$2.5 billion to affordable housing solutions by 2020. 	<ul style="list-style-type: none"> • Corporate & Institutional Banking
Bring together partners and harness our capacity to tackle those pressing social issues that matter most to our nation	<p>Bring together institutional and business customers, suppliers and scholars, along with our internal experts, including 'data for social good' capabilities, to collaborate on those issues that matter most. For example, this might include:</p> <ul style="list-style-type: none"> • Emerging business models such as the circular economy; • Secure housing; • Future of work; and • Individual financial uncertainty. 	<ul style="list-style-type: none"> • Six forums hosted, bringing us closer to customers and partners, working on shared problems. • Six purposeful, innovative partnerships and projects. 	<ul style="list-style-type: none"> • Corporate Affairs & Sustainability • Asia Pacific • Global Transactional Services



A CULTURE OF DOING THE **RIGHT** THING

We have a culture of care, inclusiveness and high integrity - where it's expected that all our people demonstrate the values of our company and speak up if something isn't right.

We believe in doing the right thing by our customers, communities and people - grounded in transparency and responsiveness to the concerns of our customers and the wider community.

ALIGNMENT TO THE
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HOW WE WILL ACHIEVE THIS

Goals and Measures

GOALS	INITIATIVES	2020 MEASURES	WHO
Promote an inclusive society, where our workforce reflects our customers, and where more people feel it's safe to speak up	Every employee feels valued, they can contribute and it's safe to speak up – guided by the behaviours we define in Our Compass comprising our Code of Conduct, Values and Our Service Promise, and developed through employee training programs, and supported by our Motivate performance system.	<ul style="list-style-type: none"> • Maintain global high performance norm on employee engagement. • Maintain 50% Women in Leadership. • Maintain gender pay equity, on a like-for-like role basis. • Maintain Indigenous employment parity. 	<ul style="list-style-type: none"> • HR Shared Services • Enterprise HR Strategy & Services • Reward, Performance & Employee Relations
Increase in channels where customers can provide feedback, and speed up time to resolve complaints or issues	Customers can access a range of channels to provide feedback, including: <ul style="list-style-type: none"> • Customer Advocate; • Customer Councils; and • Delivery of the 'Resonate Program' to address specific pain points. 	<ul style="list-style-type: none"> • Continue to increase the proportion of customers we gain feedback from, year on year. 	<ul style="list-style-type: none"> • Marketing • Corporate Affairs & Sustainability
	Deliver initiatives to support resolving customer issues.	<ul style="list-style-type: none"> • Reduce average length of time from first contact to resolution, with supporting metrics including: • Continue to increase the proportion of complaints resolved within five days, year on year; and • Continue to achieve a reduction in complaints, year on year. 	<ul style="list-style-type: none"> • Marketing • Operations, Property & Commercial Services



FUNDAMENTALS

We are also committed to continuing to lead on the fundamentals: the policies, action plans and frameworks, continuing to report on additional metrics that are expected of a bank committed to sustainable business practices.

HOW WE WILL ACHIEVE THIS

Goals and Measures

THEME	POSITIONS AND POLICIES	MEASURES (In addition to those set out under the strategic pillars)	WHO
Employees	People Strategy Health, Safety and Wellbeing Strategy Inclusion and Diversity Strategy Reconciliation Action Plan	<ul style="list-style-type: none"> • Lost Time Injury Frequency Rate/ Total Recordable Injury Frequency Rate. 	<ul style="list-style-type: none"> • HR Shared Services
Human Rights	Human Rights Position Statement and Action Plan	<ul style="list-style-type: none"> • Benchmark performance by surveys and external stakeholder feedback. 	<ul style="list-style-type: none"> • Corporate Affairs & Sustainability
Sustainable Lending and Investment	Climate Change Position Statement and Action Plan	<ul style="list-style-type: none"> • BTFG portfolio carbon intensity. • Aim to reduce the emissions intensity of our power generation portfolio to 0.30 tCO₂e/MWh by 2020. 	<ul style="list-style-type: none"> • Corporate & Institutional Banking • Operations, BT



HOW WE WILL ACHIEVE THIS CONT.

Goals and Measures

THEME	POSITIONS AND POLICIES	MEASURES (In addition to those set out under the strategic pillars)	WHO
Environment	Climate Change Position Statement and Action Plan – reflecting our commitment to Science-Based Targets Environmental Policy	<ul style="list-style-type: none"> • Eco-efficiency targets, against FY16 baseline: • 9% reduction in Greenhouse Gas Emissions by 2020; • 34% reduction in Greenhouse Gas Emissions by 2030; • Introduce a renewable energy target; • 80% diversion of waste from landfill in commercial workplaces by 2020; • 15% reduction in water usage in commercial workplaces by 2020; • 40% reduction in paper used by 2020; and • Maintain carbon neutrality. 	<ul style="list-style-type: none"> • Operations, Property & Commercial Services
Responsible Sourcing	Responsible Sourcing Code of Conduct Supplier Inclusion and Diversity Policy Reconciliation Action Plan	<ul style="list-style-type: none"> • Responsible sourcing assessments. • Spend with diverse suppliers, including \$10 million spend with Indigenous suppliers by 2020. 	<ul style="list-style-type: none"> • Operations, Property & Commercial Services
Community & Social Impact	Community at Westpac Social Impact Framework Financial Inclusion Action Plan	<ul style="list-style-type: none"> • Community investment more than 1% of pre-tax profits. • More than 15% of employees accessing workplace volunteering program (including volunteering leave, and skilled volunteering programs) by 2020. 	<ul style="list-style-type: none"> • Corporate Affairs & Sustainability

**WHY?
BECAUSE IT'S
ABOUT ALL OF US.
AND TOGETHER
WE CAN MAKE A
DIFFERENCE**

**WANT TO
KNOW MORE?**

Email
sustainability@westpac.com.au
or go to
www.westpac.com.au/sustainability

