



We have committed to sourcing 100% of our global electricity consumption from renewable sources by 2025. Ceri Binding, Head of Energy and Utilities in Westpac Group's property team, proudly shows her son Bomen Solar Farm, key to the first phase of our transition.

Help when
it matters.

Welcome to our 2019 Sustainability Performance Report.

We provide a suite of information about the Group's Full Year 2019 performance. As well as our Sustainability Performance Report, further information can be found in our Annual Report, Full Year Financial Results, Annual Review and Sustainability Report, and Investor Discussion Pack.



Financials

- ANNUAL REPORT
- 2019 FULL YEAR FINANCIAL RESULTS
- FY19 INVESTOR DISCUSSION PACK
- PILLAR 3 REPORT



Governance

- CORPORATE GOVERNANCE STATEMENT
- REMUNERATION REPORT (PART OF ANNUAL REPORT)



Sustainability

- SUSTAINABILITY PERFORMANCE REPORT

NAVIGATION ICONS



Read more or refer to another report for information



Watch this video



Spotlight

All figures are for the 12 months ended 30 September 2019 unless otherwise indicated. All comparisons are against results for the 12 months ended 30 September 2018 unless otherwise indicated. All dollar amounts are in Australian dollars unless otherwise indicated.

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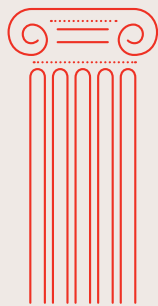
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Electrician Tim wires solar panels at Bomen Solar Farm.



Sustainable Development Goals.

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. In *Assessing impact and performance* on page 60, we map how Westpac's initiatives contribute to the UN Sustainable Development Goals (SDGs).

Westpac at a glance.

Vision

Australia's first bank

We provide a broad range of banking and financial services

Our portfolio of brands

Strategic Priorities

Sustainability Priorities



To be one of the world's great service companies, helping our customers, communities and people to prosper and grow.

Founded in 1817, Westpac is Australia's first bank and oldest company. Westpac is one of four major banks in Australia and one of the largest banks in New Zealand.

Consumer



Business



Westpac Institutional Bank



Westpac New Zealand



Customer Franchise



Digital Transformation



Performance disciplines



Helping people make better financial decisions



Helping people by being there when it matters most to them



Helping people create a prosperous nation

Chairman and CEO letter.

Five years ago, we set ourselves the aspiration to be one of the world’s great service companies. This means recognising that banking is a service business – not a product business – and that our long-term success depends on the strength and depth of our customer relationships over time.

It also means that we take seriously our commitment to running our business in a sustainable way: supporting the communities we operate in, behaving ethically, meeting our regulatory requirements, and contributing more broadly to important issues such as climate change.

We think of 2019 as a watershed year, both for the banking industry and for Westpac. Despite the challenging conditions, we have acted decisively and made good progress on implementing the recommendations from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and those from our Culture, Governance and Accountability (CGA) self-assessment.

In this report we cover some of the changes we are making to strengthen governance and risk management. This includes the way that we handle customer complaints and that we approach product design and performance to deliver the right outcomes for customers. These are important changes to help us build a stronger and more sustainable bank.

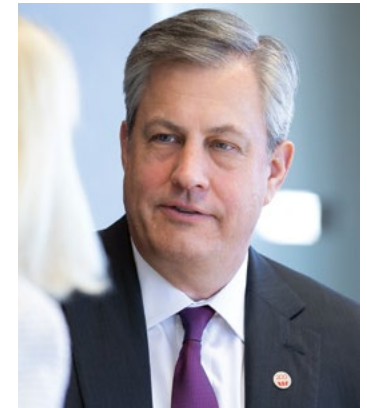
We are at the two-year mark of our 2020 Sustainability Strategy, and are pleased to share a number of notable highlights. These reflect our focus on service and how we can best support our customers and contribute more broadly to the growth and prosperity of the economy and the community.

The first is around the progress we are making to better support customers in vulnerable circumstances, also a prominent theme in the findings of the Royal Commission. In 2018, we introduced our Customer Vulnerability Action Plan and since then have put in place new policies, training and a 1800 Priority Assist number to support customers in complex vulnerable situations such as family violence, elder or financial abuse.

The second is around recognising the importance of renewable energy as a way to decrease our own environmental footprint. This year, we committed to sourcing 100% of our global electricity consumption through renewable sources by 2025. As one of the first Australian companies to make this commitment, we became a member of RE100 – a global leadership initiative bringing together the world’s most influential businesses who have committed to go 100% renewable. Our cover story features Bomen Solar Farm with whom we have signed a power purchase agreement that is key to the first phase of our transition. You can read about how this is creating local employment, delivering both environmental and social outcomes on page 33.



Lindsay Maxsted
Chairman



Brian Hartzler
Chief Executive Officer



Australia’s most sustainable bank.

Ranked #1 Australian bank in the **2019 Dow Jones Sustainability Indices Review.**



Founding bank and signatory to the Principles for Responsible Banking announced in September 2019.



Supporter of the United Nation's Sustainable Development Goals (SDGs) and its agenda for action on improving the wellbeing of present and future generations.



Signatory to the Business Coalition Statement on Climate in 2015, which highlights our support for the Paris Climate Agreement to limit global warming to less than two degrees Celsius above pre-industrial levels.



Founding signatory to the United Nations Global Compact and a supporter of the UN's 'Protect, Respect, Remedy' framework.

The third area is sustainable finance. Since we announced our 2020 Climate Change Action Plan in 2017, we have continued to work with our customers on their pathway towards a net zero emissions economy. This year we introduced our first sustainability-linked loans, through which borrowers are rewarded for meeting pre-determined sustainability targets. This is an exciting area that we believe is set to grow.

As we reflect on our broader sustainability agenda, collaboration is increasingly a hallmark of leadership. This year, we were a founding bank and signatory to the Principles of Responsible Banking announced at the United Nations General Assembly in September. We were one of 130 banks globally, representing one third of the global banking sector, to commit to strategically align our business with the goals of the Paris Agreement on Climate Change and the UN Sustainability Development Goals.

We also joined other Australian banks, insurers, super funds, investors and industry groups to form the Australian Sustainable Finance Initiative, and are part of the newly established Corporate Sustainability Working Group of the Australian Banking Association (ABA) that will be working together in areas such as climate change, modern slavery and a set of common sustainability metrics.

Westpac Foundation marks its 140th anniversary this year. With its ambitious goal to help change 100,000 lives for the better and help create 10,000 jobs for people that need it most by 2030, collaboration is also a key theme. Working with social enterprises that are creating jobs and training opportunities for people facing barriers to mainstream employment for over a decade, this year the Foundation announced the first five social enterprises to receive funding through its new collaborative funding approach in partnership with ten other organisations.

Shared at the 2017 First Nations National Constitutional Convention, the Uluru Statement from the Heart invites all Australians to walk together in a movement of the Australian people for a better future. We are proud to respond to this invitation, which we believe is an important roadmap towards empowering Aboriginal and Torres Strait Islander people and advance Reconciliation.

While this has been a challenging year, we are proud to report that our actions have seen us regain our position as Australia's most sustainable bank.

We hope that through reading this report you will see that we are serious about our role in shaping and financing a sustainable future and making a positive contribution to society.

With warm regards,

Lindsay Maxsted
Chairman

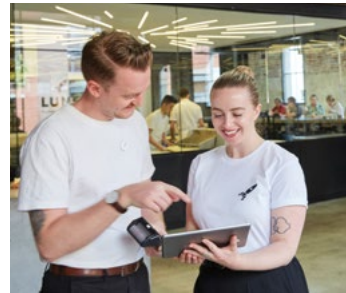
Brian Hartzler
Chief Executive Officer

Creating sustainable value.

Creating long-term value for the people who bank with us, work with us, invest in us or are part of our broader communities.



HELPING Customers



CUSTOMERS

14.2m

DEPOSITS

\$525bn

FINANCIAL ASSISTANCE PACKAGES ISSUED FOR CUSTOMERS EXPERIENCING FINANCIAL HARDSHIP

52,025

NEW HOME LOANS PROVIDED IN AUSTRALIA

\$61bn



SUPPORTING Shareholders



DIVIDENDS PAID

\$6.0bn

SHAREHOLDERS AND MORE VIA SUPER FUNDS

+610k

CASH EARNINGS PER ORDINARY SHARE

198.2c

CASH RETURN ON EQUITY

10.75%



ENGAGING Employees



EMPLOYEES (HEADCOUNT)

36,311

PAID TO EMPLOYEES

\$5.0bn

WOMEN IN LEADERSHIP ROLES¹

50%

EMPLOYEE COMMITMENT INDEX²

71%



CONTRIBUTING TO Communities



COMMUNITY INVESTMENT CONTRIBUTIONS³

\$130m

AWARDED IN EDUCATIONAL SCHOLARSHIPS BY WESTPAC SCHOLARS TRUST TO THE NEXT 102 WESTPAC SCHOLARS

\$4.3m

RELIEF PACKAGES FOR CUSTOMERS IMPACTED BY NATURAL DISASTERS

529

TOTAL TAX EXPENSE

\$3.0bn

1. 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.
2. New monthly employee survey conducted from 2017. Six month rolling average results reported.
3. Excludes commercial sponsorships.




The issues that matter.

A focus on current and emerging risks and opportunities shaping our operating environment and impacting our stakeholders.

More detailed information on our top ten material issues and our materiality assessment process can be found in [Our approach](#) on page 50.

Installing one of 310,000 solar panels at Bomen Solar Farm.

Read the full story in [Creating sustainable value.](#) 

Customers & service.

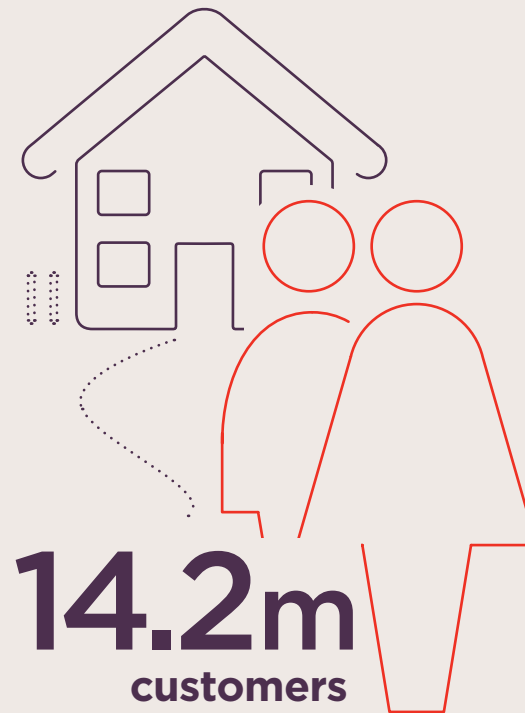
Putting service at the heart of everything we do.

 **\$525bn**
CUSTOMER DEPOSITS

 **\$125bn**
BUSINESS LENDING

 **\$449bn**
HOME LENDING

 **5.8m**
DIGITALLY ACTIVE CUSTOMERS



Support for customers in need of extra care.

- 2018** published 2020 Customer Vulnerability Action Plan
- \$100m** drought relief fund for Australian farmers
- 52,000+** financial assistance packages for customers facing financial hardship
- 1800** Priority Assist – assisted 900+ customers experiencing domestic and family violence and financial abuse
- 3,000+** Indigenous Australians supported through dedicated Indigenous customer care team

Delivering against the UN Sustainable Development Goals (SDGs).

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

10 REDUCED INEQUALITIES
 Reduce inequality within and among countries

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



Help in the moments that matter.

- Separating from a partner
- Having a baby
- Loss of a loved one
- Serious illness and injury



Secure and reliable banking.


- 24/7 Scams Assist team
- Fraud Money Back Guarantee



Westpac Davidson Institute
– Best Financial Literacy and Betterment Initiative, Australian Banking Innovation Awards 2019

Simplifying product offerings, putting customers in control of their finances.

60% shorter home loan offer document

 Savings Habit

 Digital Wealth Review tool

 24/7 virtual assistant

Our vision is to be one of the world's great service companies, helping our customers, people and communities to prosper and grow. For our customers, we want every interaction with us to be a great service experience, helping them to achieve what is important to them.

We know that customers have a choice about who they bank with. Net Promoter Score (NPS) measures if we are meeting customers' needs by asking them if they would recommend us to their friends and family. Ranking number 1 among the four major banks in our Business customer scores and number 3 in Consumer¹, we have a lot to do to improve.

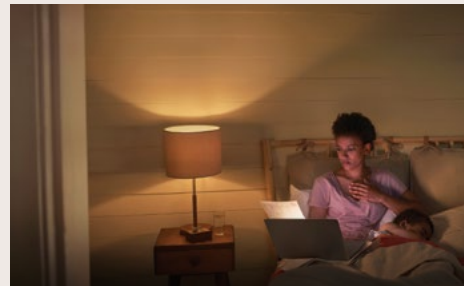
Through our 'get it right, put it right' initiatives we have continued to review products, processes and policies to identify where we may not have got it right for our customers. Where problems have been identified, we have committed to fix them and refund customers. These initiatives identified a number of issues that have required remediation this year.

We want our customers to feel confident in trusting us with their banking and this chapter explores some of the many actions we are taking to achieve this.


1. Rankings refer to Westpac's position relative to the other three major Australian banking groups (ANZ, Commonwealth Bank and NAB). Refer to the 2019 Westpac Investor Discussion Pack for more information.

 SPOTLIGHT

Help in the moments that matter.



This year, a big focus has been on building on the support we offer customers at times of change in their life. Buying a home, starting a family, opening a business or going through a tough time - these are times when customers may need specialist help and greater support.

 Visit our [Life Moments hub](#) to learn more.

Separating from a partner:

One in three marriages in Australia end in divorce. Not only is it a time of heightened emotions but it is also a time to make important financial decisions and take steps to regain financial independence.

How we can help:

- specialist teams to assist customers in complex situations who need extra care
- repayment relief options such as mortgage repayment pauses and reductions
- SmartPlan, a credit card repayment planner to manage payments for large purchases when setting up a new home
- making it easier to remove a name from a joint home loan
- *Separation Calculator* to take stock of joint and individual assets and liabilities
- home selling guides to help prepare for a property sale
- fast track credit card applications for secondary card holders
- online separation information hub with guides and tools to support customers going through a separation.

Having a baby:

- mortgage features such as reduced repayments while on parental leave and recognition of back-to-work income when applying for a new home loan
- budget planners and toolkits
- savings products such as Bump for children and Westpac Life.

Loss of a loved one:

- dedicated hub with practical tools and resources to support customers dealing with bereavement and the management of a deceased estate
- estate planning guide and checklist
- end-of-life planning guidance
- fast track credit card applications for surviving additional card holder.

Serious illness and injury:

- videos, guides and tools providing practical information across a range of topics such as physical and mental health, financial preparation in the event of a life-limiting illness and access to social and support services
- support for carers
- mortgage relief options.

Cancer Assist program wins Innovation in Retail Life Award at the Financial Services Council's 2019 Life Insurance Awards.

Since launching a pilot in January 2018, the Cancer Assist program, offered through Westpac Life Insurance, has resulted in 86% of clients citing an improvement in their functional capacity, giving them a better chance at returning to wellness within a shorter time frame. The program has also given clients a better claims service experience, with client satisfaction averaging 90%.

Backing small business growth.

Small businesses employ around 4.7 million people and play an important part in Australia's economic growth¹.

This year, we introduced a new [Help for your Business hub](#) providing insights and resources to help businesses start, grow and run, as well as new product features enabling businesses to create and send customised invoices directly from Westpac Live. We will also be introducing a new online service to make it easier and faster for small businesses to access unsecured loans of up to \$150,000 to help them invest and grow.



Presto Smart, developed in collaboration with one of our fintech partners, Assembly Payments, helps businesses streamline their customers' payments across their point-of-sale systems.

New and simpler product offerings, putting customers in control of their finances.

Through our product lifecycle reviews and other processes, we continue to simplify our product offerings and design products to meet the needs of our customers.

In the next stage of our **Customer Service Hub roll-out**, we have continued to improve the customer home ownership experience:

- home loan offer document is now approximately 60% shorter, written in easy-to-understand language
- with only one 'customer needs' conversation, one application and one credit decision for a home loan, credit card and linked offset account, plus quick access to home and contents insurance, we're making it easier for customers to set up and manage their accounts
- key customer moments – such as full loan approval, settlement completion and first repayment reminders – are recognised with automatic SMS and emails. Bankers can also easily manage tasks with Banker Dashboard alerts when customers upload documents and when actions are needed to continue the customer's application.

Other customer offerings include:

- **digital Wealth Review tool** for BT superannuation members to see their current wealth position and access real-time industry insights
- **My Wellbeing** offering programs and assessments to help customers understand and improve their financial and overall wellbeing, including links to tools such as *Super Check* and *Insurance Calculator*
- new digital features including **Red**, a 24/7 virtual assistant to help online customers as a first point of contact for everyday banking questions, and **savings habit**, which encourages customers to adopt regular savings habits by prompting them to follow a few simple steps upon log-in to online banking
- new **St. George Property App**, developed in collaboration with Domain, offering insights to customers looking to purchase a property
- more than seven million customer accounts now enabled for **real-time payments** through the New Payments Platform (NPP).



SPOTLIGHT

Our first Agribusiness Centre.



L - R: Nick McBride MP, Member for McKillop, Ms. Erika Vickery OAM, Mayor Naracoorte Lucindale Council, Brad Higgins, Regional General Manager, Westpac Agribusiness SA-NT, Trevor Smart, CEO Naracoorte Lucindale Council.

In August, we opened a new dedicated Agribusiness Centre in Naracoorte, on South Australia's Limestone Coast.

The first-of-its-kind centre provides a range of services for our relationship managed agribusiness customers in the region, including access to specialists in interest rate risk management, foreign exchange and commodity risk management.

1. Source: Council of Small Business Organisations Australia, COSBOA.

Secure and reliable banking.

Keeping customer data and accounts safe 24x7 is a priority and we continue to invest in strengthening our cybersecurity systems to deter attacks and help protect our customers and people against scams.

With scams a growing problem, our dedicated Scams Assist team helps protect customers we suspect are being scammed. If a customer loses money due to fraud, our Westpac Fraud Money Back Guarantee ensures that they will be reimbursed for any unauthorised card transactions provided that they have complied with our applicable terms and conditions and contacted us promptly.

Service availability.

We continue to improve the stability of our technology systems so that they are available to service our customers.

Treating data with care.

We are committed to protecting the privacy of our customer, employee and business information.

Our Group Privacy Compliance team is responsible for setting policy and standards in accordance with privacy laws and regulations. We continue to enhance and uplift our processes in relation to privacy, including to reflect recent regulatory developments such as the Notifiable Data Breach Scheme in Australia as well as the European Union General Data Protection Regulation.

Across the bank, we provide regular training and awareness on our privacy compliance obligations and behavioural expectations for our employees and contractors.

Our Cybersecurity Coordination Centre actively monitors and helps secure information from cyber threats. This includes capabilities to monitor, prevent and respond to potential data breaches.

Earlier this year, the first stage of Open Banking in Australia was introduced. Together with the new Consumer Data Right (CDR), Open Banking will give customers the ability to share banking information with other parties, including with other banks. Our customer-driven data sharing will become available in early 2020, starting with information about deposit and transaction accounts and credit and debit cards. Over time information on other accounts including home loans and personal loans will also be available. Initial phases will start with Westpac customer access, with St.George, BankSA, Bank of Melbourne and RAMS customer access to follow.



More information on our approach to cybersecurity is available in our [2019 Annual Report](#).



SPOTLIGHT

Fraud detection in real time.

Cherish is a fraud officer in Westpac's Scams Assist Team. Recently, Cherish helped prevent a customer from being scammed in real-time while she was still on the phone with the scammer.

The customer was on her landline speaking with someone pretending to be from her telco provider. The scammer had asked to download software to 'fix some issues' that he claimed were affecting her computer.

Through our internal scams alert system, Cherish noticed unusual activity on the customer's online account. The customer rarely used internet banking and when she did, it was only to check her accounts and never to make a payment.

Cherish immediately contacted the customer on her mobile explaining that she was potentially the victim of a remote access scam. Confused at first, she wasn't sure who to believe, but after Cherish explained the situation, the customer immediately shut her computer and hung up her landline. This saved the customer from losing \$5,000 that the scammer had attempted to transfer.



Protecting customers 24x7 through:

- two-factor SMS authentication
- biometric fingerprint log-on to mobile banking
- fraud prevention with real-time SMS alerts
- Fraud Money Back Guarantee¹
- real-time monitoring of every transaction for irregular suspicious activity
- travel notifications to prevent unauthorised overseas transactions when customers notify us of their travel plans
- inspecting transaction devices to determine whether a customer is using a known device

1. Subject to applicable terms and conditions.

DID YOU KNOW?

Our Scams Assist team has helped recover \$26.3 million for our customers.

How we're educating our community.

So that our customers and communities are aware of risks of online fraud and what can be done to avoid harm, this year we:

- hosted in-branch scam protection & awareness seminars for our customers and community members across Australia
- developed educational content on the latest scams and security threats, including how to spot and avoid a scam, which is freely available via our Davidson Institute learning hub and on our website
- continued our partnership with IDCARE, Australia & New Zealand's National Identity & Cyber Support Service, through which victims of fraud or scams can be referred to specialised counsellors for free support and guidance
- continued to roll out nationwide internal phishing simulations, information sessions on identity theft, online safety and protecting customer data, as well as activities to mark National Stay Smart Online Week, National Scams Awareness Week and International Safer Internet Day.

We also actively participate in industry-wide collaborations to share threat intelligence, detect-and-response methods and tools, and other relevant information.

Supporting those in need of extra care.

We recognise that customers may become vulnerable at some point in their lives and require extra care. These may be customers facing circumstances such as financial hardship, domestic and family violence, elder or financial abuse, dementia, scams or the loss of a loved one.

Improving the way we support customers in vulnerable circumstances continues to be a major focus. Initiatives include:

- development of an enterprise-wide Customer Vulnerability Policy to outline our principles and guide our approach
- training over 20,000 employees on understanding and providing extra care to those in vulnerable circumstances
- enhancing our processes for customers in vulnerable circumstances and establishing specialist teams to support bankers with complex customer queries
- establishment of a dedicated 24x7 Scams Assist team to protect customers who may be victims of fraud or scams
- third-party partnerships to provide victims of domestic and family violence access to support services such as financial counselling, housing and family support
- issuing over 52,000 financial assistance packages for customers facing financial hardship
- publishing guides for BT customers experiencing illness or financial hardship to help them understand and make informed decisions regarding their financial and wellbeing needs.

Gambling preference option.

Gambling activities can provide recreation and entertainment for many people. However, for individuals experiencing a problem with gambling, it can lead to financial hardship, affecting not just the individual but their family and community.

Through the gambling preference opt-out option launched last year, a customer can block gambling transactions on all our consumer credit cards and some debit cards. The block can be activated online by a primary cardholder or by calling our Customer Care team. Since launch, more than 400 customer accounts have applied the gambling block, preventing the authorisation of over \$600,000 in transactions.

1800 Priority Assist.

A dedicated '1800' Priority Assist telephone line staffed by specialists provides additional support for customers in complex vulnerable situations such as family violence and financial abuse.

As well as access to our financial hardship assistance options, under certain circumstances the team may provide emergency funds and refer customers to external specialist service providers for additional support.

Since its establishment in 2018, Priority Assist has assisted over 900 customers.

This builds on our commitment as part of the Banking Code of Practice, which came into effect on 1 July 2019.



In our Customer Vulnerability 2020 Action Plan, we commit to:

- **helping customers** with their individual needs
- **helping sooner** to avoid the toughest times
- **providing extra help** when it matters most.

Disaster relief support.

Earlier this year, communities in Northern Queensland were severely impacted by flooding, while bushfires spread across Victoria and Tasmania.

To support impacted communities, we committed a \$50 million flood relief fund dedicated to helping farmers in North Queensland rebuild their businesses.

Loans of up to \$2 million were also made available to eligible customers on an interest only basis up to three years and at a reduced variable interest rate.

A premium waiver period is one of the ways we are helping life insurance customers in impacted communities to maintain their coverage during difficult times.

This year, Westpac's general insurance team assisted more than 3,600 customers impacted by natural disasters, with claims being finalised faster than the industry average¹.

Following the Townsville floods, Westpac Insurance established a physical presence locally, enabling our insurance staff to support our customers and branch staff in the weeks following the event. They conducted on-site assessments and got claims under way, so people could return to normal life as quickly as possible.

Support for drought affected communities.

Australia's ongoing drought conditions continue to take their toll on rural and regional communities. Westpac's initiatives included:

- extending our \$100 million drought relief fund launched last year to support farmers
- partnering with the FRRR's *Tackling Tough Times Together* program to fund local grassroot projects aimed at building community connectedness and resilience, such as a series of workshops on drought management techniques, natural resources and sustainable agriculture in the Glen Innes farming community

- joining the Government-led Drought Finance Taskforce to share information with the Government on the impact of drought on our customers and advise on measures to help alleviate the impact
- establishing our internal drought taskforce to coordinate information and track the roll-out of Westpac's Drought Assistance Package.

SPOTLIGHT

Bank in a box.



At Annandale Central and The Willows shopping centres in Townsville, we deployed our first 'Bank in a Box' – a portable branch to help customers affected by the floods with insurance claims and access to banking services.

Staffed with employees keen to help from across Queensland, the 40ft shipping container was equipped with smart ATMs, an electronic night safe for small business owners to make deposits, meeting rooms and video conferencing facilities.



SPOTLIGHT

Insurance support in Townsville.



Alan, Senior Claims Consultant, Westpac General Insurance was part of the team on the ground. He recalls:

"I received a call from a mother of two small children having to urgently evacuate her home due to rising flood waters.

"She was of course very distressed.

"Ensuring the personal safety of customers is our first priority. We immediately organised a \$5,000 emergency payment to help pay for emergency accommodation, clothing and personal necessities for the customer and her children while the family home was assessed and repaired.

"It was a massive relief for the customer at an incredibly stressful time."



Over 500

disaster relief packages issued to assist customers affected by floods, bushfires and other disasters



\$150,000 donation to the Salvation Army



\$100,000 donation to the Foundation for Rural & Regional Renewal (FRRR)



In-branch customer donations

and 'Rally for Relief' fundraising day raised over \$20,000.

1. Source: Insurance Council of Australia, July 2019.



SPOTLIGHT

Improving financial access in remote Australia.

Providing better banking experiences is a key pillar of our 2018–2020 Reconciliation Action Plan.



Established last year, the Yuri Ingkarninthe team – which means ‘deep listening’ in the Kurna language – has supported over 3,000 Indigenous Australian customers.

Responding to high customer need, Yuri Ingkarninthe is making banking more inclusive for Indigenous customers by:

- providing a service experience and support that bridges the geographical, cultural and language barriers for Indigenous regional and remote customers
- helping customers determine which products and services may be suitable for them
- making the customer identification process easier
- removing bank jargon on customer surveys and disclosures
- proactively contacting customers to discuss their banking needs and make sure they are not accruing unnecessary fees.

This service supports our *Pop-up Branch* program run by our Indigenous Business team, which provides on-the-spot financial services in remote Indigenous communities, such as account opening, unblocking accounts, identification and verification, updating contact details and ordering new cards. It has been run for the past two years and in addition to bringing banking to the bush, it seeks to improve the mobile and online banking capability of participants through one-on-one demonstrations and workshops. This year we organised pop-up branches to six communities.

Westpac’s Davidson Institute also works with our business customers offering financial capability programs for their Indigenous employees, such as the *Financial First Steps* program. This year we delivered workshops to 590 people on topics from goal setting and budgeting to tax and superannuation basics.

In the next chapter, we explore changes we have made to improve our complaints handling processes, as well as the progress we are making on our customer remediation programs.

DID YOU KNOW?

We now have a dedicated customer care team to support our Aboriginal and Torres Strait Islander customers located in remote locations.

Governance, conduct & performance.

Change is under way.

2019 has been a watershed year, where we've acted decisively to respond to the challenging conditions.

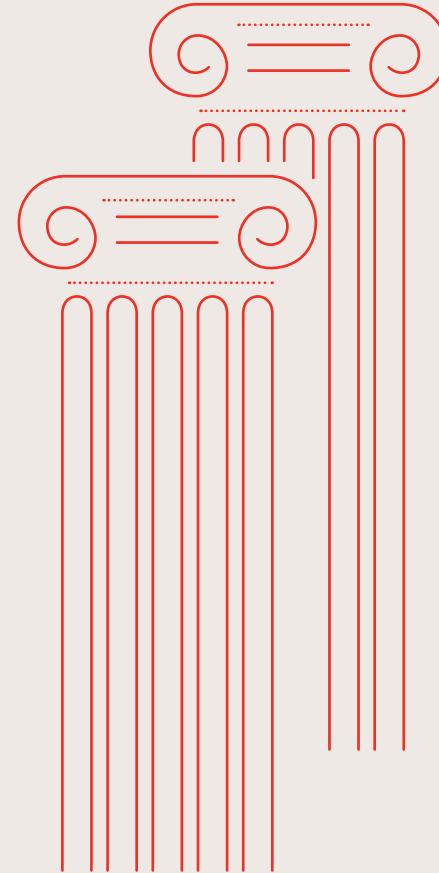
Progress on our Culture, Governance and Accountability (CGA) self-assessment is well under way



Dedicated CGA team coordinating actions

Sponsored by Chief Risk Officer

Board oversight



Change under way – six areas of focus:

- Board and executive governance
- Risk and compliance
- Customer experience
- Remuneration and accountability
- Culture
- Royal Commission response plan

Delivering against the UN Sustainable Development Goals (SDGs).



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



Strengthen the means of implementation and revitalise the global partnership for sustainable development

Get it right, put it right initiative continues

- Improving customer complaints handling
- Customer remediation

1. As at 1 November 2019.
 2. The response to the recommendation has been designed and implemented. Three of the 45 (7%) recommendations relate to culture and as such are considered evolutionary without specific target closure dates.

Governance at Westpac.

Westpac’s governance approach underpins the way we run the company.

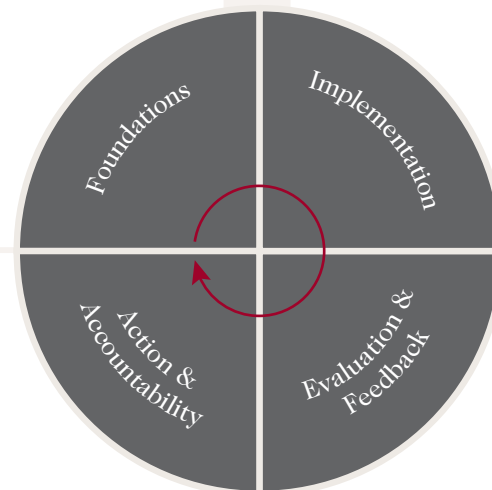
Governance is the framework of systems, policies and processes by which Westpac operates, makes decisions, and holds people responsible. Our governance framework sets out the roles and responsibilities of our Board and management, including how they are structured and evaluated, our approach to culture, reporting, disclosure, risk management, remuneration and engagement with our shareholders.

At Westpac, we regularly review and strengthen our approach to governance to reflect best practice and the changing environment, and to help us deliver on our vision. Our vision *“to be one of the world’s great service companies helping our customers, communities and people to prosper and grow”* is fundamental to the way in which we manage and run Westpac.

Our goal is for our governance structure to help us adapt to this changing environment, and to learn from our experience – when things go right, and when things go wrong. This feedback loop is an essential part of our stewardship of Westpac, and our approach to running the bank for the long term.

THE WAY WE THINK ABOUT MANAGING GOVERNANCE

- Roles and responsibilities of Board and Management
- Vision, values and culture
- Systems, policies and processes



- Build our strategy, organisational structure and operations on our governance foundations
- Embed our approach in the day-to-day actions of our people

- Use accountability and remuneration frameworks to determine outcomes and drive actions
- Adapt governance frameworks for lessons learned

- Regularly assess our governance frameworks
- Formal and informal evaluation of outcomes for our customers and stakeholders



Westpac’s [Corporate Governance Statement](#) sets out our corporate governance framework and approach and is available on our website.

Role and responsibilities of Westpac's Board.

Westpac's Board is responsible for corporate governance and is accountable to shareholders for the performance of Westpac. The Board comprises ten independent non-executive Directors and an executive Director (the CEO), who together bring a broad range of financial and other skills, knowledge and experience to guide Westpac. Key responsibilities of the Board include the selection and appointment of the CEO, approval and oversight of Westpac's strategic direction, business plans and significant corporate strategic initiatives, and the consideration and approval of Westpac's overall risk management framework including the Group's risk appetite. The Board monitors Westpac's financial performance, as well as the performance of the CEO and Group Executives, and approves their remuneration. The Board Charter outlines the Board's responsibilities and is available on our website.

The five Board committees – Audit, Risk & Compliance, Nominations, Remuneration and Technology – provide oversight and assurance to the Board and each of their responsibilities is included in their respective Charters, which are available on our website. All Committee papers are available to Directors, whether or not they are Committee members, provided there is no conflict of interest.

The Board's effectiveness is evaluated through an ongoing self-assessment process and an annual performance review by an independent consultant.

The Board governance framework underpins management's approach to delivering Westpac's strategy, managing risk and building a customer centric culture.

Changes we are making.

Findings of the Royal Commission and other inquiries, including our CGA self-assessment, uncovered shortcomings in Westpac's management of non-financial risk, handling of customer complaints and product design and performance.

Our review of these issues has shown us that we need to make changes to some of our foundations, the way we implement our governance frameworks, the rigour of our evaluation and feedback processes, and to the way we think about action and accountability.

We've grouped these changes by the following key themes, which align to the findings in Westpac's CGA self-assessment. We also have a separate program responding to the findings and recommendations of the Royal Commission.

Change under way – six areas of focus:

Board and executive governance

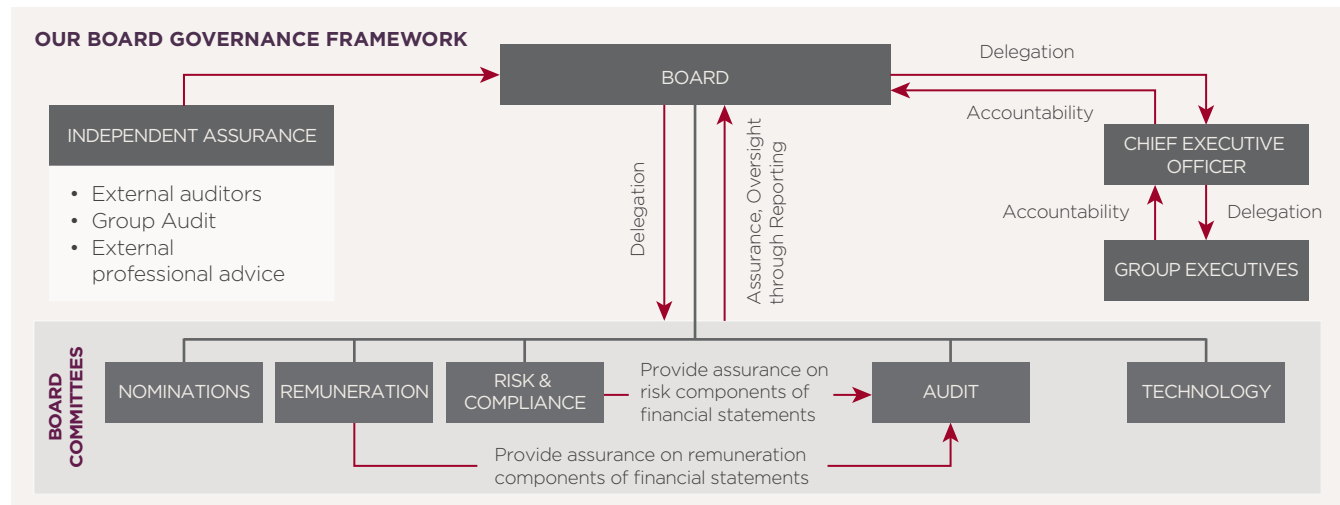
Risk and compliance

Customer experience

Remuneration and accountability

Culture

Royal Commission response plan



Board and executive governance.

Changes are being made to enhance Board and executive governance at Westpac. This includes rationalising committees and other governance forums to reduce complexity and bureaucracy, and enhance accountability across the Group. We have introduced changes to our Board and Committee reporting to provide clearer identification of principal risks, issues, options and assumptions, as well as enhancing reporting on non-financial risks, particularly in relation to customer complaints.

The Board undertakes ongoing self-assessment as well as commissioning an annual performance review that considers a range of matters including the performance of the Board and Committees, the efficiency of their meetings, the effectiveness of Directors and the quality of information received by the Board and Committees. The outputs from this review are analysed and presented to the Board and actions are then tracked and managed.

Risk and compliance.

We are improving the way we identify, escalate and resolve risk issues and incidents across the Group. This includes updating our overarching Risk Management Framework, which has three lines of defence and risk culture at its centre, and introducing a more comprehensive risk 'taxonomy' (catalogue of risks) to aid risk assessment, measurement, mitigation and reporting. We are conducting a comprehensive review of our three lines of defence operating model, clarifying roles and responsibilities in each line, defining associated capability requirements and uplifting training where needed. We are also providing enhanced risk and customer complaint information to the executive team and Board.

More information can be found in the Risk and Risk Management section of the *2019 Annual Report*.

Customer experience.

The long-term success of our business depends on the strength and depth of our customer relationships. In the previous chapter on *Customers and service* we outlined some of the ways that we are working to improve our service offering. As well as new and simplified products, specialist help for customers going through times of change, and extra care for our vulnerable customers, a major focus has been on improving the way we handle complaints.

Customer complaints – a second chance to get it right.

We aim to provide great service experiences for our customers, and where we don't, to put it right. We see complaints as a second chance to get things right and fix the root cause issues that generate complaints.

Following a review of our complaints approach in late 2018, we established a new complaints strategy based on:

- customer connection
- service excellence
- priority support for vulnerable customers
- root cause and complaint prevention.

We have made changes to the way we handle customer complaints including logging all complaints, even if they are resolved right away, to help us build insights into areas for improvement, and setting ourselves a goal to solve complaints within five working days.

Other initiatives to improve complaints handling include:

- centralising all complaints teams under one division for a consistent complaints experience for our customers regardless of brand
- rolling out new complaints handling training and tools
- launching 'FAIRGO' decision principles that set out our approach to resolving complaints
- including complaints metrics as part of our remuneration frameworks for senior executives
- creating a strong focus on fixing the root cause issues that generate complaints
- a company-wide internal awareness campaign to educate employees on the importance of logging all complaints
- introducing regular surveys to better understand the customer complaint experience
- enhancing our Quality Assurance Framework.

These changes to customer complaint processes and an internal 'spot it, log it, own it' awareness initiative, together with a higher number of customers raising issues following the Royal Commission, has resulted in an increase in the number of customer complaints by approximately 94% from last year.

68%

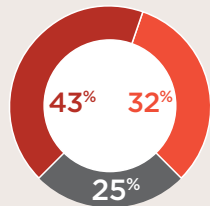
banking complaints resolved within five business days¹

7 days

average time to close complaints², down from 13 in 2018

1. Excluding RAMS.

2. Internal Dispute Resolution complaints.

OUTCOMES OF MATTERS REFERRED TO OFFICE OF THE CUSTOMER ADVOCATE

- Enhanced resolution for the customer
- Substituted new resolution for the customer
- Upheld the bank's decision

An advocate for our customers.

We have seen continued interest from customers seeking an impartial review of the outcome of their complaint through the Westpac Group Customer Advocate. To support this review process, we actively include contact details for the Customer Advocate in all of our complaint resolution letters as well as across our multi-brand websites, so that our customers are aware of the Customer Advocate services.

Since its inception in late 2016, the Customer Advocate team has grown and is also actively engaged across the bank in helping to resolve escalated customer complaints, especially in complex or sensitive cases or where it relates to vulnerable customers.

Key insights and areas for improvement identified by the Customer Advocate are provided weekly to assist our internal dispute resolution teams to better resolve complaints and reach a resolution with customers. Insights into underlying root cause issues are also shared with management to enhance the ongoing review or development of our technology, products and services.

Customer remediation.

A priority in 2019 has been to deal with outstanding remediation issues and to refund customers for a number of historical issues in our financial planning and banking businesses as quickly as possible. We established a remediation hub to speed up the process of refunding customers, and since 2017 have paid out around \$350 million in refunds to more than 500,000 customers as part of our get it right, put it right initiative.

More information on customer remediation including financial provisions can be found in the *2019 Annual Report*.

Remuneration and accountability.

Over the year we have taken a number of steps to strengthen conduct by clarifying accountability, enhancing remuneration practices and rewarding the right behaviours. In 2018, we announced that we would implement the recommendations of the Retail Banking Remuneration Review (Sedgwick Review) two years earlier than required, and we continue to reduce potential conflicts and ensure the right incentives are in place for employees. Our *Motivate* performance management framework emphasises behaviours, culture and delivery against objectives, and ties behaviours to remuneration outcomes.

We have continued to clarify individual accountability by rolling out statements of responsibility to key direct reports of Accountable Persons as an enhancement to our implementation of the new Banking Executive Accountability Regime (BEAR).

In response to shareholder feedback, combined with the Board's assessment, we made a number of changes to executive remuneration this year. More details on these changes can be found in our *2019 Annual Report* and in our *Annual Review and Sustainability Report*.

Culture.

In recent years we have built a strong service ethos throughout the company. However, banking is complex and, as we have seen through the issues identified in the Royal Commission, the times where we don't get it right can have serious consequences, particularly for our vulnerable customers.

We are committed to helping our people make the right decisions every day. *Navigate* was introduced in September 2018 as an experience-based approach to increasing understanding of our code of conduct, values, service promise and vision to help employees feel more confident when making decisions and 'navigating the grey'. Every quarter, leaders are expected to take their teams through a scenario designed to test a complex, often ethical, decision that needs to be made, creating a forum for open and courageous conversations and to encourage our people to look at the issue from different stakeholder perspectives. Scenario topics this year have included *Protecting vulnerable customers*, *Appropriate protection or undue interference?* and *We can, but should we?*

Introduced this year, the *Yes Check* is a practical tool to help our people deliver the best outcomes by considering the impact of a decision through different lenses.

It can be used together with *Our Compass* for any kind of decision, from how to help a customer in the moment, to decisions around systems, processes or products.



Am I clear about – and comfortable with – how this decision will impact our customers, community and company?



Is this decision consistent with our values, in particular integrity (doing the right thing)?



Is this something you would do to your family, friends or yourself? Are you proud to put your name against it?

Safe to speak up.

We continue to encourage a safe to speak up culture in line with our [Speaking Up Policy](#) and this year have centralised the way we investigate concerns and introduced a new online system with a simplified user experience. We have also updated our whistleblower program to reflect legislative changes that took effect in July 2019.

278

new whistleblower concerns reported in 2019

Continued focus on raising standards.

What is the new Banking Code of Practice?

Developed by the banking industry and approved by ASIC, the Banking Code of Practice is a set of enforceable standards that customers, small businesses, and their guarantors can expect from Australian banks.

The 2019 version came into effect on 1 July and has a particular focus on taking extra care with customers in vulnerable circumstances, inclusive and accessible banking, and ensuring clear communication with customers.

To help our people understand their obligations and deliver high standards of service and care, we introduced a number of mandatory learning modules, including:

- **Banking Code of Practice Foundations** to help our people understand their obligations under the new Code
- **Every Customer Matters** to better recognise customers who might need extra care and understand how to provide that care appropriately
- **Why Complaints Matter** in order to have a consistent approach to managing complaints and issues across the Group, and to help shift the culture of complaints to focus on customer outcomes and addressing root issues.

For more information on culture-related initiatives, please see [Our people](#).

Royal Commission response plan.

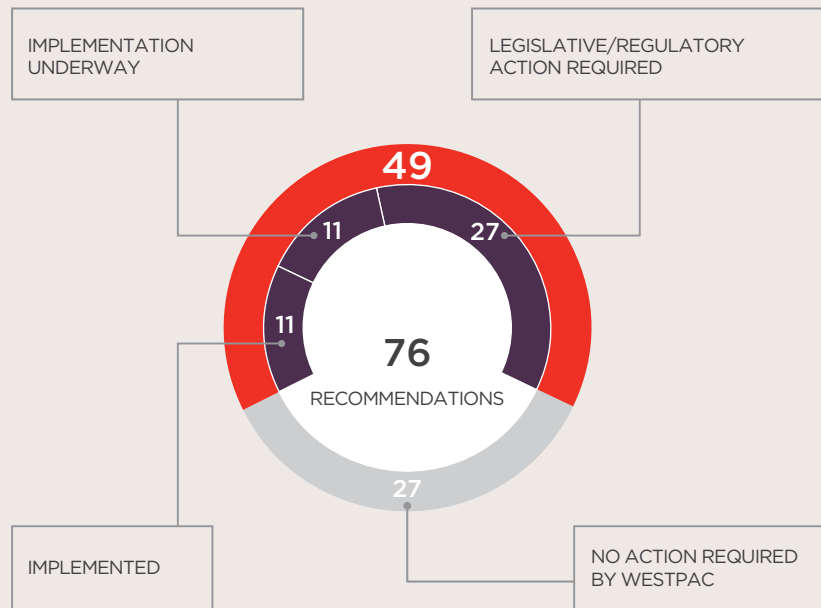
We understand that the community expects Westpac and the broader industry to implement the recommendations of the Royal Commission quickly and comprehensively. We are taking a proactive and transparent approach to implementing the recommendations, taking action early where we can and engaging on the delivery of the Government’s Royal Commission Implementation Roadmap.

Of the Royal Commission’s 76 recommendations, 49 recommendations presently apply to Westpac. The table below outlines our progress in implementing those recommendations.

IMPLEMENTATION UNDER WAY

- Dedicated team managing our Royal Commission response
- Group Executive accountability and Board oversight
- The Government’s implementation roadmap (August 2019) envisages the introduction of some legislation in 2019 and the remainder in 2020
- Of the 49 Royal Commission recommendations that presently apply to Westpac:
 - 11 have been implemented: we have either established new practices and procedures to meet recommendations or we have existing practices consistent with the recommendations
 - 11 are being implemented: implementation work is in progress to meet recommendations. Some recommendations will require legislative or regulatory action before implementation can be completed
 - 27 require legislative or regulatory action before implementation work can commence: we are undertaking preparatory work where possible, including through participation in Government consultation
- Ongoing effectiveness of new processes will be tested through Westpac’s standard second and third line testing procedures

PROGRESS



Industry reform continues.

Over the past 12 months, we have continued to actively participate in industry discussions across a range of issues. We have participated in the ongoing development of industry positions on problem gambling, climate risk and sustainability, strengthening our commitment to support customers in vulnerable situations and engaging with consumer advocates.

A key milestone has been the commencement of the new Banking Code of Practice. It represents a new era for banking and sets out the industry’s key commitments and obligations to deliver stronger protections for our customers and strengthens transparency and accountability.

Financial and economic performance.

For the full year 2019, Westpac Group announced a statutory net profit of \$6,784 million, down 16%, and cash earnings of \$6,849 million. Further information on our full year 2019 performance and related announcements can be found in our *2019 Annual Report*, *Full Year Financial Results*, *Annual Review and Sustainability Report*, and *Investor Discussion Pack*.

Our people.

Building a service-led culture that takes pride in doing the right thing.

An inclusive workplace.



50%
WOMEN IN LEADERSHIP ROLES¹



161
ABORIGINAL AND TORRES STRAIT ISLANDER NEW-TO-BANK HIRES



3 YRS
INCLUDED IN THE BLOOMBERG GENDER EQUALITY INDEX (GEI) FOR 3RD CONSECUTIVE YEAR



Putting service at the heart of everything we do.



Customer First approach

Tools to help frontline bankers

Delivering against the UN Sustainable Development Goals (SDGs).



4 QUALITY EDUCATION
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



5 GENDER EQUALITY
Achieve gender equality and empower all women and girls



8 DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



10 REDUCED INEQUALITIES
Reduce inequality within and among countries

A future-ready workforce.



Skills for the future

199

employees externally certified in agility, service, leadership and data science with another 450+ under way

STEM

Our Science, Technology, Engineering & Mathematics (STEM) Commitment

1. 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.
2. Source: Monthly employee survey conducted since 2017, with six-month rolling average results reported.

Putting service at the heart of everything we do.

Through our Workforce Revolution strategy, we are focused on creating a future-ready workforce where our people are passionate about delivering great service experiences and take pride in doing the right thing for our customers and stakeholders.

Three years ago, a group of employees from across the bank came together to create *Our Service Promise*. Today, employees run weekly 'huddles' to share great examples of service and areas where we need to improve. These huddles are an important part of our operating rhythm.

Our Compass helps our people navigate the increasingly complex world of banking and financial services, capturing our vision, values, newly simplified Service Promise and our Code of Conduct.

Service Behaviours

Five core values that guide how we behave:

Acting with **integrity** and doing the right thing

Integrity

Delivering great **service** by helping people achieve what's important to them

Service

Taking a **one team** approach to deliver the best outcome for our customers and the company

One Team

Showing **courage** by speaking up when something doesn't feel right

Courage

Taking **accountability** for achieving results and managing risks

Accountability

Our vision is to be one of the world's great service companies, helping our customers, communities and people to prosper and grow.

Our Vision

WHY WE'RE HERE

Our Values

HOW WE BEHAVE

HOW WE DELIVER

Our Code of Conduct

HOW WE SERVE

Our Service Promise

- We act with honesty, integrity, and due skill, care and diligence.
- We comply with laws and our policies.
- We do the right thing by our customers.
- We respect confidentiality and do not misuse information.
- We value and maintain our professionalism.
- We work as a team.
- We manage conflicts of interest responsibly.

We are people always helping people.

We deliver great service through three simple steps:

Care. Listen. Act.

A future-ready workforce.

As our customers become more digitally active and turn to online banking for everyday transactions, opportunities are created for our bankers to focus on helping customers with more complex needs and offering greater levels of service through deeper needs-based conversations.

Investing in our frontline bankers.

Providing the tools, knowledge and support to enable our bankers to create great customer service experiences:

- The *Own the Moment* program in Consumer Bank focused on building our retail bankers' skills and confidence in meeting customers' needs
- 4,900 *Business Institute* courses have been completed by our business bankers since its launch in October 2017, with a new credit curriculum introduced this year in partnership with Macquarie University.

We have identified ten core capabilities that will best enable our people to prepare for the future of work and built curricula to support their growth and development. Initiatives include:

- expanded future-focused curriculum offering 78 self-paced "playlists" focused on skills for life, including resilience, agility and collaboration
- future-focused bootcamp programs in partnership with industry experts, such as Microsoft, aimed at enhancing our people's capabilities in digital, agile methodologies and data
- external recognition for our people through micro-credentials and nano-degrees with Deakin University, AGSM, Udacity, RMIT and The Ethics Centre.

The introduction of new technologies is significantly changing the way we work. Our leaders play a vital role in helping our people prepare for the future of work, which is becoming increasingly digital, always accessible and highly collaborative. Our focus and investment in leadership development has continued this year, with over 1,300 leaders participating in dedicated programs aimed at uplifting leader capability. We are also designing a new *Executive Edge* program for business leaders to be launched in 2020.

Last year we delivered a new program with the aim of fast tracking the development of young high-potential employees - our next generation of leaders. Post completion of the program 71% of the cohort have already moved into new or expanded roles.

Science, Technology, Engineering and Mathematics (STEM).

STEM capabilities remain critical to our future success as fast-moving advances in data and technology change the way our customers interact with us. Last year we launched our *STEM Commitment*, which outlines a wide range of interventions, investments and initiatives to help build a STEM-confident nation that is diverse and future ready. This year, we hosted 160 female students who attend high schools in South Western Sydney through our *Westpac STEM Girls Work Experience* program in partnership with the Australian Business and Community Network (ABCN) and are committed to increasing the number year-on-year. We also reached over 25,000 students and 1,800 teachers through our *Schools Cyber Security Program* in partnership with the Australian Computing Academy.

Strengthening inclusion and diversity.

Recognising the value of individual differences and embracing them in the workplace helps us to create an inclusive culture, encourages innovation and means that our workforce reflects the diversity of the communities we serve.

We have proudly sustained our achievement of 50% women in leadership¹ since first reaching this milestone in 2017. 36% of our Board members are women. We continue to offer tailored development programs such as *Women on the Move* and *Making My Mark*, and we are now in our fifth year of the *Equilibrium* program, supporting female leaders to transition into Westpac from other industries. Our commitment to bridging the gender pay gap remains strong, re-signing as a Pay Equity Ambassador for another year.

+ SPOTLIGHT

An unexpected career pathway.



James Lee, Founder - beContento

From actuary to entrepreneur-in-residence

James was an actuary working in the BT team when he had an idea for an app to help people keep a digital inventory of their 'stuff' - something very useful for getting the right insurance cover, claiming on warranty for repairs, or just gaining fresh perspective on all the things you own.

After exploring the idea further at Westpac's annual HacktheFuture, James worked with the Innovation team to build out his idea and today James is the proud founder of beContento - and Westpac entrepreneur-in-residence - with 3,000 users and growing.

1. 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.

**Our 2018–2020
Inclusion and
Diversity strategy
focus areas:****Best talent** for innovation and service**Inclusive** place to work**Helping** our customers and communities**New Sorry Business leave.**

Traditional funeral rites and ceremonies are important cultural practices for First Australians, and obligations surrounding illness, funerals and mourning are referred to as 'Sorry Business'.

Following consultation with Brothers and Sisters, Westpac's Indigenous Employee Action Group, we have introduced three additional days of paid leave - in addition to existing compassionate leave - in our new Enterprise Agreement to support the cultural responsibilities of employees who identify as being Aboriginal or Torres Strait Islander.

Last year we made several updates to our employee leave entitlements to recognise the diverse make-up of our people. This included the introduction of 20 days paid leave for employees undergoing a gender transition, three days Sorry Business leave for Aboriginal and Torres Strait Islander employees, increasing paid leave for employees experiencing domestic and family violence from 10 days to 20 days and increased paid parental leave for support carers from two to three weeks.

We are focused on building greater cultural diversity across the bank including at our senior leadership levels. This year we introduced a leadership shadowing program for culturally and linguistically diverse employees to build exposure to new networks and career pathways.

We continue to deliver to our 2017–2020 Accessibility Action Plan (AAP) and last year contributed to the Australian Banking Association's new banking accessibility principles.

Developing meaningful careers has been a key focus of our Reconciliation Action Plan (RAP) and we have focused on employment, retention and career development this year. We welcomed 161 new-to-bank Aboriginal or Torres Strait Islander hires, representing 6.6% of total hires. For the first time, the attrition rates between Indigenous and non-Indigenous employees are at parity. To promote career advancement for our Indigenous employees, trainees and interns, our mentoring program, *Echo*, has now grown to 100 participants, up from 60 last year.

Our Employee Action Groups (EAGs) continue to drive our inclusion & diversity agenda. With ten EAGs and over 10,000 members, these powerful communities of passionate employees play a vital role in creating an inclusive culture for everyone.

Many people on the autism spectrum possess impressive skills that are in high demand for roles we often struggle to fill or retain. Our *Tailored Talent* program aims to remove barriers to employment for neuro-diverse talent and this year has seen seven of the eight participants from the inaugural program secure ongoing employment with us.

Supporting wellbeing.

With the changing nature of work, workplaces play an important role in actively supporting the mental health and wellbeing of their people.

This year, our focus has been on helping our employees and their families proactively manage their wellbeing and mental health, especially when they are most vulnerable.

Employees experiencing financial hardship have access to *Employee Assist* - a confidential service provided by a team of dedicated specialists. We also provide \$5,000 grants through our Employee Assistance Foundation.

In circumstances of hardship involving domestic and family violence, we provide support such as emergency accommodation and work re-assignments as well as doubling paid leave to 20 days.

60 grants
approved through our Employee
Assistance Foundation**10.2% of employees**
used our EAP, a 13% increase
from 2018

Our recently expanded *Employee Assistance Program (EAP)* provides access to free and confidential counselling and coaching services on topics such as dealing with change, self-care and nutrition. This complements a range of internal guides and tools that are available to support positive health and wellbeing in the workplace.

As part of our ongoing commitment to workplace mental health, we recently appointed a Chief Mental Health Officer to continue to drive a range of activities focused on improving the psychological health and safety of our workforce. This included delivery of specialist training to more than 500 senior leaders covering topics such as early intervention, prevention of mental ill-health, and the importance of supportive leadership behaviour.

Creating sustainable value.

Delivering against the UN Sustainable Development Goals (SDGs).

- 4 QUALITY EDUCATION**
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- 8 DECENT WORK AND ECONOMIC GROWTH**
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
- 10 REDUCED INEQUALITIES**
Reduce inequality within and among countries
- 11 SUSTAINABLE CITIES AND COMMUNITIES**
Make cities and human settlements inclusive, safe, resilient and sustainable
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**
Ensure sustainable consumption and production patterns
- 13 CLIMATE ACTION**
Take urgent action to combat climate change and its impact
- 17 PARTNERSHIPS FOR THE GOALS**
Strengthen the means of implementation and revitalise the global partnership for sustainable development

From philanthropic giving, to sustainable procurement and the services we provide to our customers, we seek to run our business in a way that makes a positive contribution to the social progress of Australia and our region.



FOUNDING BANK AND SIGNATORY TO THE PRINCIPLES FOR RESPONSIBLE BANKING

Stronger communities.

\$130m
IN COMMUNITY INVESTMENT¹

100
WESTPAC FOUNDATION COMMUNITY GRANTS



24,327
skilled volunteering hours contributed by Westpac employees

\$4.2m
donated to 808 charities through Matching Gifts

1st
corporate to place its 900th Jawun secondee in an Indigenous community organisation

1. Excludes commercial sponsorships.
2. Two years in a row. Source: IJGlobal, September 2019.
3. Refers to the cumulative Total Approved Exposure to customers in the Social and Affordable Housing sector since 2013. For full definition please refer to Glossary and definitions.

Sustainable finance.

#1
largest financier to greenfield renewable energy projects in Australia²

\$9.3bn
progressing towards our \$10bn 2020 target to lend to climate change solutions, reaching \$9.3bn

1st
sustainability-linked loan for an Australian airport

75%
renewable energy represents over 75% of our lending to the electricity sector

A+
rating for BT's sustainable investment strategy and governance by the UN-backed Principles for Responsible Investment (PRI)

\$1.6bn
lending to the social and affordable housing sector³

Responsible sourcing.

100%
committed to sourcing 100% of our global electricity consumption from renewable energy sources by 2025

98%
of top 100 suppliers assessed against our Responsible Sourcing Code of Conduct

400
Westpac Scholars Trust awarded its 400th scholar

746
746 jobs and 1,104 employment pathways created by 14 Westpac Foundation-backed social enterprises

At the heart of our approach to climate change is a recognition that it is one of the most significant issues that will impact the long-term prosperity of our economy and way of life.

Managing climate change requires collaborative efforts to limit global warming, while also taking steps to help the economy and communities become more resilient to the expected impacts.

As a major financial institution, Westpac has a fundamental role to play in this process. Our progress to date reflects the way we have sought to transition our own business

and assist our customers to meet the ambition of the Paris Climate Agreement and manage the impacts of climate change.

This section details how we continue to integrate the consideration of climate change impacts into our business – including our governance, strategy, risk management and reporting – as we prepare for an update to our position statement and action plan in 2020.

Westpac Group has a long history of action on climate change.

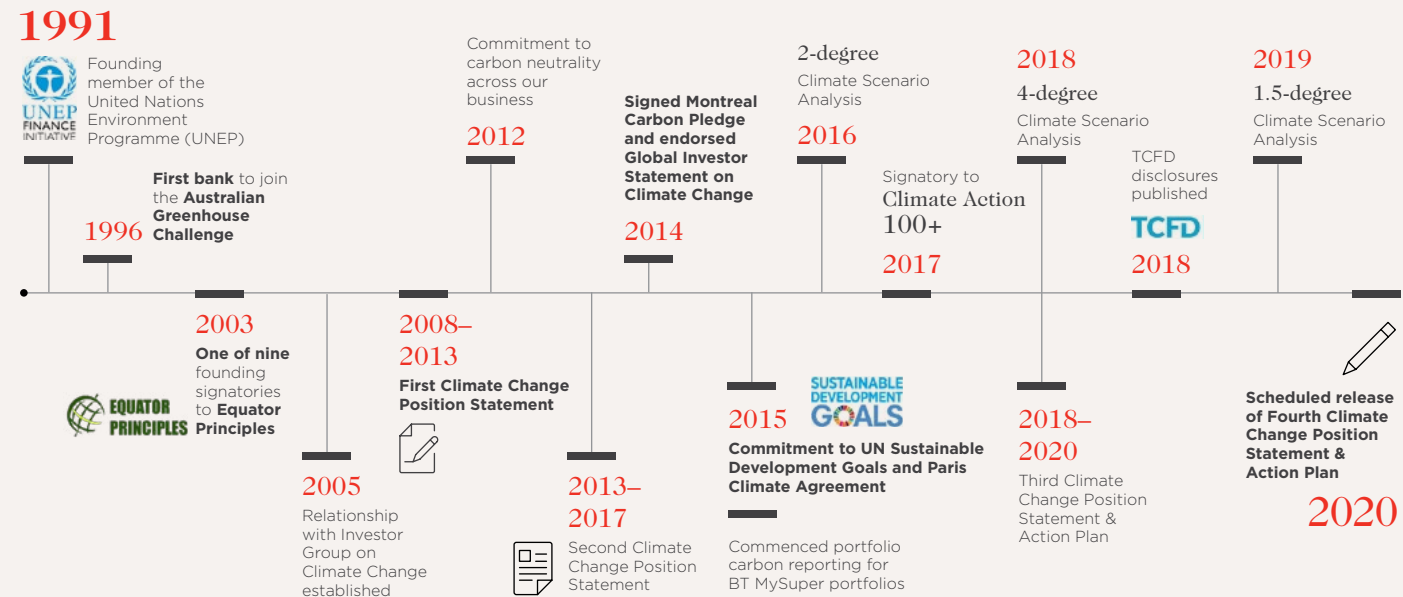
We were the **first Australian bank to release a climate change position statement in 2008** and to commit to the goals of the Paris Agreement in 2015.



Climate change.

Climate change creates risks and opportunities. We believe that as a financial institution, the most constructive role we can play is to work with our customers and support them as they manage through this change.

Taking action on climate change.



Our approach to climate change governance.

Our approach to climate change is set out in our Climate Change Position Statement and 2020 Action Plan (Climate Action Plan).¹

The Climate Action Plan was approved by our Board, with updates on progress provided twice a year. Our climate change disclosures appear in our Annual Report, which the Board approves, and our Board Risk & Compliance Committee approves updates to our Sustainability Risk Management Framework (which incorporates climate change risks).

Day-to-day management of our Climate Action Plan is carried out by our Group Executives and senior management including our Group Head of Sustainability.

Our Sustainability Council was formed in 2008 and is sponsored by the Group Executive, Customer & Corporate Relations. It brings together senior leaders from across the Group with responsibility for managing Westpac's sustainability agenda including climate change. The Council meets at least quarterly and has climate change as a permanent agenda item. The Council provides updates to the Board twice a year and oversees several committees which are focused on delivering aspects of our Climate Action Plan. These committees include:

- our Climate Change Solutions Committee, which oversees initiatives to achieve our targets for lending to and facilitating climate change solutions for our customers
- our Climate Change Risk Committee, which oversees initiatives to manage the credit, regulatory and legal risks of climate change to Westpac; this includes overseeing climate change scenario analysis
- our Environment Management Committee, which oversees strategies and initiatives to reduce the Group's direct environmental footprint including energy consumption and emissions.

Our Sustainable Bonds Committee provides risk governance and oversight of Climate Bonds and other sustainable funding programs to ensure compliance with relevant standards. It reports to our Treasury Risk and Compliance Committee.

1. Westpac's Climate Change Position Statement and 2020 Action Plan does not apply to investments made where a Westpac Group entity is acting as a trustee (for example Responsible Super Entity licensee or Responsible Entity) or insurer. The governance and strategies for ESG risk in these portfolios (including climate change) are the responsibility of the relevant board and management of these entities. For more information visit the [BT website](#).

Our climate change strategy.

Our Climate Action Plan sets out Westpac’s climate change strategy. This principles-based plan focuses on five key areas where we believe climate change has the greatest significance to our customers, business and stakeholders.

Our Principles.

The core principles that guide and inform our approach are:

- A transition to a **net zero emissions economy** is required.
- Economic growth and emissions reductions are **complementary goals**.
- Addressing climate change creates **financial opportunities**.
- **Climate-related risk is a financial risk.**
- **Transparency and disclosure matters.**

Our Action Plan.

These focus areas direct our actions. We will:

- Provide finance to **back climate change solutions.**
- **Support businesses that manage their climate-related risks.**
- **Help individual customers respond to climate change.**
- **Improve and disclose our climate change performance.**
- Advocate for policies that **stimulate investment** in climate change solutions.

Our approach.

Every three years we review our Climate Action Plan against our commitment to the Paris Agreement. So that we remain informed and aligned to the expectations of our stakeholders on this important issue, we:

- engage with customers, investors, industry bodies, non-government organisations and community representatives
- conduct research and scenario analysis to remain informed and understand the latest climate change science
- participate in industry-based forums with local and international peers
- benchmark ourselves against well-respected climate and sustainability indices and surveys.

Progress on our climate change strategy.

Our Climate Action Plan focuses on five key areas where we believe climate change has greatest significance to our customers, business and stakeholders.

1. Providing finance to back climate change solutions

As a financial institution we can help customers develop low carbon solutions, and support investment in infrastructure that improves community resilience.

We have short and medium term targets for lending to climate change solutions.

At 30 September 2019,

\$9.3 billion

committed to climate change solutions, progressing towards our target of

\$10 billion by 2020¹

and on track for

\$25 billion by 2030.



The leading financier to greenfield renewable energy projects in Australia, two years in a row².

Exceeded our **\$3 billion target** to facilitate climate change solutions. Became the first New Zealand bank to raise funding through the issuance of a green bond with a €500 million deal.

Renewables now represent **over 75%** of our lending to the electricity generation sector, **up from 59%** three years ago.

Launched the world's first Green Tailored Deposit to be certified by internationally recognised Climate Bonds Initiative (CBI).

2. Supporting businesses that manage their climate-related risks

We believe that as a financial institution the most constructive role we can play is to work with customers to achieve a net zero emissions economy.



Support for customers' transition strategies through innovative products such as **sustainability-linked loans**, including for Queensland Airports Limited (QAL) – see page 41 for further details.

Reduced the emissions intensity of our lending to the electricity generation sector over the last three years, from **0.38 tCO₂e/MWh in 2016** to

0.26 tCO₂e/MWh in 2019,

ahead of our **2020 target of 0.30 tCO₂e/MWh, and well below the National Electricity Market average of 0.75 tCO₂e/MWh.**

Maintained our **commitment to stringent lending standards in the thermal coal sector** – any lending to new thermal coal mines or projects must be in existing basins and where coal quality ranks in the top 15% globally. **Our overall exposure to the mining sector remains around 1% of total lending.**

Reviewed our **Financing Agribusiness Position Statement** to update our commitments, particularly with regards to soft commodities such as soy, palm oil and timber.

1. Progress and targets for lending to climate solutions are reported on an as 'as-at', non-cumulative basis.
2. IJGlobal, September 2019.

3. Help individual customers respond to climate change

Climate change can affect our customers, their homes and investments. Investment in resilience measures greatly reduces the cost of natural disasters. By working with a range of stakeholders we can help customers and communities respond to climate change and natural disasters.

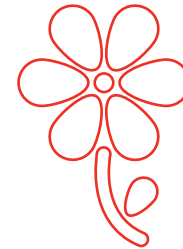


Continued our work with the Australian Business Roundtable for Disaster Resilience and Safer Communities

to define approaches to assist government, business and communities mitigate and respond to natural disasters.

Provided 500+ disaster relief packages

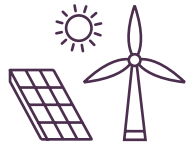
issued to assist customers affected by floods, bushfires and other disasters – see page 14 for further details.



Through our BT products we continued to provide customers the information they need to understand how they can make climate change conscious investments – for further information visit the [BT website](#).

4. Improve and disclose our climate change performance

We are committed to transparency on how we measure and manage climate-related risks and opportunities across our business. This includes using a science-based approach to reduce emissions from our own operations.



Committed to sourcing the equivalent of 100% of our global electricity consumption from renewable sources by 2025 and joined RE100.

This commitment will play a key part in enabling us to meet our current target to reduce scope 1 & 2 emissions by **34% by 2030.**

We maintained reporting in line with the TCFD and support industry-based efforts to establish clear, comparable and consistent climate disclosures.

Engaged institutional investors to understand their evolving information requirements and **expanded the scope of climate change information across our reporting suite.**



Participate

in the Australian Banking Association's Corporate Sustainability Working Group, Investor Group on Climate Change (IGCC) and Expert Advisory Group for the development of Science Based Targets for Financial Institutions, to contribute to the ongoing dialogue around climate change disclosures in the finance sector.

5. Advocate for policies that stimulate investment in climate change solutions

We have been an active participant in the development of an appropriate policy response to climate change for Australia and New Zealand. Our preferred policy position is underpinned by a view that a broad market-based price on carbon is the most effective, affordable, flexible and equitable means of achieving emissions reductions at least cost to the economy.

Actively engaged in the Australian Sustainable Finance Initiative and Australian Business Roundtable for Disaster Resilience & Safer Communities

and deepened our engagement in New Zealand in the Climate Leaders Coalition and the New Zealand Sustainable Finance Forum.



Undertook a **review of our membership of industry associations**, in line with our Industry Association Principles, with a focus on climate change and energy policy, lobbying and advocacy. The review focused on:

- identifying both alignment and differences between the position Westpac holds on climate and energy policy (as set out in our Climate Action Plan) and the advocacy positions on climate and energy policy taken by key industry associations to which we belong
- assessing the principles by which Westpac engages with industry associations.

The review affirmed Westpac's principles for engagement with industry associations and identified areas of both alignment and variance between Westpac's Climate Action Plan and Associations of which we are a member.



[Westpac Industry Associations](#) for further information.



SPOTLIGHT

Generating electricity and impact.

Westpac has committed to source 100% of its global electricity consumption from renewable sources by 2025.

The first phase of Westpac's transition to 100% renewable electricity by 2025 will be achieved through a power purchase agreement (PPA) with Bomen Solar Farm, to be constructed in Wagga Wagga, New South Wales. Bomen Solar Farm is expected to be operational by mid-2020 and will deliver a 45 per cent transition to renewables for Westpac by 2021, as well as providing greater cost certainty for the group in relation to electricity spend.

"We chose the Bomen Solar Farm project and partnership with the owners, Spark Infrastructure, as they were able to meet our requirements not only in regards to electricity supply, but also social outcomes for the local Wagga Wagga community," said Ceri Binding, Head of Energy and Utilities at Westpac Group.

"The site construction and ongoing management will provide local employment and supplier opportunities," said Ceri. "We also look forward to further supporting the Wagga Wagga community over the next ten years through the associated one million dollar community fund, committed in partnership with Spark Infrastructure, to develop STEM scholarships, youth programs and support biodiversity programs in the local area."

Westpac has committed to purchase just over a quarter of the solar farm's output under a 10-year agreement developed in partnership with Spark Infrastructure.



Ceri Binding proudly shows her son around Bomen Solar Farm.

Our approach to climate risk management.

Our Board-approved Sustainability Risk Management Framework is supported by a suite of key policies and position statements. These include Our Principles for Doing Business; Responsible Investment Position Statement; Environmental, Social and Governance (ESG) Credit Risk Policy; Climate Change Position Statement and 2020 Action Plan; Human Rights Position Statement and 2020 Action Plan; sensitive sector position statements; and Responsible Sourcing Code of Conduct, many of which are publicly available. The Framework was reviewed and updated in 2019.

We are also a signatory to several voluntary principles-based frameworks that guide the integration of ESG-related issues to banking, lending and investment analysis. These include the Equator Principles, the Principles for Responsible Banking, the Principles for Responsible Investment, and the TCFD.

Our Climate Action Plan forms part of our wider Sustainability Risk Management Framework. Within this Framework climate change-related risks are managed in the same way as other transformational issues facing the economy.

We look at the policy, regulatory, technology and market changes related to climate change ('transition risks'), and the impacts of changes in climate patterns and extreme weather events ('physical risks'). We work to understand the potential for these changes to impact our business - for example through changes to the financial performance of our customers or impacts on our reputation.

We use scenario analysis to inform our assessment of these risks over short, medium and long-term horizons. Findings from our scenario analysis in 2016 were reflected in our current Climate Action Plan, which outlines our approach to lending to emissions-intensive sectors.

The Climate Action Plan sets out principles, clear benchmarks and underwriting standards. This includes supporting customers who demonstrate a rigorous approach to climate change governance, strategy setting, risk management and reporting. Our enhanced lending standards for the thermal coal mining and energy sectors as set out in the Climate Action Plan are integrated in our risk management frameworks and, where appropriate, applied at the portfolio, customer and transaction level.

Climate change scenario analysis.

This year, we completed scenario analysis to further understand transition risks in the Australian economy under 2-degree and 1.5-degree scenarios.

We also took a closer look at the Australian electricity market to understand how this critical sector performs under these scenarios. The work built on analysis undertaken in 2016 and 2018.

Scenario analysis is one of several inputs that guide our approach to climate change. It will also inform updates to our Climate Action Plan scheduled for release in 2020.

Our approach to assessing transition risks from climate change¹.

- we partnered with Deloitte to study how the Australian economy, major industry sectors and electricity market might perform when carbon emissions are constrained in line with 2-degree and 1.5-degree transition pathways
- the emission constraints used in the models² were informed by the International Energy Agency's Sustainable Development Scenario, International Renewable Energy Agency's Renewable Energy Roadmap and the IPCC's Special Report on Global Warming of 1.5 Degrees
- we analysed each sector's performance under both scenarios and categorised them according to risk profile
- sectors whose medium (2030) and long-term (2050) performance under a scenario deviated significantly³ from average GDP growth, were classified as 'higher risk'
- we applied these results to our Australian Business and Institutional lending portfolio to assess the extent of our current exposure to these higher risk sectors (see next page).

Lending to higher risk sectors may be subject to enhanced due diligence or restrictions as set out in our Climate Action Plan.

What we found.

Overall, the results reflected similar findings from our earlier scenario analysis:

- the Australian economy continues to grow regardless of the scenario selected
- the availability and viability of clean technologies are critical to achieving decarbonisation
- sectors with limited opportunities to decarbonise show poorer growth prospects.

The pathway to 1.5-degrees...

required **quicker and deeper cuts in emissions**, more **rapid deployment of renewables** and was **relatively more disruptive to sector performance** and economic growth, particularly over the short and medium term, when compared to the 2-degree scenarios.

Employment growth was not as heavily impacted because Australian jobs are concentrated in relatively few industries that are generally not emissions intensive, including the services industry.

Decarbonisation of the Australian electricity market played a critical role in achieving the transition to a lower carbon economy under the modelling. The modelling results showed:

- thermal coal demand for electricity generation declining under both scenarios
- gas playing a transition role over the short and medium term under both scenarios before a trend to lower-cost renewables by 2050. This transition was faster under the 1.5-degree scenario
- new investment in solar and wind, supported by grid-scale batteries bringing the renewable energy mix to 85% and 95% by 2050, for 2-degree and 1.5-degree scenarios, respectively
- demand for electricity continuing to rise as other sectors decarbonise through the electrification of fuel; offsetting improvements in efficiency, demand management and rooftop solar.

1. Updated transition risk methodology applied from 1H19.

2. Deloitte Access Economics Regional General Equilibrium Model (DAE-RGEM) and Deloitte Electricity Market Model (DEMM).

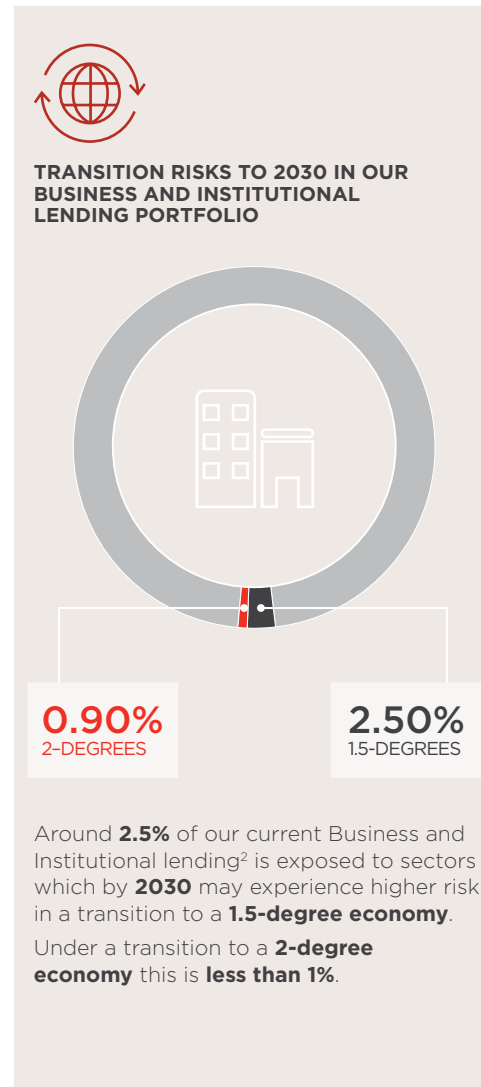
3. Greater than 1 standard deviation.

Along with our work to understand the transition to a low carbon economy, we continued to assess the possible implications of physical risks to our Australian mortgage portfolio¹.

Our approach to assessing physical risks from climate change.

We studied the potential impact of natural perils on our Australian mortgage portfolio under a 4-degree scenario:

- the selected perils were inundation, soil contraction, floods, wind and cyclones, and bushfires
- our core scenario is based on the IPCC's RCP8.5 scenario and a series of conservative assumptions about the vulnerability of Australian homes to natural perils
- changes under the scenario in average annual costs as a result of climate change were estimated to 2050
- a set of 'higher risk' postcodes were defined where the net present value of changes in these costs was greater than an interest rate increase above a defined threshold - consistent with our typical stress testing parameters
- we applied these results to the Australian mortgage portfolio to assess the extent of the Group's current exposure to these postcodes (right).



Our work underlines the importance of both climate mitigation and adaptation efforts, including government planning measures, and the benefits of climate-resilient building characteristics to reduce property damage and impacts on customers and communities.

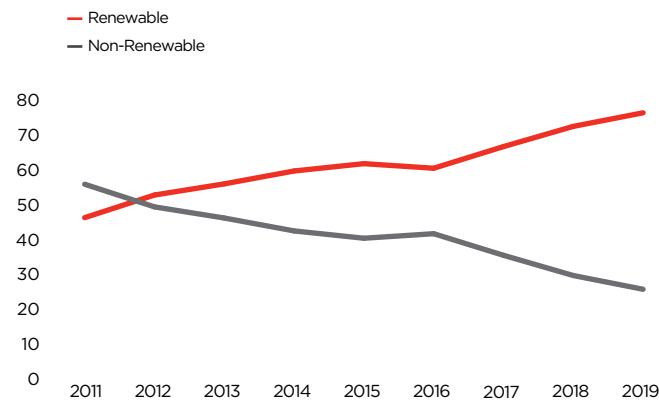
Along with our broader commitment to the Paris Agreement, we continue to help individual customers respond to climate change, and advocate for more research and investment into helping communities adapt and become resilient to climate-related impacts.

1. Reference scenarios: IPCC 1.5-degrees/IRENA REmap, IEA SDS (2-degrees)/IPCC RCP 8.5 (4-degrees).
2. Excludes retail, sovereign and bank exposures.
3. Excludes RAMS.

Climate metrics.

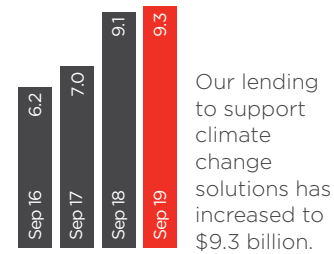
A number of key metrics demonstrate our progress, and commitment to support the transition to a low carbon economy.

OUR LENDING TO ELECTRICITY GENERATION AUSTRALIA AND NEW ZEALAND (%)



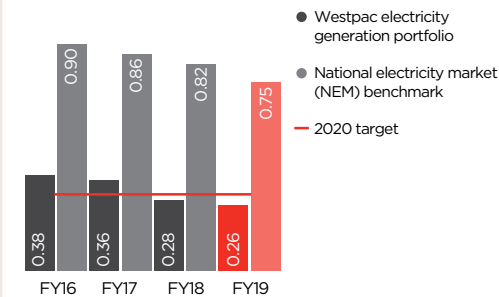
The share of renewables in our lending to the electricity sector has risen to 75%.

CLIMATE CHANGE SOLUTIONS (\$BN)



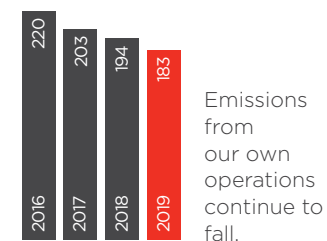
Our lending to support climate change solutions has increased to \$9.3 billion.

EMISSIONS INTENSITY (TCO₂e/MWH)²



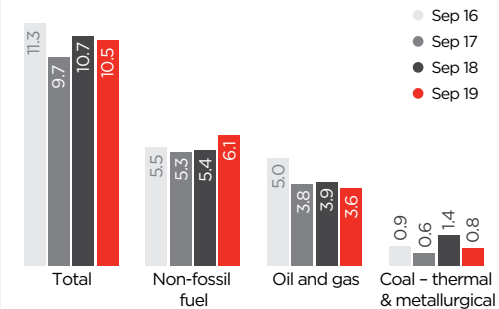
The emissions intensity of our lending to the electricity sector in Australia remains well below the national benchmark and currently ahead of our 2020 target.

OPERATIONAL EMISSIONS (SCOPE 1, 2 & 3) (TCO₂e, 000s)¹



Emissions from our own operations continue to fall.

MINING EXPOSURE (\$BN)



Our exposure to the mining sector remains low at 1% of total lending.

1. Data for the year ended 30 June.
2. Australia only. NEM benchmark is sourced from Australian Energy Market Operator.



For more detail on our climate risk disclosures refer to the 2019 Annual Report.



Human rights.

We believe that respecting and advancing human rights helps us to achieve our vision to help our customers, communities and people to prosper and grow.

Our approach to human rights is guided by the UN Guiding Principles on Business and Human Rights and has been described in our [Human Rights Position Statement and 2020 Action Plan](#) (Human Rights Action Plan). As a bank, we have an impact at different levels and through our various roles: as an employer, financial services provider, purchaser of goods and services, supporter of our communities and a responsible business.

We may identify a potential human rights risk through our own analysis or if raised by stakeholders. When assessing a project or prospective customer, our deal teams and sustainability specialists conduct an assessment against our Human Rights Action Plan. If we identify an issue, we seek to find a resolution. In the case we are unable to reach a resolution, we may exit that relationship. Similarly, we assess our supplier relationships in accordance with our Responsible Sourcing Code of Conduct and engage directly with the relevant supplier where higher risks are identified.

Enabling remedy.

Effective engagement with stakeholders involves having processes in place for our stakeholders to express concerns and seek remedy if appropriate. At Westpac, we provide a number of channels for our stakeholders to engage with us. For example, a dedicated 1800 Priority Assist telephone line to provide additional support for customers in vulnerable circumstances, and an appeals mechanism for our customers through the Office of the Customer Advocate. Concerns can also be raised anonymously by our people, secondees, contractors, suppliers and consultants in line with our [Speaking Up Policy](#).

1. Refer to our 2018 Sustainability Performance Report for more information on how we determined our salient issues.

Salient human rights.

We prioritise those issues with the biggest adverse impact on people – our salient human rights issues¹.

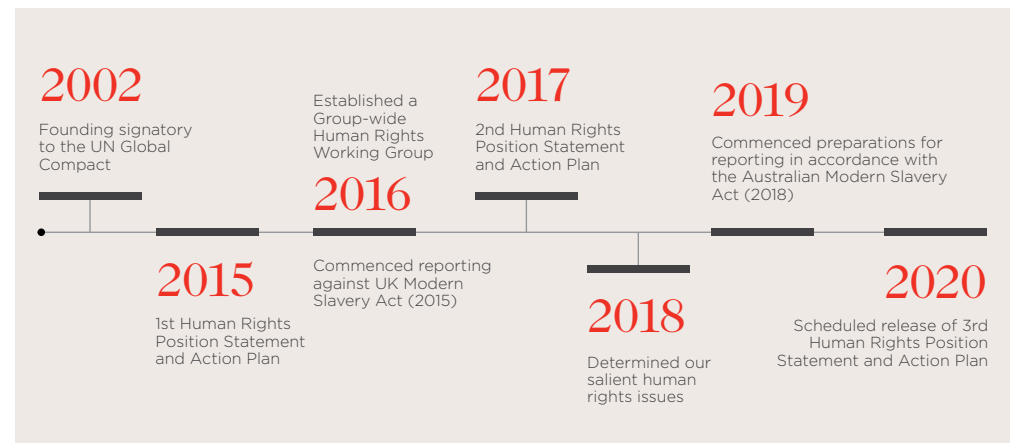
Managing and protecting the privacy rights of individuals by complying with applicable privacy laws and using or disclosing information in ways that individuals would reasonably expect. See *Treating data with care*.

Customer vulnerability where personal or financial circumstances make an individual more susceptible to disadvantage. See *Supporting those in need of extra care*.

Exclusion and discrimination in employment affecting an individual's full participation in employment. See *Providing gender transition support*.

Unfair wages and working conditions for workers in our value chain impacting prosperity, security and standards of living. See *Preparing to report in line with the MSA 2018*.

Taking action on human rights.



Managing human rights risks in practice.



Paying a living wage.

In New Zealand, Westpac New Zealand Limited became the first bank to be accredited as a Living Wage¹ employer, voluntarily adopting the Living Wage. Cleaners, security guards and other workers employed through our contractors and suppliers on a regular and ongoing basis may not earn as much as our own employees. Working with our business partners on paying a Living Wage is one way we can help to raise living standards, improve financial wellbeing and address poverty.

With guidance from Living Wage Aotearoa, we reviewed more than 3,000 suppliers, and engaged with a small number of those we found were not already paying their staff a Living Wage.

Westpac New Zealand will work closely with these contractors and suppliers to introduce a Living Wage between 2019-2021 as their contracts are renewed. These changes will positively affect about 480 workers in occupations such as cleaning, catering, security, trades and call centres. Further detail is available on our website.



Providing gender transition support.

Transgender and gender diverse people may face significant obstacles when it comes to feeling supported about their identity at work.

Undergoing a gender transition can be a sensitive time for an individual and we know people may avoid transitioning at work for fear of judgement and discrimination, and instead choose to change employers during this time.

Recognising there was more we could do to support our employees, in 2019 we formally introduced a new Gender Transition leave policy within our new enterprise agreement, offering up to four weeks paid, and 12 months unpaid leave in addition to existing personal and other leave entitlements.

Through our partnerships with organisations such as Pride in Diversity, we also offer support such as one-on-one discussions with transitioning employees to create a transition communications plan, advice for their team leaders on supporting their employee, as well as facilitated training sessions with direct and indirect teams covering a broad range of topics on gender and sexuality.

Work is just a small aspect when it comes to making a gender transition. We want to play our part in providing a supportive experience for our employees and those around them.



Working with suppliers to influence outcomes.

We have successfully been working with a supplier over the duration of our contract where we identified a potential area of concern that was outside our risk appetite and our commitment to human rights as outlined in our Human Rights Action Plan.

Through extensive consultation with the supplier, we identified several areas of improvements such as:

- developing their own policy on human rights
- benchmarking their human rights performance against their industry peers in Australia and internationally
- setting internal expectations through regular training and communication
- integrating human rights controls into their internal systems.

We used these improvements as focus points during our regular supplier engagement discussions and identified specific time-bound actions, which we have tracked over the term of the contract. Ongoing monitoring of the supplier's progress against actions is also undertaken.

Our experience with this supplier has enabled us to develop an approach to managing human rights risks of this nature in our supply chain for the future. This also demonstrated to us that suppliers are willing to uplift their own approaches with the right guidance and support, which enables broader positive change.

STAKEHOLDERS WHO MAY HAVE BEEN AT RISK	Contractors and workers hired by our suppliers	Employees	Contractors and workers hired by our suppliers
POLICIES APPLIED	Sustainability Risk Management Framework Sustainable Supplier Code	Sustainability Risk Management Framework 2019 Enterprise Agreement Inclusion and Diversity Strategy Wellbeing Policy	Sustainability Risk Management Framework Responsible Sourcing Code of Conduct Principles for Doing Business

1. The Living Wage is the hourly rate a worker and his or her family is deemed to need to pay for the necessities of life and actively participate in the community. It is set independently by the New Zealand Family Care Social Policy Unit. At the time of Westpac's accreditation (December 2018) the rate was NZD20.55 per hour and the minimum wage set by the New Zealand Government was NZD16.50 per hour. See www.livingwage.org.nz for more information about the Living Wage.



Progressing Reconciliation.

Our response to the Uluru Statement.

We thank the Aboriginal and Torres Strait Islander peoples of Australia, Australia's First Peoples, for the Uluru Statement from the Heart, and the invitation to walk with them.

As Australia's oldest company we recognise the Uluru Statement from the Heart as a call for all Australians to work in partnership with First Nations peoples "to create a fuller expression of Australia's nationhood".

We support the call for "the establishment of a First Nations Voice enshrined in the Australian Constitution".

We recognise the call for "a process of agreement-making between governments and First Nations and truth-telling about our history".

We believe that we have an important role to play in supporting Reconciliation by addressing inequality and building respect between Indigenous and non-Indigenous Australians.

We look forward to working in partnership with Australia's First Peoples, governments and all Australia to create a better future, together.

The Uluru Statement from the Heart, shared at the 2017 First Nations National Constitutional Convention held at the base of Uluru, is an Indigenous-led roadmap on how Australia can achieve constitutional recognition of Indigenous peoples and advance Reconciliation. It invites all Australians to walk together with Aboriginal and Torres Strait Islander peoples in a movement for a better future.

As Australia's oldest company and first bank we are committed to supporting Australia's First Peoples. Over the past two years we have discussed the Uluru Statement with Westpac's Indigenous Advisory Committee, our Stakeholder Advisory Council, our Brothers and Sisters Employee Action Group and Indigenous leaders - informing our response.

We know that the Uluru Statement and its reforms are important to many Indigenous and non-Indigenous Australians, including our employees and customers, and presents a path to Reconciliation.

Sustainable finance.

During the year, we maintained our position as Australia's largest financier to greenfield renewable energy projects.

Our lending to climate change solutions reached \$9.3 billion, progressing towards our target of \$10 billion by 2020. We also continued to facilitate, issue and invest in climate bonds and other green debt instruments contributing \$3.6 billion, exceeding our facilitation target of \$3 billion by 2020.

Now, more than 75% of our lending to the electricity generation sector is to renewable energy.

Innovation in sustainable finance saw the emergence of new structures such as green tailored deposits and sustainability-linked loans.

Sustainability-linked loans.

This year, we delivered a number of sustainability-linked loans designed to incentivise and reward the borrower for meeting pre-determined sustainability targets. These include:

- \$100 million to Queensland Airports Limited (QAL) for the redevelopment of Gold Coast Airport, based on carbon accreditation through the Airports Council International program and a reduction in carbon emissions, the first of its kind for an Australian airport
- US\$2.1 billion to COFCO International to be provided in collaboration with 20 other banks, the largest for a commodity trader; metrics include year-on-year improvement in environmental, social and corporate performance, and an increase in the traceability of agri-commodities
- \$60 million to AGL as part of a broader syndicated deal, making AGL the first energy company to issue a sustainability-linked loan in the Asia Pacific region, and only the fourth company in Australia to do so. This highlights our continued support for delivering innovative energy solutions for a client that has banked with us for over 170 years. Targets relate to emissions intensity and renewable energy and storage capacity.

Gaining scale in green bonds.

In New Zealand, we became the first New Zealand bank to raise funding through the issuance of a green bond with a €500 million deal, contributing to our target to facilitate NZ\$2 billion of climate change solutions lending by 2020.

Westpac and the world's first certified Green Tailored Deposit.

We launched the world's first Green Tailored Deposit to be certified by the internationally recognised Climate Bonds Initiative. This product links deposits to renewable energy, low-carbon transport and low-carbon building projects and offers an innovative solution for customers seeking an independently certified green investment product. The City of Sydney Council and the Central Coast Council (NSW) were named as the first investors in the deposit.



Continued support for social and affordable housing.

- supporting housing affordability initiatives such as Head Start Homes and Homes for Homes
- understanding home ownership opportunities for Indigenous Australians
- advocating for tax reform to support housing affordability

Affordable housing.

The social and affordable housing landscape continues to evolve, in particular with the National Housing Finance and Investment Corporation providing lower cost, longer-term secured loan funding for community housing.

This prompted us to reassess the role we can play across issues such as homelessness, social and affordable housing, and new models incorporating shared equity and long-term rental arrangements. By undertaking research with Indigenous consultancy firm Origin Communications, we are considering how we can support more Indigenous Australians to own their own home, with insights informing further exploration in areas including inter-generational home ownership.

During the year we extended our backing for Head Start Homes (HSH) – a not-for-profit established by Westpac employee, Stephen Woodlands, to help people move out of social housing into their own homes. With our support, Stephen is now working on secondment for HSH until July 2020. HSH was also awarded a Westpac Foundation Community Grant in 2019 to support its pilot program.

We have also continued our support in processing donations for our customers participating in The Big Issue's *Homes for Homes* initiative. Through the program, customers who register with *Homes for Homes* promise to donate 0.1% of their property's sale price to help build homes for those in need.

To address long-term affordability, Westpac has advocated for replacing stamp duty on purchases with a broad-based land tax, removing a barrier for first homeowners and incentivising those looking to move homes, especially when downsizing later in life. We have also suggested working on ways to expand the stock of available housing by opening up new land.

Our lending to the social and affordable housing sector increased to \$1.6 billion¹, from \$1.36 billion in 2018, and we will continue to refine our strategy in this area.

Westpac New Zealand launches dedicated home loan solution.

In March, Westpac New Zealand became the first bank in New Zealand to launch a dedicated home loan solution, **Westpac Prebuilt**, offering a simple and streamlined process to help customers into prefabricated homes. Prefabs can be quicker and more efficient to build, addressing issues of affordability and supply, and come in an ever-growing range of attractive and energy-efficient designs. Westpac New Zealand's first **Prebuilt** customers moved into their new home near Invercargill in June, while a number of others have been pre-approved for their loans.

1. Refers to the cumulative Total Approved Exposure to customers in the Social and Affordable Housing sector since 2013. For full definition please refer to Glossary and definitions.

Sustainable lending.

During the year, we undertook an extensive review of our ESG risk management framework, focusing on improvements to risk identification, governance and reporting. We updated our position statement on Financing Agribusiness and continued our work to embed the management of key climate change and human rights-related risks across our business.

Notable during the period was the emergence of further commentary on climate change risk and disclosure from regulators, including APRA and ASIC, and the passing of Australian federal legislation to address modern slavery. These were also key areas of interest for investors.

Further information on ESG Risk Management can be found in [Our approach](#).

Sustainable investment.

As an institutional investor, we have continued to develop and expand our approach to sustainable investment – helping our customers understand how and why we apply sustainability principles in the investment process and how they can access sustainable investments across our range of products, no matter how simple or complex the customer’s needs. For example, BT Panorama customers can view the sustainability risk scorings for funds on our platforms to help them make more informed decisions.

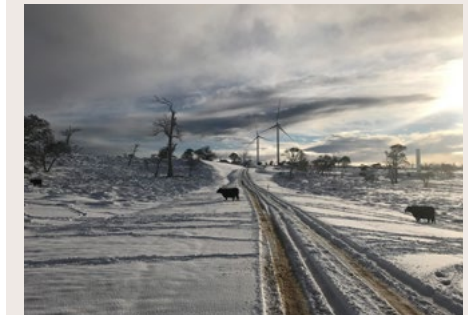
When we’re investing on behalf of our customers, we apply our leading approach to sustainable investment, including in our default BT MySuper Lifestage funds available to members of our corporate and retail superannuation funds. We also offer specialist sustainable investment options on our BT Super menus and a number of sustainability themed investment options across our super and investment platforms.

In December 2018, we updated our BT climate-related financial disclosures, integrating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), making BT one of the first investors (asset owners) in Australia and globally to report publicly against the TCFD framework.



SPOTLIGHT

Applying the Equator Principles in lending.



Westpac is one of the financiers to Cattle Hill Wind Farm, located on the eastern shore of Lake Echo in central Tasmania. The wind farm is owned and being built by PowerChina Resources and Goldwind.

Construction of the project is under way and when operational in late 2019 will consist of 48 turbines capable of producing up to 150 megawatts of renewable electricity.

In line with our approach to [ESG risk management in lending](#), the financing of this project involved the application of the Equator Principles requirements, direct engagement with project sponsors regarding ESG risks and discussions with internal risk management committees.

Responsible sourcing.


We work with over 30,000 supplier partners and during the year procured goods and services worth \$6.5 billion across Australia and New Zealand. Our Responsible Sourcing Code of Conduct (RSCoC) guides our approach to managing and minimising ESG risks, including modern slavery risks within our supply chain.

This year, 98% of our top 100 suppliers by spend in Australia have been assessed in accordance with our RSCoC to identify inherent environmental, social and governance risks. This included new suppliers in Australia as well as those whose assessments may have expired or required review due to changes in the products or services provided.

Our supplier inclusion and diversity program has continued to grow with \$18.6 million spent with diverse suppliers during the year.

100% renewable electricity by 2025.

A highlight during the year was committing to source 100% of our global electricity consumption from renewable sources by 2025. As one of the first Australian companies to make this commitment, we became a member of RE100, a global leadership initiative led by The Climate Group in partnership with CDP¹, bringing together the world's most influential businesses who have committed to go 100% renewable. The first phase of our transition will be achieved through a power purchase agreement with Bomen Solar Farm, under construction in Wagga Wagga, New South Wales, and expected to be operational by mid-2020.

 Read more on [Generating electricity and impact](#).

Raising the bar for Indigenous businesses.

Westpac is one of 16 inaugural members of the *Raising the Bar* initiative – a joint initiative of the Business Council of Australia and certified Indigenous business advocate Supply Nation.

As part of membership, signatories have committed to collectively spend more than \$3 billion with Indigenous suppliers over the next five years.

For Westpac, our target is to spend **\$21 million with Indigenous businesses by 2024**.

In addition to spend, we are collaborating with our Indigenous suppliers to design a program that will create employment and education opportunities for Indigenous Australians in their businesses.



Preparing for reporting in line with the Australian Modern Slavery Act.

Modern slavery covers a range of exploitative practices including human trafficking, slavery, forced labour, child labour and other slavery-like practices. As a participant in the Global Compact Network Australia Modern Slavery Community of Practice and member of the Department of Home Affairs Expert Advisory Committee, we have provided industry insight on the implementation of the Australian Modern Slavery Act.

Earlier this year, we were the only Australian bank to contribute to the Liechtenstein Initiative for a Financial Sector Commission on Modern Slavery and Human Trafficking – a public-private partnership that aims to put the financial sector at the heart of global efforts to end modern slavery and human trafficking.

With the introduction of the Modern Slavery Act in Australia, we have begun work to embed its requirements into our procurement practices. We have also been sharing insights with our customers, suppliers, investors and other community stakeholders through several interactive forums held during the year. We will be publishing our first Australian Slavery and Human Trafficking Statement in 2021; reporting on our activities for the FY20 period.

Due to our operations in the UK, we have been reporting in accordance with the UK Modern Slavery Act since 2015 and will soon release our third statement for FY19.

OUR SPEND WITH DIVERSE SUPPLIERS

\$3.6m

spent with **Indigenous owned businesses** against an annual target of \$3.3 million

\$15m

spent with other **diverse suppliers**

1. A not-for-profit that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts, formerly known as the Carbon Disclosure Project.

Partnering to promote impact.

This year, we joined other Australian banks, insurers, super funds, investors and industry groups to form the Australian Sustainable Finance Initiative.

By 2020, the members of this private sector initiative, which also has observers from APRA and the UN Environment Programme Finance Initiative (UNEP FI), will publish a roadmap for the Australian financial sector to systematically make the transition to a more sustainable economy.

We are also proud to be a founding bank in the development of the Principles for Responsible Banking, an initiative of UNEP FI, and last year became the first bank to publicly report on the draft principles. After participating in an extensive consultation process of more than 500 stakeholders with over 250 banks, we joined other signatories to officially launch the Principles on 22 September 2019.

During the year, we continued our work with the Australian Business Roundtable for Disaster Resilience and Safer Communities to define approaches to assist government, business and communities mitigate and respond to natural disasters.

As a founding member of the Climate Leaders Coalition, Westpac New Zealand is one of 114 New Zealand companies committed to measuring and reporting its greenhouse gas emissions and working with suppliers to reduce emissions.

In late 2018, we supported the launch of the Aotearoa Circle, a public-private initiative to halt and reverse the decline of New Zealand's natural capital. Within that initiative, we co-chair the Sustainable Finance Forum tasked with designing a roadmap to help the country shift to a financial system that supports positive economic, social and environmental outcomes.

1991

Westpac was a founding member of **United Nations Environment Programme Finance Initiative**

2002

founding signatory of the **UN Global Compact**

2003

founding signatory of the **Equator Principles**

2019

founding bank and signatory of the **Principles for Responsible Banking**

“This is the first time a whole of finance sector approach in Australia has been taken to lay out a path to collectively mobilise capital, enhance the stability of the financial system and make better financial decisions. In the next 12–18 months we will be able to outline some recommendations that can not only have a positive impact on the debate in Australia but also drive policy, legislation and regulation.”

Didier Van Not, General Manager, Corporate and Institutional Bank for Westpac Institutional Bank and member of ASFI's steering committee

Building stronger communities.

“The ripple effect of a job is powerful. When people work, we leverage all of the talent available to our country. The individual has a sense of belonging and purpose, families and communities are stronger, and so is society.”

Susan Bannigan, Westpac Foundation CEO

Helping to create jobs.

Currently there are close to two million Australians wanting more work opportunities¹, with under-employment rates considerably higher among women and younger workers than the general population. People with disabilities, Aboriginal and Torres Strait Islander Australians, refugees and people on humanitarian visas are also less likely to be employed than the wider population.

These are the individuals at the heart of Westpac Foundation's 2030 strategy. For over a decade, the Foundation has been working with social enterprises to help them

scale and create more jobs and training opportunities for people facing barriers to mainstream employment.

Earlier this year, Westpac Foundation commissioned the Centre for Social Impact Swinburne (CSI Swinburne) to undertake research to better understand the social impact of employment-focused social enterprises.

The evidence-based report, [Social Enterprise: A people-centred approach to employment services](#), looks at how and why social enterprise is proving more effective than mainstream employment solutions in delivering greater employment outcomes for people with complex needs.

Based on the findings, the Foundation has evolved its grant-making strategy to build long-term, collaborative funding partnerships focused on scaling viable social enterprises with proven models for creating jobs for vulnerable Australians.

In September 2019, the Foundation, in partnership with ten organisations, announced the first five employment-focused social enterprises to benefit from its evolved collaborative funding model. The enterprises will collectively receive \$2.31 million in funding to help scale their businesses to create over 860 new jobs and 1,307 employment pathways for vulnerable Australians over the next two years.



DID YOU KNOW?

Westpac Foundation's goal is to help create 10,000 jobs and help change 100,000 lives for the better in Australia by 2030.



Transforming lives and the environment through smart business.

Green Collect is a waste collection social enterprise based in Melbourne that finds solutions for hard to recycle items while providing jobs for people who face barriers to mainstream employment.

Westpac Foundation has supported Green Collect for the past seven years with funding and pro bono support. In 2019, Westpac Group's procurement team worked with the Group's property team to engage Green Collect as a supplier to remove and re-purpose waste from branch refurbishments in Victoria.

Through the procurement opportunity, Green Collect has so far removed over 1,000 office items and surplus furniture, resulting in 99.5% of these items being diverted from landfill. The work to collect and process these items generated 615 hours of employment for people previously excluded from work due to barriers such as English language skills, homelessness and mental health challenges.



Watch this [Westpac Wire](#) video on Green Collect.

1. Source: Australian Bureau of Statistics (2018).

Shaping a better tomorrow.

Five years since its inception, Westpac Scholars Trust continues to invest in the next generation of Australians to challenge, explore and set new benchmarks in innovation, research and social change.

The scholarships are centred around three focus areas at the heart of Australia's future growth and prosperity:




DID YOU KNOW?

Since 2014, Westpac Scholars Trust has awarded *416 scholarships* valued at \$20.2 million in partnership with 22 universities across Australia.

100

SCHOLARSHIPS A YEAR.
FOREVER.

 [Learn more about Westpac Scholars.](#)

Technology and Innovation.

Digitisation is changing almost every element of everyday life. Westpac Scholars Trust is investing in Australians with the ideas and drive to keep us at the forefront of this revolution.

Lucinda Hartley is the co-founder and chief innovation officer of Neighbourlytics, a social data analytics platform for neighbourhoods that harnesses real-time digital data to help property developers and governments make evidence-based decisions that maximise the impact of their projects and measure wellbeing. Lucinda was awarded a Westpac Social Change Fellowship in 2018.



Australia-Asia ties.

Australia is uniquely positioned to share in the rapid rise of Asia, with our deep cultural, political and economic relationships.

Westpac Scholars Trust wants to strengthen these bonds by investing in Australians who are experts and innovators in this field.

Amy King is a leading researcher at The Australian National University and an expert in China's economic and foreign policies. As part of her Westpac Research Fellowship, she is investigating China's role in shaping the international economic order.



Positive social change.

To help create a better future for all Australians, Westpac Scholars Trust is backing individuals taking a fresh approach to addressing complex social issues, such as disability, homelessness and mental health.

Mat Bowtell, founder of the charity, Free 3D Hands, designs and makes 3D printed hands and other assistive devices and gives them away for free. The spirit of his generosity extends far beyond recipients of the devices he makes. All of his designs are available online for free, with his Kinetic Finger design now downloaded more than 4,000 times. Mat was awarded a Westpac Social Change Fellowship in 2018.



Skilled volunteering, capacity building and employee giving.



SPOTLIGHT

APY Lands' 'beating heart'.



The APY Art Centre Collective (APYACC) is a group of 11 Indigenous owned and governed enterprises based in a remote community on the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, 1,500 kilometres from Adelaide and 900 kilometres from Alice Springs.

In the last two years, Westpac Foundation has supported APYACC with social enterprise grants valued at \$70,000, with a further \$50,000 committed in 2020 to strengthen their financial and governance foundations and create employment opportunities for local Indigenous artists. They were also matched with a Westpac business mentor, Terry Vandyke.

"Terry has been relentless in his commitment to supporting APYACC. He has provided so much support with such genuine enthusiasm across so many business areas that have been critical for our growth. His passion and will to want us to succeed has been inspiring and great for our team morale," says Skye O'Meara, General Manager, APYACC.

Since receiving the grants, APYACC has increased its revenue in 2019 by 80% and created 47 new jobs and 282 training and work experience opportunities for artists and art centre workers across the APY Lands.

Through a range of community programs and partnerships, we aim to help build the capacity of local community organisations and enterprises creating positive social and economic outcomes.

The Board Observership Program, a partnership between Westpac Foundation and law firm MinterEllison, assisted 20 social enterprises and community organisations this year. This followed a successful pilot in 2017. The Program offers senior professionals from Westpac and MinterEllison the opportunity to combine governance training with observing board meetings of social enterprises and community organisations over a 12-month period. To date, 80% of observers have been invited to join the Boards as directors following the initial period. The observers bring a new perspective and skillset to the boards and also help them proactively plan for succession.

In partnership with Many Rivers Microfinance, Westpac has continued to provide microfinance loans to aspiring business owners as a pathway to employment, financial security and personal and family stability. In 2019, 359 businesses were supported with Westpac microfinance loans, of which 115 were Indigenous businesses. As at June 2019, 2,310 individuals were employed by businesses supported by Many Rivers, with 829 identifying as Indigenous.

Over \$4 million was donated to 808 charities by matching employee donations to eligible Australian charities dollar for dollar over the year.

Our Family of Giving provided a further \$9.4 million. Refer to page 87 for more information.



Watch this [Westpac Wire video for a look inside APYACC.](#)

Working with Good2Give, our workplace giving partner, we are undertaking a Giving Circles pilot through which our people can pool their individual donations and decide to which charities and projects the funds will be granted. This will be the first known Giving Circle pilot to be adapted and tested in an Australian workplace.

Our 100+ year partnership with the Salvation Army has continued to grow through our annual support for activities such as the Red Shield Appeal and Christmas Appeal, which we support through branch and banking services, cash handling and employee volunteering. Branch staff across Australia volunteered to open over the Red Shield Appeal weekend to facilitate banking, and our staff in Newington, NSW counted and deposited over \$100,000 in donations.

Over 580 Westpac employees contributed more than 24,000 hours of skilled volunteering support to community partners and social enterprises to build their financial sustainability and social impact.

Small and local charities offer a range of economic and social benefits and play a vital role in their communities. This year, Westpac Foundation awarded Community Grants of \$10,000 to 100 small not-for-profits that are making a difference locally across Australia. Each one is supported by a volunteer Westpac community ambassador who works closely with the organisation, leveraging the skills and networks of Westpac to help them achieve their goals.

Building financial confidence.

During the year, we delivered financial literacy training to over 148,000 people via face-to-face workshops, online webinars and other resources available via Westpac's Davidson Institute website. The Davidson Institute also recently partnered with Fiftysix Creations – a social enterprise focused on youth entrepreneurship as well as a 2017 Westpac Business of Tomorrow winner – to deliver a 'starting a business' lesson to almost 2,000 youth.

In addition, through our support for the Salvation Army, we have continued to support the *You're the Boss* program which helps people experiencing financial challenges to better manage their money and debt. *You're the Boss* delivered 215 financial literacy sessions to over 2,000 participants across metropolitan, regional and remote locations in Australia.

A milestone this year was becoming the first corporate to place its 900th Jawun secondee. The Jawun program places people on 6–12 week secondments to volunteer their skills with Indigenous community organisations to build organisational capacity, while developing their own professional skills and understanding of Indigenous cultures.

Since the successful completion last year of the *Train the Trainer* program, which accredits bankers to deliver financial education to Indigenous community groups, we saw the second intake of trainers go through the program. An additional five bankers were accredited in 2019, bringing the total cohort to 24. Over the year, this group has delivered 38 financial literacy workshops to Indigenous community groups, reaching 590 participants.



SPOTLIGHT

'Life changing.'



Irene Nangala, a Purple House Board Director and patient, with Westpac secondee Mark Scott in Alice Springs


Mark Scott was our 900th Jawun secondee, undertaking a six-week secondment at Purple House, an Alice Springs-based health service that offers renal dialysis to people from remote communities with end-stage kidney failure.

He was also one of the program's first secondees 18 years ago in Far North Queensland's Cape York when Jawun was in its infancy, and in 2007 Mark also took a two-year career break from the bank to act as Jawun's Chief Executive Officer.

Our approach.

Learn more about the position statements, action plans, policies, frameworks and mechanisms that guide our approach to operating sustainably.

Chloe joined the Bomen Solar Farm construction team through its 'Women in Solar' program.

Read the full story in [Creating sustainable value.](#) 

Our approach.

Our approach to sustainability is underpinned by our Principles for Doing Business, our Sustainability Strategy, materiality assessments, and a range of policies and position statements.

The key structures that support this work are summarised below and on the next page.

Three internal governance committees are central to the delivery of our Sustainability Strategy. Each is sponsored by a Group Executive and made up of senior leaders from across the Group. They are:

1. Westpac Group Sustainability Council
2. Westpac Group Inclusion and Diversity Council
3. Westpac New Zealand Sustainability Steering Committee.

A number of committees and working groups report into the Sustainability Council with a focus on environmental management, climate change risk, sustainable finance, human rights, Indigenous affairs, social and affordable housing, and responsible sourcing.

External stakeholder forums play an important role by bringing wider perspectives to inform our approach. They are:

1. Westpac Stakeholder Advisory Council
2. Westpac Indigenous Advisory Committee
3. Vulnerable Customer Council
4. Westpac New Zealand Sustainability Advisory Panel.

The implementation of our strategy is driven by the Group Sustainability team, led by the Group Head of Sustainability, with oversight from the Group Executive, Customer and Corporate Relations. Progress is reviewed and discussed by the Group Executives and Board on a biannual basis.

Matters regarding sustainability-related risks are managed under our Sustainability Risk Management Framework (SRMF) and within the Group's wider risk management framework. The SRMF is reviewed every two years and approved by the Board Risk & Compliance Committee.

→ DEVELOPMENTS IN 2019

We continue to evolve our approach to meet the demands of our stakeholders.

Over the course of the year we made important changes including:

- a review of our Sustainability Risk Management Framework
- enhancements to our materiality process with the adoption of data-driven analytics
- refinements to the oversight function of our Sustainability Council.

Sustainability governance.



Guiding our approach

[Principles for Doing Business](#)
[Stakeholder Engagement Framework](#)
Materiality assessment

POLICIES AND POSITION STATEMENTS

[Climate Change Position Statement](#)
[Human Rights Position Statement](#)
[Responsible Investment Position Statement](#)
[Supplier Inclusion and Diversity Policy](#)
[Wellbeing Policy](#)
Corporate Charitable Donations Policy

Global commitments and partnerships

UN Sustainable Development Goals
UNEP FI Principles for Responsible Banking
UN Global Compact
UN Tobacco-Free Finance Pledge
UN Free and Equal

Interim and annual reporting

Managing risk

Sustainability Risk Management Framework
Risk management framework
[Responsible Sourcing Code of Conduct](#)

SPECIFIC POLICIES AND POSITIONS

[Westpac's Approach to Sustainable Finance](#)
[Financing Agribusiness Position Statement](#)
[Financing the Defence Sector Position Statement](#)
[Financing Tobacco Position Statement](#)
[Payday lending](#)

The Paris Agreement
Taskforce on Climate-related Financial Disclosures
Equator Principles
Principles for Responsible Investment
We Mean Business Coalition

Driving action

[Sustainability Strategy 2018-2020](#)
[Inclusion and Diversity Strategy](#)
Divisional and business unit strategies

ACTION PLANS AND DIVISIONAL STRATEGIES

[Customer Vulnerability 2020 Action Plan](#)
[Climate Change Action Plan](#)
[Reconciliation Action Plan](#)
[Human Rights Action Plan](#)
[Accessibility Action Plan](#)
[Financial Inclusion Action Plan](#)








Global Investor Statement to Government on Climate Change
Climate Action 100+
RE100
'Soft Commodities' Compact

Stakeholder engagement.

Engagement with stakeholders plays a critical part in shaping our approach to sustainability.

Our approach to engaging stakeholders is set out in our [Stakeholder Engagement Framework](#), guided by the AA1000 Stakeholder Engagement Standard (2015). A number of channels provide us the opportunity to assess feedback, understand concerns and respond to stakeholders. The key channels are listed below:

How we engage with stakeholders

 <p>CUSTOMERS Customer advocate Call centres Online Social media Mystery shopping Focus groups Customer councils Branch teams and relationship managers</p>	 <p>EMPLOYEES Monthly employee survey Yammer (internal social media) People leader forums Ongoing team meetings</p>	 <p>INVESTORS Surveys Briefings and meetings Annual General Meeting</p>	 <p>GOVERNMENT AND REGULATORS Policy and trend analysis Industry forums Submissions Reform proposals Meetings</p>	 <p>SUPPLIERS Supplier forums Meetings Assessment against our Responsible Sourcing Code of Conduct</p>	 <p>NON-GOVERNMENTAL ORGANISATIONS One-on-one meetings NGO participation in industry meetings</p>	 <p>COMMUNITIES Ongoing dialogue with community partners Local branch engagement Skill-based volunteering, mentoring and secondments Strategic workshops and working groups</p>
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→ DEVELOPMENTS IN 2019

This year was characterised by increasing interest in ESG topics, particularly from investors. The most material of these are captured in our Material issues on page 55 and discussed throughout this report.

Additional issues where we received feedback from stakeholders included:

- customers and NGOs raising concerns regarding animal welfare and the live animal export industry in Australia. These interactions informed our update to our Financing Agribusiness Position Statement
- NGOs and some investors questioning our membership of certain industry associations (particularly in relation to lobbying and advocacy on climate change and energy policy). This informed our review of our Industry Association Principles and memberships, summarised in our [Westpac Industry Association Review](#) and on [page 32](#)
- customers and employees shared their views on waste and the circular economy. We considered this feedback to inform our waste management approach within our operations and supply chain to reduce our impact on the environment.

We also used structured forums such as the Sustainability Council to facilitate discussion on highly topical and emerging sustainability issues between senior management and external experts including:

- technology and human rights with Edward Santow - Human Rights Commissioner at the Australian Human Rights Commission
- Australian energy market policy with Assoc. Prof. Tim Nelson - Executive General Manager, Strategy and Economic Analysis at the Australian Energy Market Commission.



Westpac Stakeholder Advisory Council.

The Stakeholder Advisory Council is a forum for a range of external stakeholders to provide important insights and feedback to our executives and sustainability leaders on Westpac's approach to sustainability. It is an important mechanism for addressing the right issues in the right way.

In 2019, the Council met three times and provided insights and feedback around a range of issues and opportunities. Key discussion areas included:

- customer vulnerability
- reflections on the Royal Commission and the importance of a customer centric culture
- climate change
- perspectives on Reconciliation and support for the Uluru Statement from the Heart
- insights into further options to address problem gambling
- affordable housing
- modern slavery
- insights into our ongoing sustainability performance and feedback on material sustainability themes for 2019 and previous years.

The Council is made up of nine members and one observer, and is co-chaired by Westpac CEO, Brian Hartzer, and Executive Director of The Ethics Centre, Simon Longstaff.

MEMBERS OF THE COUNCIL DURING THE YEAR:

Simon Longstaff
Stakeholder Advisory Council Co-Chair,
Executive Director, The Ethics Centre

Michael Anderson
Chair, Wesley Mission

David Borger
Executive Director, Western Sydney Business Chamber

Nick Main
Chair, Westpac New Zealand Sustainability Advisory Panel

James Moody¹
Founder and CEO, Sandle

Sam Mostyn
Sustainability Adviser

Tim Nelson
Executive General Manager,
Strategy and Economic Analysis,
Australian Energy Market Commission

Robynne Quiggin
Associate Dean, University of Technology, Sydney

Catherine Yeomans
Former CEO, Mission Australia

1. Retired from Stakeholder Advisory Council, September 2019.



Westpac Indigenous Advisory Committee.

The Westpac Indigenous Advisory Committee (WIAC) acts as a guiding body and provides important insights and advice to key internal leaders across Westpac Group with direct responsibility for shaping and managing Indigenous affairs, Indigenous stakeholder engagement and delivery of our Reconciliation Action Plan (RAP) commitments.

In 2019, the Committee met four times and provided insights and feedback around a range of issues and opportunities that specifically relate to Aboriginal and Torres Strait Islander peoples. Key discussion points included:

- recruitment and career development within Westpac Group
- affordable housing
- perspectives on Reconciliation and support for the Uluru Statement from the Heart
- RAP strategy development and delivery
- supplier inclusion and diversity
- banking services for Indigenous regional and remote customers

CURRENT EXTERNAL ADVISORS OF THE COMMITTEE INCLUDE:

Robynne Quiggin (Chair)
Associate Dean, University of Technology, Sydney

Cristilee Houghton
Lifelong Fellowship Lead, Atlantic Fellows,
University of Melbourne

Shane Phillips
CEO, Tribal Warrior

Brendan Littlechild
Chief Executive, Indigenous Workforce Consulting

Our material issues.

Identifying material issues.

We identify a range of current and emerging risks and opportunities that may impact our stakeholders and business. To determine the most material of these we undertake stakeholder engagement (see page 53), data analysis, and consultation with senior management and our external Stakeholder Advisory Council.

Our assurance process ensures ongoing alignment with the Global Reporting Initiative (GRI) Standards (2016) and the AA1000 AccountAbility Principles Standard (2008).

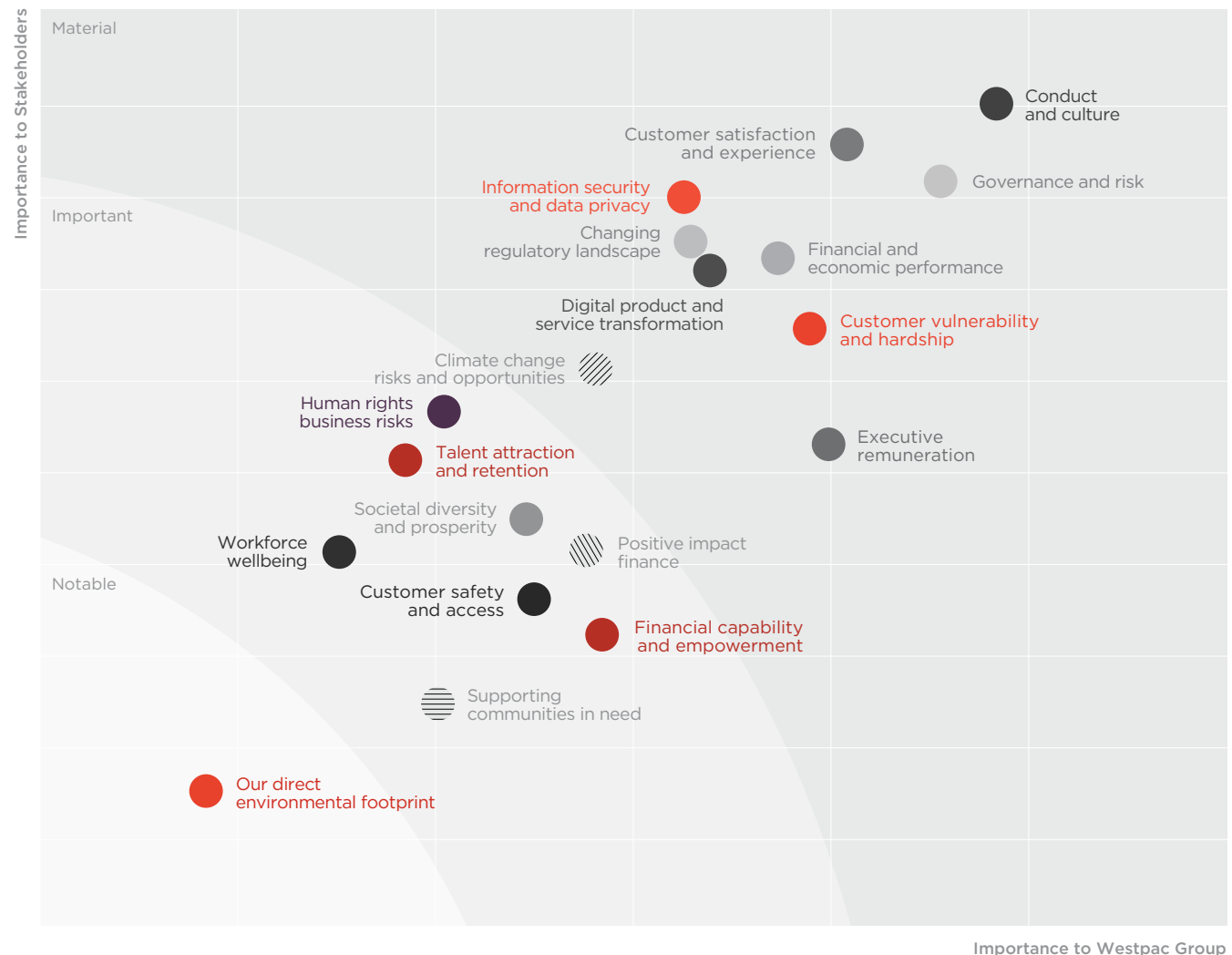
Developments in 2019.

We made enhancements to our materiality process by using data analytics to expand the pool of information sources considered in the overall assessment. We also calibrated our universe of topics in keeping with the shifts in materiality we have seen this year, including:

- splitting the topic 'Governance, risk and remuneration' into 'Governance and risk' and 'Executive remuneration'
- absorbing the 2018 topic 'Macroeconomic and demographic trends' into relevant summary topics to ensure accurate representation of each underlying theme
- absorbing the topic 'Inclusion and diversity' into 'Value chain sustainability risks' and renaming the latter to 'Human rights business risks' to group our salient human rights issues under a single topic.

This chart maps the 19 topics analysed in our materiality assessment undertaken this year.

For further information on our *Material* topics please see the table on the next page. In keeping with feedback from stakeholders, we have increased our reporting emphasis on the identified *Material* topics. Content in this report also provides coverage of *Important* and *Notable* topics as they are areas relevant to stakeholders or pertain to broader reporting requirements.



Responding to our material topics.

The table below maps our response to the top 10 material topics arising from our analysis described on page 55.

For each topic, references are provided to the different elements of our reporting suite where further information on each topic can be found. The reporting content and boundaries of this report were developed using GRI's Reporting Principles for defining report content (Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness), and includes detailed information on the progress we are making against our Sustainability Strategy, in addition



to our Group-wide topics. The definitions below describe why each topic is material to Westpac Group.

We also map our material topics to relevant Sustainability Accounting Standards Board (SASB) standards (2018), across the Financials Industry Standards. This year we expanded our disclosure to include reporting against relevant disclosure topics and associated metrics under the Commercial Banks industry standard, below.

MATERIAL TOPIC	DEFINITION	GRI/SASB STANDARDS	HOW WE ARE RESPONDING	RELEVANT STAKEHOLDERS
Conduct and culture	Instances of poor conduct have eroded public trust in the financial services sector, driving an increased focus on corporate culture and improved outcomes for customers.	<p>GRI Boundary: Cause impact within our own operations</p> <p>GRI Standards: G4 Financial Services Sector - Product portfolio</p> <p>SASB Financials Industry topics: Business ethics, Selling practices, Transparent Information & Fair Advice for Customers, Lending practices, Transparent Information & Fair Advice for Customers, Policies Designed to Incentivise Responsible Behaviour</p> <p>SASB Commercial Bank Sector disclosures: Business ethics - FN-CB-510a.1, FN-CB-510a.2</p>	<ul style="list-style-type: none"> 2019 Annual Review & Sustainability Report: Chairman's Letter (p.10), CEO's Letter (p.16) 2019 Annual Report: Chairman's report (p.4), Chief Executive Officer's letter (p.8), Information on Westpac (p.14), Risk and risk management (p.102) 2019 Investor Discussion Pack: Governance & Culture (p.62) 2019 Sustainability Performance Report <ul style="list-style-type: none"> The issues that matter: Governance, conduct and performance (p.16) Performance metrics: Employees - Whistleblower reporting (p.73) Other information: Global Reporting Initiative index - 419-1 (p.100) Website: Speaking Up Policy 	

MATERIAL TOPIC	DEFINITION	GRI/SASB STANDARDS	HOW WE ARE RESPONDING	RELEVANT STAKEHOLDERS
Customer satisfaction and experience	Customers' needs are becoming more complex, and at the same time their expectations around how they want to engage with us are evolving.	<p>GRI Boundary: Contribute to impact outside our operations</p> <p>GRI Standards: Social – Marketing and labelling, G4 Financial Services Sector – Product portfolio</p> <p>SASB Financials Industry topics: Transparent information and fair advice for customers</p> <p>SASB Commercial Bank Sector disclosures: Financial inclusion and capacity building – FN-CB-240a.4, Activity metrics – FN-CB-000.A, FN-CB-000.B</p>	<ul style="list-style-type: none"> 2019 Annual Review & Sustainability Report: CEO's Letter (p.16) 2019 Annual Report: Divisional performance (p. 93), Sustainability performance (p.121) 2019 Investor Discussion Pack: Service leadership (p.47), Governance & Culture: Customer experience (p.66) 2019 Sustainability Performance Report <ul style="list-style-type: none"> The issues that matter: Customers and service (p.9) Performance metrics – Customers (p.67), Social and economic impact – Financial education – number of participants (p.86) 	
Governance and risk	Clear governance practices, active management of risk, commitment to compliance, and fair remuneration in our operations, supplier and partner relationships are critical to the longevity and financial wellbeing of the Group.	<p>GRI Boundary: Cause impact within our own operations</p> <p>GRI Standards: General disclosures – Governance, Economic – Anti-corruption, Procurement practices</p> <p>SASB Financials Industry topics: Systemic risk management</p> <p>SASB Commercial Bank Sector disclosures: Systemic risk management – FN-CB-550a.1, FN-CB-550a.2</p>	<ul style="list-style-type: none"> 2019 Annual Review & Sustainability Report: Chairman's Letter (p.10), CEO's Letter (p.16) 2019 Annual Report: Chairman's report (p.4), Chief Executive Officer's letter (p.8), Risk and risk management (p.102), Review of Group operations – Capital resources (p.90) 2019 Investor Discussion Pack: Governance & Culture (p.62) 2019 Sustainability Performance Report <ul style="list-style-type: none"> The issues that matter: Governance, conduct and performance (p.16) Performance metrics – Employees (p.70) Website: Disclosures for the identification of potential G-SIBs Website: Corporate Governance Statement Website: Speaking Up Policy 	
Information security and data privacy	Maintaining customer confidentiality and the security of our systems is paramount to maintaining trust and confidence.	<p>GRI Boundary: Cause impact within our own operations and contribute to impact outside</p> <p>GRI Standards: Social – Customer privacy</p> <p>SASB Financials Industry topics: Data security, Customer privacy</p> <p>SASB Commercial Bank Sector disclosures: Data security – FN-CB-230a.1, FN-CB-230a.2</p>	<ul style="list-style-type: none"> 2019 Annual Review & Sustainability Report: Chairman's Letter (p.10) 2019 Annual Report: Risk and risk management (p.102) 2019 Sustainability Performance Report <ul style="list-style-type: none"> The issues that matter: Customers and service (p.9) Performance metrics – Customers – Severity 1 IT incidents (p.67) Website: Security 	


MATERIAL TOPIC	DEFINITION	GRI/SASB STANDARDS	HOW WE ARE RESPONDING	RELEVANT STAKEHOLDERS
Financial and economic performance	Maintaining a healthy financial performance and strong balance sheet is vital to the Group's long-term sustainability.	GRI Boundary: Cause impact within our own operations and contribute to impact outside GRI Standards: Economic – Economic performance, G4 Financial Services Sector – Audit, Product portfolio, Active ownership	<ul style="list-style-type: none"> 2019 Annual Review & Sustainability Report: Chairman's Letter (p.10), CEO's Letter (p.16) 2019 Annual Report: Chairman's report (p.4), Chief Executive Officer's letter (p.8), Directors' report (p.26), Review of Group operations (p.79) 2019 Investor Discussion Pack: Overview (p.40), Divisional Results (p.111) 2019 Sustainability Performance Report <ul style="list-style-type: none"> The issues that matter: Governance, conduct and performance (p.16) Performance metrics – Social and economic impact (p.85) 	
Changing regulatory landscape	Supervision and regulation in jurisdictions that the Group operate in continue to evolve, creating uncertainty in the operating environment.	GRI Boundary: Contribute to impact within our own operations as well as outside GRI Aspect: Social – Marketing and labelling, Socioeconomic compliance SASB Financials Industry topics: Business ethics SASB Commercial Bank Sector disclosures: Business ethics – FN-CB-510a.1, FN-CB-510a.2	<ul style="list-style-type: none"> 2019 Annual Report: Information on Westpac (p.14), Risk and risk management (p.102) 2019 Sustainability Performance Report <ul style="list-style-type: none"> The issues that matter: Governance, conduct and performance (p.16) Performance metrics – Employees – Whistleblower reporting (p.73) Other information: Global Reporting Initiative index – 419-1 (p.100) 	
Digital product and service transformation	Digitisation offers opportunities to improve efficiency and deliver new and better customer experiences when, how and where customers choose to engage with us.	GRI Boundary: Cause impact within our own operations and contribute to impact outside GRI Standards: Social – Local communities, G4 Financial Services Sector – Product portfolio	<ul style="list-style-type: none"> 2019 Annual Review & Sustainability Report: CEO's Letter (p.16) 2019 Investor Discussion Pack: Digital transformation (p.50) 2019 Sustainability Performance Report <ul style="list-style-type: none"> The issues that matter: Customers and service (p.9) Performance metrics – Customers (p.67) 	
Customer vulnerability and hardship	Our ability to support customers in times of financial hardship and anticipating times when they can become vulnerable allows us to help when it matters most.	GRI Boundary: Contribute to impact outside our operations GRI Standards: Social – Local communities, Marketing and labelling, G4 Financial Services Sector – Product portfolio	<ul style="list-style-type: none"> 2019 Annual Report: Sustainability performance (p.121) 2019 Sustainability Performance Report <ul style="list-style-type: none"> The issues that matter: Customers and service (p.9) Performance metrics – Social and economic impact (p.85) Customer Vulnerability 2020 Action Plan 	

MATERIAL TOPIC	DEFINITION	GRI/SASB STANDARDS	HOW WE ARE RESPONDING	RELEVANT STAKEHOLDERS
Executive remuneration	Appropriate remuneration structures align executive remuneration and accountability with stakeholder interests over the long term, and play an important role in effective corporate governance.	<p>GRI Boundary: Cause impact within our own operations</p> <p>GRI Standards: Economic – Economic Performance</p>	<ul style="list-style-type: none"> • 2019 Annual Review & Sustainability Report: Chairman’s Letter (p.10) • 2019 Annual Report: Directors’ report (p.26), Remuneration Report (p.44) • 2019 Investor Discussion Pack: Governance & Culture: Remuneration and accountability (p.69) • 2019 Sustainability Performance Report – The issues that matter: Governance, conduct and performance (p.16) • Website: Corporate Governance Statement 	
Climate change risks and opportunities	As a major financial institution, we have an important role to play in managing the risks and opportunities of climate change; supporting collaborative efforts to limit global warming, while also taking steps to help the economy and communities become more resilient to the expected effects.	<p>GRI Boundary: Cause impact within our own operations and contribute to impact outside</p> <p>GRI Standards: Economic – Economic Performance</p> <p>SASB Financials Industry topics: Incorporation of environmental, social, and governance factors in credit analysis, Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory, Environmental Risk to Mortgaged Properties; Environmental risk exposure</p> <p>SASB Commercial Bank Sector disclosures: Incorporation of environmental, social, and governance factors in credit analysis – FN-CB-410a.1, FN-CB-410a.2</p>	<ul style="list-style-type: none"> • 2019 Annual Report: Risk and risk management (p.102), Sustainability performance (p.121), Climate-related financial disclosures (p.127) • 2019 Investor Discussion Pack: Sustainable futures: Climate-related metrics (p.60), Climate-related disclosures – scenario analysis (p.61) • 2019 Sustainability Performance Report – Spotlight: Climate Change (p.28) • Performance metrics: Sustainable lending and investing – Group lending profile (p.75) • Website: Westpac’s Approach to Sustainable Finance 	

Assessing impact and performance.

We use a number of frameworks to assess the impact of our business activities. Key among these are:

- regular measurement of progress against our Sustainability Strategy goals (see page 91 for our [Sustainability Strategy Scorecard](#))
- contribution to our priority Sustainable Development Goals as set out in our Sustainability Strategy, and related targets (see below)
- reporting against the [Principles for Responsible Banking](#) (see page 101)
- [industry awards, indices and recognition](#) (see page 64).

PRIORITY GOAL	KEY TARGET	OUR IMPACT: HOW WE ARE CONTRIBUTING	MORE INFORMATION
	Target 4.3. Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education	Creating positive impact <ul style="list-style-type: none"> • Westpac Scholars Trust awarded \$4.3 million in educational scholarships to the next 102 Westpac Scholars, bringing the total cohort to 416 	<ul style="list-style-type: none"> • 2019 Sustainability Performance Report: The issues that matter - Creating sustainable value (p.27) • Website: Westpac Scholars
	Target 4.4. Increase the number of youth and adults who have relevant skills, for employment, decent jobs and entrepreneurship	Creating positive impact <ul style="list-style-type: none"> • identified 10 core capabilities to enable our people to prepare for the future of work and built curricula to support their growth in these areas • updated our Science, Technology, Engineering and Mathematics (STEM) Commitment 	<ul style="list-style-type: none"> • 2019 Sustainability Performance Report: The issues that matter - Creating sustainable value (p.27), Performance metrics: 2018-2020 Sustainability Strategy (p.91) • Website: How we support career development • Website: Westpac STEM Commitment
	Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Mitigating negative impact <ul style="list-style-type: none"> • 50% women in leadership roles¹ • 36% women on the Westpac Board 	<ul style="list-style-type: none"> • 2019 Annual Report - Directors' report (p.26) • 2019 Sustainability Performance Report: The issues that matter - Our people (p.23) • Website: Gender equality

1. 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.

PRIORITY GOAL	KEY TARGET	OUR IMPACT: HOW WE ARE CONTRIBUTING	MORE INFORMATION
	<p>Target 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> current investment to Reinventure is \$150 million across three funds, supporting Reinventure's investment in 27 early-stage companies 	<ul style="list-style-type: none"> Website: Westpac Innovation Website: Reinventure
	<p>Target 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> Westpac Foundation job creation grants to social enterprises helped to create 746 jobs for vulnerable Australians as at 30 June Workplace Gender Equality Agency Employer of Choice and Pay Equity Ambassador released <i>Social Enterprise: A people-centred approach to employment services</i> in partnership with Centre for Social Impact Swinburne (CSI Swinburne) looking at how social enterprises can build capacity and create positive impact 	<ul style="list-style-type: none"> 2019 Sustainability Performance Report: The issues that matter – Creating sustainable value (p.27) Workplace Gender Equality Agency Social enterprise: untapped potential in creating jobs
	<p>Target 8.7. Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms</p>	<p>Mitigating negative impact</p> <ul style="list-style-type: none"> our annual Slavery and Human Trafficking Statement sets out the steps we have taken to prevent modern slavery and human trafficking in our business and supply chains globally 	<ul style="list-style-type: none"> Slavery and Trafficking Statement
	<p>Target 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<p>Mitigating negative impact</p> <ul style="list-style-type: none"> Lost Time Injury Frequency Rate of 0.4, well below industry standard of 1 <p>Creating positive impact</p> <ul style="list-style-type: none"> our new Westpac Group Enterprise Agreement 2019 is centred around helping customers, competitive pay, future opportunities and an inclusive workplace 	<ul style="list-style-type: none"> 2019 Sustainability Performance Report: Performance metrics – Employees (p.70) Westpac Group Enterprise Agreement
	<p>Target 8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services or all</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> supported over 3,000 Indigenous Australians through a dedicated customer care team established this year to support remote Indigenous communities 	<ul style="list-style-type: none"> 2019 Sustainability Performance Report: The issues that matter – Customers and service (p.9)
	<p>Target 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all</p>	<p>Mitigating negative impact</p> <ul style="list-style-type: none"> \$454 million in lending under the Equator Principles 	<ul style="list-style-type: none"> 2019 Sustainability Performance Report: The issues that matter – Creating sustainable value (p.27), Performance metrics – Sustainable investment and lending (p.75)
	<p>Target 9.3. Increase the access of small-scale enterprises to financial services, including affordable credit, and their integration into value chains and markets</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> supported the establishment of 359 businesses through our Many Rivers partnership 	<ul style="list-style-type: none"> 2019 Sustainability Performance Report: The issues that matter – Creating sustainable value (p.27), Performance metrics – Reconciliation Action Plan Scorecard (p.89)
	<p>Target 9.5. Enhance scientific research and substantially increase the number of researchers as well as research and development investment</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> Awarded fellowships to 2 Westpac Research Fellows in FY19, with 11 Westpac Research Fellows awarded to date 	<ul style="list-style-type: none"> Website: Westpac Scholars

PRIORITY GOAL	KEY TARGET	OUR IMPACT: HOW WE ARE CONTRIBUTING	MORE INFORMATION
	<p>Target 10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> • 161 Aboriginal and Torres Strait Islander new-to-bank hires • delivered financial capability communications for different demographic segments including for young Australians, in partnership with 26 universities and TAFE NSW (900,000 interactions); women, via Ruby Connection (724,000 interactions); and older Australians, via Starts at 60 (over 3 million interactions) • sourced \$18.6 million from diverse suppliers, including \$3.6 million from Indigenous suppliers • committed to spend \$21 million with Indigenous businesses by 2024 	<ul style="list-style-type: none"> • 2019 Sustainability Performance Report: The issues that matter - Our people (p.23), Creating sustainable value (p.27) • Website: Inclusion and diversity
	<p>Target 11.1. By 2030, ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> • \$1.6 billion lending to the social and affordable housing sector¹ • Westpac New Zealand launched a dedicated home loan solution <i>Westpac Prebuilt</i> to help customers into prefabricated homes 	<ul style="list-style-type: none"> • 2019 Sustainability Performance Report: The issues that matter - Creating sustainable value (p.27)
	<p>Target 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<p>Mitigating negative impact</p> <ul style="list-style-type: none"> • achieved a 75% diversion of waste from landfill in our main Australian offices (Sydney-based Westpac buildings located at Kent Street, Barangaroo and Kogarah) • engaged waste collection social enterprise Green Collect to remove 1,000 office items and surplus furniture, resulting in 99.5% of these items being diverted from landfill 	<ul style="list-style-type: none"> • 2019 Sustainability Performance Report: The issues that matter - Green Collect case study (p.46)
	<p>Target 12.7. Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>	<p>Mitigating negative impact</p> <ul style="list-style-type: none"> • assessed 98% of our top 100 suppliers against our Responsible Sourcing Code of Conduct <p>Creating positive impact</p> <ul style="list-style-type: none"> • committed to source 100% of our global electricity consumption through renewable energy sources by 2025 	<ul style="list-style-type: none"> • 2019 Sustainability Performance Report: The issues that matter - Creating sustainable value (p.27) • Website: Responsible sourcing • Website: Westpac commits to 100 percent renewables by 2025

1. Refers to the cumulative Total Approved Exposure to customers in the Social and Affordable Housing sector since 2013. For full definition please refer to Glossary and definitions.

PRIORITY GOAL	KEY TARGET	OUR IMPACT: HOW WE ARE CONTRIBUTING	MORE INFORMATION
	<p>Target 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> provided 529 relief packages for customers impacted by natural disasters across Australia extended \$100 million drought relief fund launched last year to support Australian farmers committed \$50 million to a flood relief fund dedicated to helping farmers in North Queensland 	<ul style="list-style-type: none"> 2019 Sustainability Performance Report: The issues that matter – Customers and service (p.9), Creating sustainable value (p.27)
	<p>Target 13.3. Improve human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<p>Mitigating negative impact</p> <ul style="list-style-type: none"> maintained enhanced lending criteria to coal-fired generation and thermal coal mining sectors reduced the emissions intensity of our lending to the electricity generation sector to 0.26, well below the National Electricity Market average of 0.75 	<ul style="list-style-type: none"> 2019 Sustainability Performance Report: Spotlight: Climate Change (p.28) Climate Change Position Statement
	<p>Target 16.6. Develop effective, accountable and transparent institutions at all levels</p>	<p>Mitigating negative impact</p> <ul style="list-style-type: none"> continued programs to rebuild trust, strengthen governance and deliver more consistent customer outcomes, including our Royal Commission response plan and our Culture, Governance, Accountability Self-Assessment action plan 	<ul style="list-style-type: none"> 2019 Annual Report: Chairman’s report (p.4), Chief Executive Officer’s letter (p.8) 2019 Investor Discussion Pack: Governance & Culture (p.62) 2019 Sustainability Performance Report: The issues that matter – Governance, conduct and performance (p.16)
	<p>Target 16.10. Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements</p>	<p>Mitigating negative impact</p> <ul style="list-style-type: none"> welcomed the first stage of Open Banking in Australia, giving customers the ability to share banking information with other parties 	<ul style="list-style-type: none"> 2019 Sustainability Performance Report: The issues that matter – Customers and service (p.9) Website: Privacy Policy Website: Open Banking
	<p>Target 17.6. Enhance international cooperation on and access to science, technology and innovation through improved coordination among existing mechanisms, in particular at the United Nations level</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> a founding bank and signatory to the Principles for Responsible Banking under UNEP FI, launched on 22 September 2019 by 130 banks from 49 countries; The development of the Principles was advised by a group of 12 civil society institutions 	<ul style="list-style-type: none"> 2019 Sustainability Performance Report: The issues that matter – Creating sustainable value (p.27), Other information – Principles for Responsible Banking reporting index (p.101)
	<p>Target 17.17. Encourage and promote effective public, public-private and civil society partnerships</p>	<ul style="list-style-type: none"> joined other Australian banks, insurers, super funds, investors and industry groups to form the Australian Sustainable Finance Initiative 	

Benchmarking.

During the year, we regained our position as Australia’s most sustainable bank, ranked ninth overall by the global 2019 Dow Jones Sustainability Indices. This is the 18th year in a row we’ve been ranked as a global banking leader¹.

In 2019, we expanded our internal benchmarking to provide more detailed and dynamic analysis of our sustainability performance and that of other banks. Performance under other leading benchmarks is set out to the right.

Sustainability leadership.

SUSTAINABILITY RECOGNITION



Received ‘B’ rating in the 2018 CDP for our response to climate change, announced January 2019



Achieved highest ISS QualityScore for Environment and Social dimensions



Rated Prime status of ‘C’ by ISS ESG (formerly ISS-oekom)

Received highest ‘Leading’ rating for the 12th consecutive year for ESG Reporting in 2019 from the Australian Council of Superannuation Investors

SUSTAINABILITY INDICES



Ranked number one bank in Australia and a member of DJSI World, DJSI Asia Pacific, and DJSI Australia Indices



‘Leader’ ESG Rating of 82², highest ESG Rating and best ESG Risk Rating of Australian major banks as at October 2019



Member of the FTSE4Good Index, of which Westpac has been a member for over 11 years, announced in June 2019



Member of the MSCI Global ESG Leaders index with ‘AA’ score³



Member of the STOXX 2018/2019 Global ESG Leaders Indices for the sixth consecutive year

INCLUSION & DIVERSITY RECOGNITION



Included in the 2019 Bloomberg Gender-Equality Index



Employer of Choice by The Workplace Gender Equality Agency, held for 15 years



Platinum status since 2018 for LGBTIQ inclusion in the Australian Workplace Equality Index Awards

1. As a member of DJSI World Index.
2. Copyright ©2019 Sustainalytics.
3. The inclusion of WBC in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of WBC by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Key commitments/partnerships.



Principles for Responsible Banking
Founding bank of the PRBs, and first to report alignment with the draft Principles



Principles for Responsible Investment
Signatory (2007)



UN Sustainable Development Goals
CEO Statement of Commitment (2015)



Paris Climate Agreement
Supporter (2015)



The Equator Principles
Founding Adopter,
First Australian Bank (2003)



UN Environment Program Finance Initiative
Founding Member (1991)



Financial Stability Board's Task Force on Climate-related Financial Disclosures
Align with and support



Climate Action 100+
Signatory (2018)



RE100, an initiative of the Climate Group in partnership with the CDP
Member (2019)



Commitment to UN Global Compact
Signatory (2002), Global Compact Network Australia Founding Member



Global Investor Coalition Statement on Climate Change
Signatory (2014)



The Montreal Carbon Pledge
Signatory (2014)



Climate Bonds Initiative
Partner



Carbon Market Institute
Corporate Member



We Mean Business Coalition
Signatory (2015)



Carbon Neutral Certification
Since 2012



Social Traders
(for social enterprises)
Member of Connect (2016)



Supply Nation
(for Indigenous owned businesses)
Founding member (2016)



WEConnect International
(for women-owned businesses) (2014)

United Nations Tobacco-Free Finance pledge
Founding signatory (2018)

Performance metrics.

Progress on key sustainability indicators over a five-year period.

Electrician Tim wires solar panels at Bomen Solar Farm.

Read the full story in [Creating sustainable value.](#)

Customers.

Our vision is to be one of the world's great service companies, helping our customers, communities and people to prosper and grow. We measure and report against a number of indicators to track our progress, including the strength and depth of our customer relationships, progress on our digital transformation strategy, how we are improving access to banking services, enabling our customers to bank when and where they need, and the number and types of complaints received – all areas that deliver against the Group's Digital Transformation and Service Leadership strategic priorities. See *Customers and service* for a strategic update of our progress.

CUSTOMER NUMBERS.

	2019	2018	2017	2016	2015
Total customers (millions)	14.2	14.2	13.9	13.4	13.2

CUSTOMER ADVOCACY.

	2019	2018	2017	2016	2015
Australia					
Net Promoter Score (NPS) – consumer ¹	-7.3	-6.8	+0.9	-0.4	+1.2
Net Promoter Score (NPS) – business ¹	-4.5	-12.9	-6.7	-8.7	-0.7
Customer Satisfaction – consumer ^{1,2}	7.3	7.3	7.6	7.6	-
Customer Satisfaction – business ^{1,2}	7.6	7.3	7.4	7.3	-
New Zealand					
Net Promoter Score (NPS) – consumer ¹	+5	+8	+2	+0	+5
Net Promoter Score (NPS) – business ^{1,2}	+3	+0	+5	+11	+5
Customer Satisfaction – consumer (%) ^{1,2}	67	69	66	65	66

1. Definitions available in the [2019 Investor Discussion Pack](#).

2. First reported in 2019.

Australia Customer Satisfaction data not available for FY15.

DIGITAL TRANSFORMATION.

	2019	2018	2017	2016	2015
Severity 1 IT incidents – Australia ¹	-	2	5	19	15
Digitally active customers (%) – Group	41	40	38	37	37
Digitally active customers (millions) – Group ²	5.8	5.6	5.3	4.9	4.7
Mobile active customers (millions) – Australian Banking	3.8	3.5	3.3	2.8	2.5
Accounts ¹					
Number of accounts (millions)	9.6	8.4	7.2	NR	NR
eStatement (%)	55	49	43	NR	NR

1. First reported in 2019. Data for Accounts available from 2017 onwards.

2. FY15 restated to reflect methodology update.

NR means not reported.

ACCESS TO FINANCIAL SERVICES.

	2019	2018	2017	2016	2015
Australia					
Branches	955	1,006	1,046	1,085	1,201
Branches with 24/7 banking capability (%)	31	29	27	24	18
Westpac customer access to Bank@Post outlets	3,554	3,565	3,578	3,585	3,586
ATMs	2,193	2,542	2,916	3,007	3,068
Smart ATMs (%)	62	53	44	41	34
Connect Now/Business Connect facilities	961	1,014	1,004	993	991
New Zealand					
Branches	155	163	169	189	189
Branches with 24/7 banking capability (%)	62	59	50	50	49
ATMs	513	538	611	620	639
ATMs with 'Smart' (deposit-taking) functionality (%)	35	33	29	26	24
Westpac Pacific					
Branches	33	35	36	36	39
ATMs	141	142	138	130	143
Group					
Branches	1,143	1,204	1,251	1,310	1,429

CUSTOMER COMPLAINTS.

	2019	2018	2017	2016	2015
Australia					
Australian Banking¹					
Number of complaints ²	61,163	29,930	26,485	32,121	44,591
Change in customer complaints from prior year (%) ²	104.4	13.0	(17.5)	(28.0)	(33.7)
Number of complaints referred by customers to ombudsmen/external dispute resolution bodies ³	5,171	4,247	4,035	3,674	3,143
Complaints resolved within 5 days (%) ³	68	59	53	62	63
Complaints types (%) ³					
Commercial/business decision	7	8	8	8	7
Communication/information/advice	16	15	15	14	15
Process and procedure issues and errors	39	42	42	42	41
Product features	8	6	5	5	7
Fees, charges and interest rates	12	12	13	11	11
Staff or service quality issues	18	16	17	19	20
Other	1	0	-	0	0
Wealth management and insurance					
Number of complaints ²	8,015	5,716	5,399	6,644	11,672
Change in customer complaints from prior year (%) ²	40.2	5.9	(18.7)	(43.1)	8.5
Complaints types (%)					
Product, commercial and business decisions	40	42	43	45	47
Information and advice	7	8	6	6	3
Fees, charges and interest rates	15	13	9	8	8
Errors, process and procedure	21	17	18	19	23
Staff or service quality	13	16	19	18	14
Other	4	4	4	5	5
General Insurance⁴					
Number of claims	51,130	51,551	52,388	53,956	51,779
Number of complaints	2,044	1,099	1,428	1,370	1,861
% of complaints	4.0	2.1	2.7	2.5	3.6
Life and risk insurance⁴					
Number of policies	493,902	530,537	547,277	549,082	534,117
Number of complaints	1,878	1,077	1,065	1,107	1,797
% of complaints	0.4	0.2	0.2	0.2	0.3

	2019	2018	2017	2016	2015
New Zealand					
Number of complaints	17,977	17,642	20,924	26,566	28,510
Change in customer complaints from prior year (%) - New Zealand	1.9	(15.7)	(21.2)	(6.8)	(18.2)
Complaints types (%):					
Bank error	9	10	11	11	12
Commercial/business decision	1	2	2	1	1
Fees, charges and interest rates	22	26	33	41	43
Financial advisor service	-	0	-	-	0
Process and procedure	17	14	13	13	15
Product features	5	5	5	4	4
Service	22	18	19	16	17
System and equipment	24	25	17	13	8

1. Australian Banking includes Consumer Bank and Business Bank products, except wealth management and insurance.
2. Change in trend reflects updates to our complaints policy and standard which now requires people to log all complaints, even if they are resolved within 5 days.
3. Excludes RAMS.
4. General Insurance and Life and risk insurance number of complaints are a subset of Wealth management and insurance number of complaints.

CUSTOMER ADVOCATE.

	2019			2018		
	General banking	Insurance, investment and superannuation	Group	General banking	Insurance, investment and superannuation	Group
Matters referred to Customer Advocate directly by customers (closed)	414	114	528	312	34	346
Outcomes of decisions by type (%):						
Enhanced resolution for the customer ¹	45%	37%	43%	33%	21%	31%
Substituted a new resolution for the customer	32%	30%	32%	33%	33%	33%
Upheld the bank's decision	23%	33%	25%	34%	45%	36%
Matters referred to the Customer Advocate internally for advice²	379	79	458	535	10	545

1. Agreed with Bank's decision, but took further action to deliver a fair outcome.
2. Where our business consulted the Customer Advocate team on a fair outcome for the customer.

Employees.

We measure and report progress on a number of indicators that reflect the focus areas of our overall human resources strategy and the sustainability of our workforce. This includes progress we have made towards our inclusion and diversity goals, improving the health, safety and wellbeing of employees, how we attract and retain talent through building the knowledge and capability of our employees, how we establish expectations of employee conduct, issues reported through whistleblowing channels, and a number of key remuneration ratios – all areas that deliver against the Group’s Service Leadership and Workforce Revolution strategic priorities. Refer to *Governance, conduct and performance* and *Our people* for a strategic update on our progress.

Group includes employees located in Australia, New Zealand, Pacific, UK, USA and Asia.

EMPLOYEE PROFILE.

Employees by employment type, region and gender (headcount).

	2019			2018			2017		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Group excluding New Zealand and Pacific									
Full time	11,106	11,341	22,447	11,650	12,035	23,685	11,902	12,298	24,200
Part time	5,002	564	5,566	5,337	561	5,898	5,389	560	5,949
Temporary	1,134	1,542	2,676	1,284	1,806	3,090	1,310	1,658	2,968
Total Group excluding New Zealand and Pacific	17,242	13,447	30,689	18,271	14,402	32,673	18,601	14,516	33,117
New Zealand									
Full time	2,063	1,573	3,636	2,091	1,618	3,709	2,118	1,574	3,692
Part time	582	45	627	600	59	659	597	53	650
Temporary	206	154	360	230	168	398	276	176	452
Total New Zealand	2,851	1,772	4,623	2,921	1,845	4,766	2,991	1,803	4,794
Westpac Pacific									
Full time	581	413	994	609	456	1,065	586	455	1,041
Part time	2	2	4	7	4	11	17	11	28
Temporary	1	-	1	3	4	7	12	19	31
Total Westpac Pacific	584	415	999	619	464	1,083	615	485	1,100
Group total	20,677	15,634	36,311	21,811	16,711	38,522	22,207	16,804	39,011

Employees (FTE).

	2019	2018	2017	2016	2015
Permanent	30,326	31,672	32,044	32,190	32,620
Temporary	2,962	3,357	3,052	3,390	2,864
Group total	33,288	35,029	35,096	35,580	35,484

ENGAGEMENT, NEW STARTERS, ATTRITION AND RETENTION.

	2019	2018	2017	2016	2015
Employee Commitment Index (%) ¹	71	73	76	-	-
Employee voluntary attrition (number)	3,692	3,705	3,586	3,957	4,118
Employee voluntary attrition (% of total staff)	10.3	10.0	9.6	10.6	10.6
New starters (number)	3,100	3,877	4,118	4,474	4,214
New starters (% of total staff)	8.5	10.1	10.6	11.3	11.1
New starter retention (% of new starters)	84.5	84.1	84.7	85.5	85.3

1. New monthly employee survey conducted from 2017. Six-month rolling average results reported and prior data not included due to change in survey methodology.

New starters by gender, age and region¹

	2019		2018		2017		2016	
	Number	Rate (% total staff)	Number	Rate (% total staff)	Number	Rate (% total staff)	Number	Rate (% total staff)
Employee new starters by gender								
Female	1,644	53	2,026	52	2,154	52	2,324	52
Male	1,455	47	1,850	48	1,964	48	2,150	48
Employee new starters by age								
≤ 24	664	21	885	23	917	22	949	21
25-34	1,182	38	1,545	40	1,667	41	1,795	40
35-44	791	26	940	24	1,007	24	1,122	25
45-54	360	12	404	10	411	10	460	10
≥ 55	99	3	100	3	114	3	147	3
Employee new starters by region								
Group excluding New Zealand	2,660	86	3,359	87	3,562	86	4,011	90
New Zealand	440	14	518	13	556	14	463	10

1. Age and gender totals may not match overall reported numbers due to non-identified age and gender in some records.

 Voluntary attrition by gender, age and region¹ (%).

	2019	2018	2017	2016	2015
Attrition by gender (%):					
Female	10	9	9	10	10
Male	11	11	10	11	12
Attrition by age (%):					
≤ 24	21	18	16	20	18
25-34	15	14	13	15	14
35-44	10	10	10	10	10
45-54	6	6	6	7	7
≥ 55	5	4	4	5	5
Attrition by region²					
Group excluding New Zealand	10	10	9	11	-
New Zealand	11	10	10	11	-

1. Age and gender totals may not match overall reported numbers due to non-identified age and gender in some records.

2. Region split first reported in 2016.

INCLUSION AND DIVERSITY.

Women in leadership (%).

	2019	2018	2017	2016	2015
Board ¹	36	22	22	22	22
Executive ²	42	46	41	36	26
Senior Manager ²	46	44	46	44	42
Manager ²	50	51	51	49	47
Group total	50	50	50	48	46

1. Board not included in Group total.

2. 2018 Executive, Senior Manager and Manager figures restated due to error in classification. Total figure unchanged.

 Tenure and gender profile¹ (%).

	2019			2018		
	Female	Male	Total	Female	Male	Total
<1 Yr	9	12	11	10	13	12
1 Yr	8	11	9	9	11	10
2-3 Yrs	14	17	15	14	17	15
4-5 Yrs	10	12	11	10	11	11
6-10 Yrs	19	19	19	20	21	20
11-15 Yrs	16	13	15	15	12	13
16-20 Yrs	9	6	8	9	6	8
21 Yrs +	14	10	12	13	9	11

1. Age and gender totals may not match overall reported numbers due to non-identified age and gender in some records.

 Age and gender profile¹ (%).

	2019			2018		
	Female	Male	Total	Female	Male	Total
≤ 24	5	5	5	5	6	5
25-34	25	25	25	27	27	27
35-44	31	33	32	30	33	31
45-54	24	24	24	23	23	23
≥ 55	15	12	14	15	12	13

1. Age and gender totals may not match overall reported numbers due to non-identified age and gender in some records.

Age profile of workforce compared to national labour force (%)¹.

	2019				
	≤24	25-34	35-44	45-54	≥55
Westpac Group excluding New Zealand	5	24	33	24	13
Australian labour force	16	24	21	20	19
Westpac Group - New Zealand	5	24	27	26	18
New Zealand labour force	14	23	19	21	23

	2018				
	≤24	25-34	35-44	45-54	≥55
Westpac Group excluding New Zealand	5	26	32	23	13
Australian labour force	16	24	21	20	19
Westpac Group - New Zealand	6	25	26	26	18
New Zealand labour force	14	22	19	21	24

1. Age and gender totals may not total to 100% due to non-identified age and gender in some records.

 Percentage of basic salary – female to male¹.

	2019	2018	2017	2016	2015 ²
Administrator	104	107	106	109	109
Senior Administrator	99	98	99	99	99
Team lead/supervisor	100	100	100	100	99
Manager	99	99	99	99	99
Middle Manager	97	97	97	98	99
Senior Manager	97	97	97	96	95
Executive	78	81	83	78	87

1. Calculated as (base salary – female average salary as a % of male average salary); ratios for the Group.
 2. Change in Executive level in 2015 attributable to a male CEO replacing a female CEO.

Parental leave.

	2019			2018	2017	2016	2015
	Female	Male	Total	Female	Male	Total	Total
Westpac Group excluding New Zealand¹							
Employees accessing parental leave	1,617	701	2,318	1,754	744	2,498	2,662
Rate of return from parental leave (%)	95	90	94	97	92	95	95
Employees still employed 12 months after return to work (%)	92	88	91	89	86	88	-
New Zealand							
Employees accessing parental leave	103	2	105			111	131
Rate of return from parental leave (%)	98	100	98			97	95

1. Breakdown by gender and employees still employed 12 months after return to work first reported in 2018.

Indigenous employment.

	2019	2018	2017	2016
Aboriginal and Torres Strait Islander new-to-bank hires – Australia (%)	6.6	4.3	4.5	3.4

HEALTH, SAFETY AND WELLBEING.

Injury frequency rates.

	2019	2018	2017	2016	2015
Lost Time Injury Frequency Rate - Group ¹	0.4	0.4	0.6	0.8	0.8
Total Reportable Injury Frequency Rate - Group ²	3.1	3.9	7.2	8.6	-

1. No work-related fatalities were reported during this period.
2. Reported for the first time in 2016.

Employee Assistance Program utilisation.

	2019	2018	2017	2016	2015
Employee Assistance Program utilisation (%)	10.2	9.0	7.6	6.4	5.2

Absenteeism¹

	2019	2018	2017	2016	2015
Australia	3.3	3.2	3.2	3.5	3.4
New Zealand	2.7	2.9	2.4	2.3	2.2

1. Calculated as number of actual absenteeism days lost (due to incapacity of any kind - refer to glossary for more information) as a percentage of total days (FTE) scheduled to be worked by workforce.

Occupational health and safety training.

	2019	2018	2017	2016	2015
Group (%)	96	95	95	96	96

TRAINING AND CAPABILITY.

Average hours of training per employee.

	2019 ¹	2018	2017	2016	2015
Westpac Group excluding New Zealand	18.4	19.2	19.1	17.6	20.9
New Zealand	26.0	28.9	21.3	12.7	11.6
Group average	19.1	20.0	19.3	17.1	20.0

1. New Zealand headcount now includes all employees and contractors. Historically New Zealand excluded contractors in their headcount.

CONDUCT AND COMPLIANCE.

	2019	2018	2017	2016	2015
Doing the right thing training (%) ¹	97	97	97	96	97
Why complaints matter training (%) ²	97	-	-	-	-

1. The course covers a range of topics including: Equal Employment Opportunity, Accessibility, Core Compliance & Operational Risk, Giving Advice, Conflicts of Interest, Privacy, the Technology Code of Use, the Code of Conduct, AML/CTF and Sanctions, Use of Customer Data, Fraud, Social Media Use, Whistleblower Protection, Raising Your Concerns and Ethical Awareness.
2. Reported for the first time in 2019. Excludes New Zealand.

Whistleblower reporting.

	2019	2018	2017	2016	2015		
Reportable Conduct categories	Total	Sub-stantiated	In Progress	Total	Total	Total	Total
Dishonest conduct	65	25	10	85	92	82	90
Fraudulent or other illegal activity ¹	10	4	2	13	13	4	3
Audit issues	1	-	1	-	6	-	-
Significant people or HR issues ²	139	24	18	121	142	104	81
Substantial health and safety risk	9	3	-	13	16	5	15
Corrupt conduct	1	-	1	5	4	-	-
Other significant issues	53	13	5	52	71	14	18
Total number of new concerns	278	69	37	289	344	209	207

1. Includes anti-money laundering issues and theft of Westpac property. Other fraud related concerns are reported under Dishonest Conduct (Breach of Westpac Policies and Codes).
2. Includes matters redirected to other channels, which may include personal work-related grievances for part of the reporting period in response to legislative changes that became effective in July 2019.

Remuneration.

	2019¹
Westpac Group excluding New Zealand	
Ratio of the annual total compensation for highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	72:1
Ratio of percentage increase in annual total compensation for highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	-3.38:1
New Zealand	
Ratio of the annual total compensation for highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	36:1
Ratio of percentage increase in annual total compensation for highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	2.92:1

1. Based on prior financial year compensation due to timing of Group remuneration review.

POLICIES AND PRACTICES.

Employment relationships¹

	2019	2018
Coverage of collective bargaining agreements		
Group (%) ¹	89.4	-
Australia	99.6	99.0
New Zealand	42.0	40.8
Fiji ²	Null	Null
Papua New Guinea	100	Null

1. Table first reported in 2019. Group not available for 2018.

2. In Fiji, our Collective Agreement became null and void on 8 November 2011 by virtue of the Fijian Government's Essential National Industries Decree of July 2011. However, Westpac continued to apply the terms and conditions of employment set out in the collective agreement as they apply to individual employees. Westpac is currently negotiating a new collective agreement with the FBSE union following the repeal of the Fijian Government's Essential National Industries Decree in September 2015.

Sustainable lending and investment.

The tables below bring together information to provide a better understanding of our performance on sustainable lending and investment. This includes aspects of our lending profile, how we have applied the Equator Principles, BT portfolio carbon intensities, and the value of our lending and deposits that back initiatives and projects that create positive societal outcomes – all areas which deliver against the Group’s Performance Disciplines and Growth Highways strategic priorities. See [Creating sustainable value](#) for a strategic update of our progress.

Group lending profile (\$m)¹.

	Australia	New Zealand	Other	Total
Accommodation, cafes and restaurants	9,223	391	111	9,725
Agriculture, forestry and fishing	11,423	9,433	153	21,009
Construction	10,713	936	174	11,823
Finance and insurance	80,795	7,218	17,552	105,565
Government, administration and defence	61,309	5,687	3,506	70,502
Manufacturing	15,997	3,888	11,373	31,258
Mining	7,410	330	2,470	10,210
Property	57,575	8,297	588	66,460
Property services and business services	20,790	1,917	2,518	25,225
Services ²	18,237	2,619	874	21,730
Trade ³	25,739	3,788	6,229	35,756
Transport and storage	15,309	1,967	1,773	19,049
Utilities ⁴	10,459	3,159	2,019	15,637
Retail lending	542,694	58,287	902	601,883
Other	7,754	511	81	8,346

1. Exposure at default (EAD).
2. Includes education, health and community services, cultural and recreational services, and personal and other services.
3. Includes wholesale trade and retail trade.
4. Includes electricity, gas and water, and communication services.

Sector specific lending profiles¹.

	2019	2018	2017	2016	2015
Climate change solutions – Australia and New Zealand					
Total attributable financing (\$m)	9,263	9,113	6,979	6,193	6,054
Distribution by taxonomy (%):					
Green buildings	39.5	47.7	56.5	55.3	54.3
Renewable energy projects	31.9	28.8	31.9	34.2	34.6
Low carbon transport	15.9	13.2	-	-	-
Adaptation infrastructure	2.6	3.4	-	-	-
Forestry	2.8	2.8	4.4	5.3	5.4
Waste	4.2	1.7	3.1	3.1	3.7
Low carbon infrastructure	1.2	1.1	-	-	-
Energy efficiency	1.2	0.8	0.3	0.5	0.6
Green businesses	0.1	0.1	0.2	0.4	0.9
Water	0.2	-	-	-	0.2
Land remediation	-	-	-	-	0.1
Other	0.4	0.1	3.6	1.3	0.2
Electricity generation – Australia and New Zealand					
Total attributable financing (\$m)	3,874	3,514	3,225	3,099	3,330
Distribution by fuel type (%):					
Renewable	75.3	71.4	65.6	59.4	60.7
Other renewables	45.0	46.4	36.1	25.6	29.8
Hydro	30.4	24.9	29.5	33.8	30.9
Gas	13.7	14.1	17.4	19.7	20.8
Black coal	8.7	11.8	14.1	15.8	14.3
Brown coal	0.9	1.9	1.9	3.1	2.9
Liquid fuel	1.4	0.8	1.0	2.0	1.4
Westpac electricity generation portfolio emissions intensity (tCO ₂ e/MWh) ²	0.26	0.28	0.36	0.38	0.38
Benchmark emissions intensity (NEM t/CO ₂ -e/MWh) ²	0.75	0.82	0.86	0.90	0.91
Enhanced lending criteria to coal-fired generation (reliability, affordability, emissions reduction) ³	Compliant	Compliant	-	-	-

	2019	2018	2017	2016	2015
Mining					
Total mining exposure (\$m)	10,520	10,735	9,692	11,319	14,423
Mining as % of Group's TCE	1.00%	1.03%	0.96%	1.16%	1.54%
Distribution by customer primary commodity (%):					
Oil and gas extraction	35	37	39	44	47
Other metal ore mining	23	18	20	15	19
Mining services	16	15	13	12	15
Coal mining	7	13	6	8	9
Iron ore mining	11	10	14	12	5
Other	8	7	8	9	5
Enhanced lending criteria to existing thermal coal sector customers (calorific value >5,700 kCal/kg) ⁴	Compliant	Compliant	-	-	-
Enhanced lending to new thermal coal mines or projects (calorific value >6,300 kCal/kg) ⁴	Compliant	Compliant	-	-	-

1. All data is based on total committed exposures (TCE).
2. Reported for Australia only.
3. Increase in Group exposure partly due to reclassification of certain conglomerate customers to mining in 2H15.
4. Metric introduced in 2018 as part of our 2018-2020 Climate Change Position Statement and Action Plan.

 Positive impact finance¹.

	2019
Positive impact lending (\$m)	11,295
Positive impact deposits (\$m)	15,448
Total positive impact finance (\$m)	26,743

1. Includes lending to climate change solutions and microfinance, as well as lending, deposits and wealth products for Indigenous Australian banking customers and customers in the social sector.

APPLICATION OF EQUATOR PRINCIPLES.

Reporting on performance.

	2019	2018	2017	2016	2015
Loan value (\$m) ¹	454.2	772.9	891.1	617.4	1,065.2
Transactions closed					
Number of Category A transactions	-	-	-	-	-
Number of Category B transactions	5	9	7	3	7
Number of Category C transactions	-	1	-	1	1
Total transactions closed	5	10	7	4	8
Equator Principles – loan value by sector (%)					
Infrastructure	27	33	71	47	80
Power	73	57	23	9	6
Natural resources	-	10	6	45	14
Equator Principles – loan value by geography (%)					
Pacific	-	10	21	-	34
Australia	100	90	79	100	66
Equator Principles – loan value by category (%)					
Category A	-	-	-	-	-
Category B	100	94	100	76	91
Category C	-	6	-	24	9

1. Loan data for 2019 column represents Total Committed Exposures as at 30 September 2019.

Details of Project Finance Transactions in Accordance with EP III (FY19)¹.

Sector	Project name	Independent Due Diligence
Infrastructure	WestConnex Stage 3	Y
Power	Bango Wind Farm	Y
Power	Cattle Hill Wind Farm	Y
Power	Darlington Point Solar Farm	Y
Power	Finley Solar Farm	Y

1. Ordinarily Westpac does not disclose details regarding companies or projects. However, as per the requirement of Equator Principles III (EP III) reporting, and with approval from customers, we disclose details regarding specific transactions.

Assessing Impacts.

The following has been highlighted amongst the main environmental impacts of projects approved by Westpac in 2019.

Key impacts assessed	Environmental	Social
Infrastructure	Air pollution, Ground and surface water management, Impact on terrestrial flora and fauna	Noise pollution, Archaeological and Heritage
Power	Carbon Emissions and Containment, Contaminant management, Impact on terrestrial flora and fauna	Noise pollution, Archaeological and Heritage
Natural resources	Air pollution, Contaminant management, Ground and surface water management, Impact on terrestrial flora and fauna	Noise pollution, Archaeological and Heritage

Investment portfolio carbon intensity.

Product/Fund	Weighted Average Carbon Intensity ¹		% of Fund covered by analysis ²	Exposure to carbon-related assets ³	
	Footprint (CO ₂ e/\$m)	Benchmark		Fund exposure %	Benchmark exposure %
LSEP/AESA/BTSFL/WGP/BTBS					
MySuper Lifestage 1940s	202.9	213.8	20.7	19.9	20.3
MySuper Lifestage 1950s	201.5	211.0	27.7	19.7	19.9
MySuper Lifestage 1960s	199.5	208.6	51.0	19.4	19.5
MySuper Lifestage 1970s	198.8	207.2	74.5	19.3	19.3
MySuper Lifestage 1980s	198.8	207.2	74.5	19.3	19.3
MySuper Lifestage 1990s	198.8	207.2	74.5	19.3	19.3
MySuper Lifestage 2000s	198.8	207.2	74.5	19.3	19.3
Westpac Group Plan Diversified Options					
WGP Active Defined Benefit Option	200.5	213.7	50.9	20.1	20.3
WGP Pension Defined Benefit Option	200.6	214.1	31.7	20.1	20.4
WGP Moderate Growth Option	200.9	214.5	25.0	20.2	20.5
WGP Balanced Growth Option	200.6	214.2	47.9	20.0	20.4
WGP Higher Growth Option	200.3	211.9	71.2	19.9	20.0
Advance Diversified Multi-Blend Funds					
Advance Defensive Multi-Blend Fund	190.6	209.4	19.1	17.9	19.6
Advance Moderate Multi-Blend Fund	198.2	208.4	41.7	19.7	19.5
Advance Balanced Multi-Blend Fund	198.1	207.9	57.3	19.7	19.4
Advance Growth Multi-Blend Fund	197.5	207.6	69.1	19.5	19.3
Advance High Growth Multi-Blend Fund	199.9	209.9	80.4	20.1	19.7
BT Multi-manager Diversified Funds					
BT Multi-manager Conservative Fund	199.8	209.4	23.0	19.3	19.6
BT Multi-manager Moderate Fund	200.6	208.4	39.1	19.3	19.5
BT Multi-manager Balanced Fund	200.2	207.9	56.4	19.4	19.4
BT Multi-manager Growth Fund	200.9	207.6	69.0	19.4	19.3
BT Multi-manager High Growth Fund	203.2	209.9	79.5	19.9	19.7
BT Diversified Index Funds					
BT Defensive Index Fund	221.2	-	20.0	-	21.5
BT Moderate Index Fund	219.3	-	40.0	-	21.2
BT Balanced Index Fund	214.8	-	58.0	-	20.5
BT Growth Index Fund	215.0	-	70.0	-	20.5
BT High Growth Index Fund	211.1	-	90.0	-	19.9

1. Measurement of the Scope 1 and Scope 2 weighted average carbon emission intensity for the investment portfolios based on their exposure to Australian and International equities at 30 June 2019. The weighted average carbon intensity is measured as the portfolio's exposure to each company's carbon intensity. Each company's carbon intensity is expressed in tonnes of carbon dioxide equivalents (tCO₂e) per million Australian dollars of revenue. This metric is calculated consistently with the guidance for Asset Owners contained in the Annex to the "Recommendations of the Task Force on Climate-related Financial Disclosures" (TCFD). This metric reflects the portfolio's Australian and International equities allocations, excluding other asset classes as described below. The Fund's overall carbon intensity is derived using the % of Fund covered by the analysis.
2. This metric shows the portion of Australian and International equities on which the analysis has been calculated. Portfolio exposures not covered by the analysis may include, for example, cash holdings and derivatives as well as other asset classes such as fixed interest, listed property and emerging market securities.
3. Weight within the Australian and International equities allocation invested in the most carbon-intensive sectors. The Fund's overall exposure to these carbon-related assets is derived using the % of Fund covered by the analysis. This metric is calculated consistently with the guidance for Asset Owners contained in the TCFD, however the sectors that constitute the carbon-related assets have been adjusted for characteristics of the Australian benchmark. The following sectors are the most carbon-intensive under the Global Industry Classification Standard:
 - Utilities (GICS code 55, excluding the water utilities industry and the renewable electricity sub-industry);
 - Energy (GICS code 10); and
 - Materials (GICS code 15).

Notes

- All carbon intensity data has been provided by S&P Trucost Limited, a leading provider of environmental data.
- Data may change over time as holdings within the Fund change.
- A lower number against benchmarks means the Fund is less emissions intensive, or has less exposure to carbon intensive industries, as compared to its benchmark.
- Whilst the actual exposures within the BT Diversified Index Funds may vary from the benchmark, it is expected that over time these Funds closely track their respective indices.
- BT does not actively manage these Funds to a carbon benchmark; the analysis is used to understand where risks may lie within the portfolios, and provide customers with information on the investments they hold.

Environment.

For our direct environmental performance, we measure and report against a number of indicators. These include our greenhouse gas (GHG) emissions, energy use, paper consumption, waste and recycling, water use, and business travel – all areas that support and contribute to the Group’s strategic priorities of Performance Disciplines, Digital Transformation and Workforce Revolution. All data reflects a 1 July – 30 June reporting year, unless otherwise stated.

For our indirect environmental performance, e.g. our lending to climate change solutions, see *Sustainable lending and investment*. Further details related to our indirect environmental performance are included in *Creating sustainable value*.

GHG EMISSIONS.

Group GHG emissions summary¹.

	2019	2018	2017	2016	2015
GHG emissions (tCO₂e)					
Total Scope 1 emissions	9,260	9,824	9,274	11,102	10,830
Total Scope 2 emissions ²	111,908	118,515	124,963	145,599	164,976
Total Scope 3 emissions ³	62,242	65,783	68,830	63,347	68,484
Total Scope 1 and 2 emissions (tCO₂e)	121,168	128,339	134,237	156,701	175,806
Total Scope 1, 2 and 3 emissions (tCO₂e)³	183,410	194,122	203,067	220,048	244,290

1. Includes Westpac Group operations in Australia, New Zealand, the United Kingdom and the Pacific.
2. 2015 and 2016 figures include emissions from our data centres under operational control. Western Sydney data centre is excluded from operational control from 2017 onwards. An adjusted 2016 number that excludes emissions from Western Sydney data centre is used as a baseline for our 2020 and 2030 emissions reduction targets. The rebased 2016 figure is 136,518 (tCO₂e).
3. FY18 restated to reflect methodology update in FY19.

Group energy summary¹.

	2019	2018	2017	2016	2015
Energy consumption (GJ)					
Energy consumption – Fuels	105,541	108,858	101,576	126,091	131,394
Energy consumption – Electricity ²	571,564	601,669	633,211	722,567	778,393
Total energy consumption (GJ)	677,105	710,526	734,787	848,658	909,787

1. Includes Westpac Group operations in Australia, New Zealand, the United Kingdom and the Pacific.
2. Western Sydney data centre is excluded from emissions data from 2017 onwards.

Absolute GHG emissions.

	Group			Australia			New Zealand			Pacific			UK		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
Scope 1 emissions (tCO₂e)															
Stationary energy – Natural gas	1,349	1,411	1,057	772	668	595	365	316	254	NR	0	4	212	427	204
Stationary energy – Diesel	445	348	387	363	332	275	13	NR	NR	70	16	112	NR	NR	NR
Stationary energy – LPG	3	2	-	1	0	-	2	2	NR	NR	NR	NR	NR	-	-
Transport – Fleet vehicles	5,102	5,652	5,503	3,629	3,841	3,754	1,186	1,512	1,486	287	299	263	NR	NR	NR
Refrigerants	2,361	2,413	2,327	2,253	2,271	2,166	108	142	161	NR	NR	NR	NR	-	-
Total Scope 1 emissions (tCO₂e)	9,260	9,824	9,274	7,018	7,112	6,790	1,674	1,971	1,901	357	315	379	212	427	204
Scope 2 emissions (tCO₂e)															
Purchased electricity	111,908	118,515	124,963	107,450	114,669	121,224	1,901	2,222	1,807	2,338	1,537	1,847	219	88	85
Total Scope 1 and 2 emissions (tCO₂e)	121,168	128,339	134,237	114,468	121,780	128,014	3,575	4,193	3,708	2,695	1,851	2,226	431	515	289
Scope 3 emissions (tCO₂e)															
Base building emissions	15,423	17,634	21,530	15,423	17,634	21,530	NR	NR	NR	NR	NR	-	NR	-	-
Transmission and distribution losses – Australia ¹	15,506	18,262	18,922	14,761	17,494	18,709	745	768	213	NR	NR	NR	NR	-	-
Transport – Fleet vehicles	186	199	198	186	199	198	NR	NR	NR	NR	NR	-	NR	-	-
Business travel – Air	13,532	14,409	9,855	11,214	12,986	8,354	2,288	1,009	1,113	NR	98	87	30	316	301
Business travel – Couriers	3,221	3,027	5,122	3,221	3,027	5,122	NR	NR	NR	NR	NR	-	NR	-	-
Business travel – Hire vehicles and personal vehicles ²	202	146	211	74	37	94	128	109	117	NR	NR	NR	NR	-	-
Business travel – Taxis	2,288	125	514	2,178	62	448	111	63	66	NR	NR	NR	NR	-	-
Business travel – Hotels – Australia	324	2,623	2,356	259	2,574	2,303	64	49	53	NR	NR	NR	NR	-	-
Paper consumption	9,431	6,885	7,805	9,123	6,670	7,247	209	185	533	69	27	23	29	4	2
Waste – Landfill	1,593	1,907	1,706	1,568	1,848	1,637	25	59	69	NR	NR	NR	NR	-	-
Water	536	566	611	536	566	611	NR	NR	NR	NR	NR	-	NR	-	-
Total Scope 3 emissions (tCO₂e)¹	62,242	65,783	68,830	58,543	63,095	66,253	3,571	2,242	2,164	69	125	110	59	320	303
Total Scope 1, 2 and 3 emissions (tCO₂e)¹	183,410	194,122	203,067	173,011	184,876	194,267	7,146	6,435	5,872	2,764	1,976	2,336	490	835	592

1. FY18 restated to reflect methodology update in FY19.

2. Emissions from personal vehicles are reported for New Zealand only. Hire vehicles are reported for both Australia and New Zealand.

NR means not reported.

GHG emissions intensity.

	Group			Australia			New Zealand		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Scope 1 and 2 emissions (tCO ₂ e)/employee (FTE) ¹	3.6	3.7	3.9	4.1	4.1	4.4	0.8	1.0	0.8
Scope 1 and 2 emissions (tCO ₂ e)/m ²	0.2	0.1	0.2	0.2	0.2	0.2	0.0	0.0	0.0

1. FTE metric is based on total FTE as at 30 June.

ENERGY.

Energy consumption.

	Group			Australia			New Zealand			Pacific			UK		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
Energy consumption - Fuels (GJ)															
Stationary energy - Natural gas	25,877	18,829	16,287	14,981	12,962	11,553	6,751	5,858	4,710	0	0	20	4,146	8,347	3,984
Stationary energy - Diesel	6,423	5,656	5,517	5,171	4,728	3,922	180	-	-	1,073	0	-	-	-	-
Stationary energy - LPG	42	28	1	14	3	1	28	26	-	0	-	-	-	-	-
Transport - Fleet vehicles	73,198	84,344	79,772	51,726	55,375	54,971	17,290	22,408	21,083	4,183	6,561	3,718	-	-	-
Total energy consumption - Fuels (GJ)	105,541	108,858	101,577	71,891	73,068	70,447	24,248	28,292	25,793	5,256	6,561	3,738	4,146	8,347	3,984
Energy consumption - Electricity (GJ)															
Purchased electricity	571,564	601,669	633,211	482,212	511,505	534,488	70,049	72,708	78,938	16,519	15,735	18,914	2,785	1,720	871
Total energy consumption (GJ)	677,105	710,526	734,788	554,104	584,573	604,935	94,296	101,000	104,731	21,774	22,296	22,652	6,930	10,067	4,855

Energy intensity.

	Group			Australia			New Zealand		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Energy (GJ)/employee (FTE) ¹	20.1	20.3	21.1	19.8	19.8	20.7	22.0	23.3	23.5
Energy (GJ)/m ²	1.0	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9

1. FTE metric is based on total FTE as at 30 June.

PAPER CONSUMPTION.

Paper consumption.

	2019	2018	2017	2016	2015
Paper consumption (tonnes)					
Australia	1,507	1,873	2,213	2,890	4,319
New Zealand - FSC accredited	305	289	493	414	537
Pacific	33	18	18	59	71
UK - recycled paper	1	10	2	9	2
Total paper consumption	1,846	2,189	2,726	3,372	4,929
Percentage of carbon neutral paper (%)					
- Australia	37	34	20	30	28
Percentage of certified content (%) - Australia	92	73	95	85	81
Percentage including recycled content (%) - Australia	0	12	5	15	12

Office paper consumption¹

	2019	2018	2017	2016	2015
Office paper (tonnes)/employee (FTE)					
- Australia	0.05	0.06	0.08	0.09	0.15
Office paper (tonnes)/employee (FTE)					
- New Zealand	0.07	0.07	0.11	0.10	0.12

1. FTE metric is based on total FTE as at 30 June.

WASTE AND RECYCLING.

Recycling.

	2019	2018	2017	2016	2015
Paper recycling (tonnes)					
Australia	2,719	1,727	1,663	2,039	2,234
New Zealand	468	521	428	618	583
United Kingdom	9	10	9	9	9
Total paper recycling (tonnes)	3,196	2,258	2,100	2,666	2,826
General recycling (tonnes)					
Australia - Commercial	589	873	446	600	746
Australia - Retail	76	93	83	83	143
New Zealand	24	27	393	86	91
United Kingdom	-	2	2	2	2
Total general recycling (tonnes)	690	995	924	772	982
Specialty recycling (tonnes)					
Australia - Fluorescent tubes ¹	11.4	1.9	9.2	3.6	2.9
Australia - E-waste	95.5	100.5	18.3	64.9	220.2
Total specialty recycling (tonnes)	107.0	102.4	27.5	68.5	223.1
Total recycling (tonnes)	3,993	3,355	3,052	3,506	4,031

1. Australia participates in the Fluorocycle Program.

Waste to landfill.

	2019	2018	2017	2016	2015
Waste to landfill (tonnes)					
Australia - Commercial ¹	1,025	1,194	1,032	1,147	1,114
Australia - Retail	282	346	332	332	391
New Zealand	74	108	128	151	183
Total waste to landfill	1,381	1,648	1,492	1,629	1,688

1. Commercial landfill total for Australia includes the Data Centre and Subsidiaries.

WATER.

Water consumption.

	2019	2018	2017	2016	2015
Water consumption (kL)					
Australia - Commercial	183,413	185,659	214,562	262,448	355,484
Australia - Retail	179,836	192,064	234,385	222,907	248,580
Total water consumption	363,249	377,723	448,947	485,354	604,064

Water intensity

	2019	2018	2017	2016	2015
Water consumption (kL/m²)					
Australia - Commercial	0.60	0.50	0.60	0.72	1.10
Australia - Retail	0.50	0.49	0.60	0.56	0.60

BUSINESS TRAVEL.

Land travel.

	2019	2018	2017	2016	2015
Fleet - Total distance travelled (m km)					
Australia	17	19	18	23	23
New Zealand	-	-	-	-	9
Hire vehicles and personal vehicles - Total distance travelled (m km)¹					
Australia	0.4	0.2	0.5	0.6	0.7
New Zealand	0.5	0.1	0.6	0.6	0.7
Fleet - Emissions/vehicle (tCO₂e/vehicle)					
Australia	4.1	4.1	4.2	4.6	4.7
New Zealand	4.0	4.7	4.3	4.5	4.7

1. Emissions from personal vehicles are reported for New Zealand only. Hire vehicles are reported for both Australia and New Zealand.

Air travel.

	2019	2018	2017	2016	2015
Distance travelled - Domestic (m pkm)					
Australia ¹	41.9	50.2	48.5	45.8	53.8
New Zealand	4.9	4.2	4.8	7.0	5.7
United Kingdom	0.0	1.6	0.3	0.2	0.3
Total distance travelled - Domestic	46.9	56.1	53.5	53.0	59.8
Distance travelled - International (m pkm)					
Australia ¹	23.7	27.0	21.3	23.4	28.6
New Zealand	3.4	2.5	3.4	4.7	4.1
United Kingdom	1.5	1.4	1.3	1.5	2.2
Total distance travelled - International	28.6	30.8	26.0	29.6	34.9
Total distance travelled	75.5	86.9	79.4	82.6	94.7

1. Trans-Tasman air travel is reported under International.

Suppliers.

Recognising that the actions of our suppliers are important to our sustainability performance, our responsible sourcing approach provides a strong foundation for us to manage risks and opportunities in our supply chain. To track the sustainability performance of our supply chain, we measure and report on a number of indicators, including the extent of our assessment of suppliers against our Responsible Sourcing Code of Conduct and the number of and spend with Indigenous suppliers. These metrics will continue to expand as we implement our new policies.

Our supplier programs support and contribute to the Group's Performance Disciplines and Growth Highways strategic priorities, and strategic updates are included in *Creating sustainable value*.

All information reported (with the exception of supply chain spend) reflects Australia data only. We have continued the process of extending the principles of the Responsible Sourcing Code of Conduct to other geographies.

TOTAL SUPPLY CHAIN SPEND¹.

	2019	2018	2017	2016	2015
Australia (\$bn)	5.91	5.41	4.97	4.37	4.97
New Zealand (\$bn)	0.60	0.67	0.63	0.54	0.46
Total supply chain spend (\$bn)	6.51	6.08	5.60	4.91	5.43

1. Includes only spend captured through Group reporting systems. Excludes in-country spend.

DIVERSE AND INDIGENOUS AUSTRALIAN SUPPLIERS.

	2019	2018	2017	2016	2015
Spend with diverse suppliers (\$m) ¹	18.6	17.7	-	-	-
Spend with Indigenous Australian suppliers (\$m)	3.6	3.8	2.8	1.7	1.2
Tier 1	3.2	2.8	2.5	1.6	1.2
Tier 2	0.4	1.0	0.3	0.1	0.0
Number of Indigenous Australian suppliers (cumulative)	74	65	51	44	27

1. First reported in 2019. Data available from 2018 onwards.

SUPPLIERS BY TYPE¹.

	2019	2018	2017	2016	2015
Percentage of supply chain spend (%)					
Products, marketing and digitisation	14	13	14	14	14
Operations and property	11	13	13	12	11
Workforce enablement, services and wealth	19	19	18	17	19
IT and telecommunications	36	33	31	30	31
Other	20	21	24	27	25

1. % of total suppliers.

RESPONSIBLE SOURCING¹.

	2019	2018	2017	2016	2015
Number of suppliers assessed against Responsible Sourcing Code of Conduct	98	100	31	-	-
Top Suppliers self-assessed (SSCM) - Australia (%) ²	-	-	73	100	100
Top suppliers assessed under the Westpac Responsible Sourcing Program (%) ³	98	100	21	-	-

1. New metrics introduced as we implement the Group's Responsible Sourcing Code of Conduct.

2. Top suppliers by spend that have previously been assessed against Westpac's Sustainable Supply Chain Management (SSCM) Framework, which was replaced by the Responsible Sourcing Assessment framework in 2017.

3. Suppliers included within the 'Top Suppliers assessed in Australia under the Westpac Responsible Sourcing Program (%)' are the top 100 suppliers to the Bank by spend for the 12 months ended September 2019.

Social and economic impact.

We measure and report the economic value we generate as well as our overall community investment, including charitable giving through donations, grants, volunteering, scholarships and the financial education we provide. We also continue to report social impact measures that demonstrate the value being generated for our customers and communities through our initiatives, beyond dollars or time. See *Creating sustainable value* for a strategic update on our progress.

ECONOMIC IMPACT.

Value generation and distribution (\$m)¹.

	2019	2018	2017	2016	2015
Direct economic value generated					
Net interest income	16,907	16,505	15,516	15,148	14,267
Non-interest income ²	3,742	5,502	6,134	5,693	7,241
Net operating income²	20,649	22,007	21,650	20,841	21,508
Supplier and non-salary input costs ²	(5,189)	(4,562)	(4,636)	(4,579)	(4,177)
Depreciation and impairment charges	(1,864)	(1,716)	(1,930)	(2,136)	(2,203)
Direct economic value generated	(13,596)	15,729	15,084	14,126	15,128
Direct economic value distributed					
Shareholders (dividends and comprehensive income attributable to non-controlling interests)	6,474	6,404	6,298	6,143	5,808
Governments (income tax expense)	2,959	3,632	3,518	3,184	3,348
Employees (salaries and bonuses)	3,846	3,783	3,569	3,482	3,596
Community (community investments) ³	130	128	164	148	149
Direct economic value distributed	13,409	13,948	13,549	12,957	12,901
Economic value retained for future growth	317	1,910	1,535	1,169	2,227
Total economic value distributed and retained	13,726	15,857	15,084	14,126	15,128

1. This financial summary is prepared in accordance with AIFRS. Where accounting classifications have changed or where changes in accounting policy are adopted retrospectively, comparatives have been revised and may differ from results previously reported.
2. Comparatives have been restated to reflect presentational changes to the Group's income statement. These did not have any impact to Direct economic value generated.
3. 2018 Community investment figures restated to correct errors identified following annual review.

COMMUNITY INVESTMENT.

Community investment summary¹.

	2019	2018 ¹	2017	2016	2015
Australia (\$)	124,008,119	123,811,063	157,678,012	137,586,780	139,911,253
Westpac New Zealand (\$) ²	5,583,171	4,820,066	5,546,102	9,825,925	8,010,153
International (\$) ³	98,032	298,099	332,553	491,307	876,208
Group Community investment (\$)	129,689,322	128,929,228	163,556,668	147,904,012	148,797,614
Community investment as a % of operating profit before income tax (cash basis) (%)	1.32	1.10	1.41	1.32	1.33
Operating profit before income tax (cash basis) (\$m)	9,830	11,655	11,598	11,181	11,152
Community investment as a % of pre-tax profits (%)	1.33	1.09	1.42	1.39	1.30
Pre-tax profit - Westpac Group (\$m)	9,749	11,731	11,515	10,644	11,416

1. 2018 Community investment figures restated to correct errors identified following annual review.
2. The exchange rate for NZD in 2019 was 1.0574 based on the average rate at 30 September 2019 (2018: 1.0884, 2017: 1.0664, 2016: 1.0742, 2015: 1.0802).
3. International includes offices in the United States, United Kingdom, Pacific and key Asian centres. The exchange rate for SGD is based on the average rate at 30 September 2019: 0.9622. Pacific data has been merged into International for FY16 onwards, and FY15 includes disaster response activities related to Cyclone Pam in Vanuatu.

Community investment by type (\$).

	2019	2018	2017	2016	2015
Monetary contributions					
Charitable gifts ¹	6,382,280	6,893,214	7,049,652	2,958,256	4,545,270
Matched giving ¹	4,191,901	1,991,797	2,835,438	3,418,365	2,684,623
Community partnerships	13,402,662	10,917,967	12,991,418	14,962,735	16,242,553
Total monetary contributions¹	23,976,843	19,802,978	22,876,508	21,339,355	23,472,446
Time contributions					
Volunteer time	3,318,117	3,211,968	3,647,228	2,779,366	3,330,252
Employee secondments	1,075,276	1,324,226	716,587	498,286	99,760
Indigenous community secondments/volunteering	1,456,493	1,699,280	1,573,931	1,719,331	1,231,000
Total time contributions	5,849,885	6,235,474	5,937,745	4,996,984	4,661,012
In-kind contributions					
Foregone fee revenue - not-for-profit organisations	9,071,142	7,314,809	10,201,843	8,203,396	8,307,830
Foregone fee revenue - other fee-free accounts	83,241,755	86,877,960	118,212,011	90,021,519	92,373,664
In-kind gifts or donations	1,242,598	1,359,996	2,170,660	1,233,952	916,965
Indigenous in-kind	213,444	332,967	308,281	142,676	188,872
Total in-kind contributions	93,768,939	95,885,732	130,892,795	99,601,543	101,787,331
Management costs					
Management costs - General	5,397,523	5,063,784	2,836,262	3,902,710	4,577,380
Management costs - Indigenous ¹	696,131	828,802	1,013,357	712,173	810,590
Total management costs¹	6,093,654	5,892,586	3,849,620	4,614,882	5,387,970
Community investment¹	129,689,322	127,816,770	163,556,668	130,552,764	135,308,759
Commercial sponsorships	12,218,605	14,121,663	16,316,379	17,351,248	13,488,855
Community investment including commercial sponsorships¹	141,907,927	141,938,433	179,873,047	147,904,012	148,797,614

1. 2018 Community investment figures restated to correct errors identified following annual review. 2018 Matched giving payment made in October 2018.

Financial education - number of participants¹.

	2019	2018	2017	2016	2015
Australia	486,651	5,604	1,121	2,212	4,038
Face-to-face workshops	4,862	-	-	-	-
Online tutorial and digital content ²	143,457	-	-	-	-
Online calculators ⁵	7,113	-	-	-	-
Life Moments and Help for your Business Education Pages ⁴	331,219	-	-	-	-
New Zealand	118,502	106,479	91,792	29,377	34,320
Face-to-face workshops	10,343	-	-	-	-
Online tutorial and digital tools ⁵	13,610	-	-	-	-
Financial education centre	73	-	-	-	-
CashNav	94,476	-	-	-	-
Westpac Pacific					
Face-to-face training	14,842	21,761	19,350	28,007	27,180
Group total	619,995	133,844	112,263	59,596	65,538

1. Methodology updated to provide breakdown of education channels for the first time in 2019. Australia 2019 numbers not comparable with prior periods.
2. Online Tutorial includes: Attendees of pre-recorded financial education webinars (available via Westpac Davidson Institute's YouTube site) and Attendees of Live Webinars run by Westpac's Davidson Institute. Digital content includes: Page views of content to help build the financial confidence of people, businesses and community organisations available via Westpac's Davidson Institute.
3. Includes budget calculators views only.
4. Life Moments & Help for your Business Financial Education Pages: Page views of content to help build the financial confidence of people and businesses available via dedicated hubs on www.westpac.com.au.
5. Also includes budget calculators view.

Financial education - number of hours¹.

	2019	2018	2017	2016	2015
Australia	4,048	3,822	1,958	4,210	4,705
New Zealand	12,015	8,962	9,865	10,070	13,231
Group total	16,063	12,784	11,823	14,280	17,936

1. Hours data not available for the Pacific.

OUR FOUNDATIONS.

Family of Giving distribution and grants.

	2019	2018	2017	2016	2015
Distribution (\$)					
Westpac Scholars	4,196,629	3,658,206	3,738,755	2,464,174	150,000
Westpac Foundation	2,441,844	3,684,939	3,766,550	1,331,287	2,435,919
St.George Foundation	1,572,315	1,240,581	1,817,958	1,899,701	1,429,841
Bank of Melbourne Foundation	836,389	555,132	837,882	636,307	116,060
BankSA Foundation	310,671	117,071	309,175	156,280	81,700
Total distribution	9,357,848	9,255,929	10,470,320	6,487,749	4,213,520
Number of grants/scholarships					
Westpac Scholars	216	206	193	112	22
Westpac Foundation	128	240	229	123	137
St.George Foundation	47	30	52	53	54
Bank of Melbourne Foundation	22	17	24	22	5
BankSA Foundation	12	5	9	7	4
Total number of grants/scholarships	425	498	507	317	222

Family of Giving distribution by state (\$).

	2019	2018	2017	2016	2015
National	887,931	894,389	565,977	290,633	389,483
NSW/ACT	3,183,680	2,959,918	3,983,154	2,443,963	1,862,553
VIC/TAS	2,848,396	2,705,388	3,057,144	1,879,598	532,820
QLD	1,076,337	1,336,206	1,509,538	998,439	605,775
SA/NT	815,283	740,018	646,037	337,990	201,860
WA	496,221	570,010	658,470	537,126	538,797
Pacific	50,000	50,000	50,000	-	50,000

Family of Giving distribution by type (\$).

	2019	2018	2017	2016	2015
Community grants - locally focused	1,615,398	2,804,203	3,169,057	1,746,841	1,067,764
Community grants - organisations supporting children	2,103,977	1,198,581	1,795,958	1,899,701	1,429,841
Retired employee hardship grants and pensions	91,844	94,939	61,550	107,033	54,483
Scholarships	4,196,629	3,658,206	3,738,755	2,464,174	150,000
Social enterprise grants (including Pacific grants)	1,350,000	1,500,000	1,705,000	270,000	1,479,200

SOCIAL IMPACT.

Social impact framework measures¹.

	2019	2018	2017	2016	2015
Helping out in times of need					
Customers provided with natural disaster relief packages	529	104	1,885	216	469
Individuals assisted in times of crisis by community organisations supported by Westpac Group	2,682	2,400	21,012	1,364	2,000
Customers who sought assistance from Westpac Assist specialists to manage through financial hardship	90,608	54,870	38,761	39,516	54,544
Number of approved applications for financial assistance from customers experiencing financial hardship	52,025	37,678	28,322	30,759	50,005
Enabling more inclusive banking and building financial capability					
Westpac Group products and services and supported community partners delivered products and services (e.g. microfinance) for individuals that are financially excluded or in underserved communities	8	8	8	7	7
Individuals completing Westpac Group financial literacy training	619,995	133,844	112,263	59,596	65,538
Investing in economic wellbeing and greater prosperity					
Micro and social enterprises established or expanded that have received Westpac Group assistance e.g. micro-enterprise loans or social enterprise grants	372	290	357	313	250
Employment pathways supported at social enterprises by Westpac Foundation (cumulative) ²	5,596	4,492	3,727	2,912	1,932
Jobs supported at social enterprises by Westpac Foundation (cumulative) ²	2,843	2,097	1,578	839	389
Number of employees involved in skilled mentoring and volunteering	585	727	393	237	122
Hours given by employees to skilled mentoring and volunteering	24,327	29,212	7,079	5,019	21,708
Number of grants to improve economic wellbeing made by the Westpac Foundation (cumulative)	288	238	161	100	57
Advancing the nation through social change					
Scholarships awarded to individuals by the Westpac Scholars ³	416	332	243	120	22

1. In the metrics contained in this table: Individuals refers to members of the public who may or may not be Westpac Group customers, Customers refers to individuals and businesses that are current customers of the Westpac Group, Employees refers to current employees of the Westpac Group, and Communities refers to the broader communities within which Westpac Group operates.
2. 2018 data includes: Cumulative total for 2015, 2016, 2017 and first three quarters for 2018. Q4 2018 will be reported as part of 2019 annual figures. 2019 data includes: Cumulative totals for 2015, 2016, 2017, 2018 and first three quarters for 2019. Q4 2019 will be reported as part of 2020 annual figures.
3. Represents the number of active scholars in the Westpac scholars program. FY18 figures restated due to error in classification.

Reconciliation Action Plan (RAP).

Our 2018–2020 RAP focuses on four areas – meaningful careers, better banking experiences, backing Indigenous business, and prosperous communities – where we believe we can achieve greatest outcomes. These areas reflect our commitment to the UN Sustainable Development Goals and the UN Declaration on the Rights of Indigenous Peoples. Reconciliation Australia’s pillars – Relationships, Respect and Opportunities – underpin our RAP commitments.

RECONCILIATION ACTION PLAN PROGRESS.

Reconciliation Action Plan Scorecard.

OBJECTIVES AND MEASURES	TARGET BY 2020	2019
Meaningful careers		
Aboriginal and Torres Strait Islander new-to-bank hires – Australia (%)	4%	6.6% (161)
Build reliable mechanisms to better understand new starter retention and attrition rates of Aboriginal and Torres Strait Islander employees	Implemented and evaluated	The reporting mechanism was established in 2018
Increase completion of traineeship qualifications and measure transitions into permanent employment	Monitor and report on completions and transitions	24 transitions into permanent employment
Westpac employees who have participated in the Echo mentoring program	60	77 (109 cumulative since inception of program)
Increase understanding and use of Welcome to Country and Acknowledgement of Country protocols	Develop strategy and track engagement	Guidelines updated annually and promoted via digital channels
Number of events celebrating days of cultural significance to Indigenous Australians	30 Indigenous events per year	More than 100 events
Development of a group-wide Indigenous cultural intelligence framework	Framework implemented	Confirmed a refresh to the cultural competency training module
Number of executive visits by Westpac Group senior leaders to organisations through Jawun (cumulative)	36 (cumulative)	6 (19 cumulative)
Better banking experiences		
Improve access to home ownership products and services by meeting the needs of Indigenous Australians	Design, test, and share lessons learnt	By undertaking research with Indigenous consultancy firm Origin Communications, we are considering how we can support more Indigenous Australians to own their own home, with insights informing further exploration in areas including intergenerational home ownership
Continue to improve understanding of banking through testing the effectiveness of, and expanding the roll-out of the Banking Story ¹	Implement further roll-out and determine potential for extension	Evaluation completed by the University of Technology Sydney, recommendations being reviewed by Banking Story Working Group
Include Aboriginal and Torres Strait Islander representation in marketing collateral	Evaluate effectiveness and determine next steps	The marketing and brand team continue to regularly feature Indigenous representation in collateral, and Master Brand Guidelines include two Indigenous images as best practice examples

1. Tool for communicating banking with remote Indigenous customers.

OBJECTIVES AND MEASURES	TARGET BY 2020	2019
Backing Indigenous business¹		
Cumulative spend with Supply Nation registered and certified Indigenous businesses	\$10m cumulative spend	\$3.6 million (\$7.4 million cumulative)
Number of Indigenous Australian owned businesses established or expanded with support from Westpac's microfinance partner Many Rivers	330 (cumulative)	115 (197 cumulative)
Prosperous communities		
Number of Westpac Group employees on secondments ² with Indigenous organisations through Jawun (cumulative)	120 (cumulative)	52 (101 cumulative)
Number of personal financial capability seminars delivered through community visits to regional, remote and urban communities	90 visits (cumulative)	37 visits (59 cumulative)
Delivery of Financial First Steps program to Indigenous employees of business customers	5 organisations and 50 Indigenous employees	13 sessions in total reaching 162 participants

1. Regarding the measure to consider a fair and culturally appropriate funeral cost savings service: Following initial scoping of potential solutions, in November 2018 Westpac concluded that it was not in a position to progress this commitment further. Westpac agreed to continue the dialogue with Social Ventures Australia on any relevant updates to their funeral savings proposal but made no commitment to their initiative.

2. Included five David Williams Fellowship secondees, and four 12-week secondments to support Empowered Communities program.

2018–2020 Sustainability Strategy.

Our 2020 Sustainability Strategy is centred around three priority areas – helping people making better financial decisions, helping people by being there when it matters most to them, and helping people create a prosperous nation. Underpinning these priority areas is our commitment to fostering a culture of care and doing the right thing, and continuing to lead on the Sustainability fundamentals.

SUSTAINABILITY STRATEGY.

Sustainability Strategy Scorecard.

PRIORITY AREAS	GOALS	TARGET BY 2020	FULL YEAR 2019 PERFORMANCE
Helping people make better financial decisions	Help more people better understand their financial position, improving their financial confidence	Continued innovation to support customers to make better financial decisions 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"> Wealth Review tool and My Wellbeing online portal offering health check programs for superannuation customers 619,995 people participated in financial literacy programs, delivered through face to face and online platforms
		Communication channels reaching more Australians, enhancing their financial understanding	<ul style="list-style-type: none"> 900,000 young Australians via universities and TAFE NSW 724,000 women through Ruby Connection 3.0 million Australians via Starts at 60
			<ul style="list-style-type: none"> Helped customers experiencing financial hardship, issuing 52,025 financial assistance packages
Helping people by being there when it matters most to them	Help people recover from financial hardship	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"> Life Moments tools and resources to assist customers and their families going through challenging circumstances such as the loss of a loved one, divorce or separation \$100 million Drought Assistance Package extended \$150,000 donation to the Salvation Army \$100,000 donation to the Foundation for Rural & Regional Renewal (FRRR) 529 relief packages for customers impacted by natural disasters across Australia
	Help people lift out of a difficult time and recover stronger	<ul style="list-style-type: none"> Re-design customer experiences aligned to pivotal life events through improvements in services, products and banker capability Communities receiving support to recover from difficult times reporting that they are resilient 	
	Helping our most vulnerable customers	Initiatives implemented to improve the financial wellbeing of our most vulnerable customers	<ul style="list-style-type: none"> 937 customers assisted via the Priority Assist 1800 telephone line 24/7 Scams Assist team established to protect customers Over 3,000 Indigenous Australians supported through a dedicated customer care team established this year to support remote Indigenous communities

PRIORITY AREAS	GOALS	TARGET BY 2020	FULL YEAR 2019 PERFORMANCE
Helping people creating a prosperous nation	Build the workforce of the future	Delivery of updated Divisional Capability Plans to support employees accessing training and new opportunities to support reskilling	<ul style="list-style-type: none"> 10 core capabilities identified to enable our people to prepare for the future of work Updated our Science, Technology, Engineering and Mathematics (STEM) Commitment
	Invest and back the people and ideas shaping Australia	<ul style="list-style-type: none"> A community of more than 300 scholars funded 2,000 microenterprises established/growing 15 community partners backed to create 2,000 jobs for vulnerable Australians 50,000 Australians supported by 300 community grants 30 fintechs with investment support 	<ul style="list-style-type: none"> Welcomed the next 102 Westpac Scholars, bringing the cohort to 416; with \$4.3 million awarded in Westpac Scholars educational scholarships 359 businesses established through our Many Rivers partnership. The partnership has created jobs¹ for 2,310 people, with 829 identifying as Indigenous Westpac Foundation job creation grants supported social enterprises to create 746 jobs¹ for vulnerable Australians \$1 million in Westpac Foundation Community Grants to help 100 not-for-profit organisations to support approximately 12,000 people To date, committed \$150 million to Reinventure as part of its investment in three funds, supporting 27 early-stage companies
	Back the growth of 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 	<ul style="list-style-type: none"> \$9.3 billion in lending to climate change solutions \$3.6 billion in facilitation in climate change solutions
	Back the growth of housing affordability solutions	\$2.5 billion to affordable housing solutions	<ul style="list-style-type: none"> Reassessed the role we can play across issues such as homelessness, social and affordable housing, and new models incorporating shared equity and long-term rental arrangements
	Bring together partners and harness the Group capacity to tackle pressing social issues that matter most to the nation	<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"> A founding bank and signatory to the Principles for Responsible Banking Joined other Australian banks, insurers, super funds, investors and industry groups to form the Australian Sustainable Finance Initiative Joined an Expert Advisory Council, through WEConnect International, focusing on best-in-class approaches to supply chain, supplier diversity and access to capital for women-owned businesses
A culture that is caring, inclusive and innovative	Promote an inclusive society, where our workforce reflects our customers	<ul style="list-style-type: none"> Maintain 50% Women in Leadership Maintain gender pay equity, on a like-for-like role basis Aboriginal and Torres Strait Islander new-to-bank hires – Australia (%) 	<ul style="list-style-type: none"> 50% women in leadership Maintained gender pay equity 6.6% of new hires (or 161 of our new employees and programs participants including trainees and interns)
	Increase channels where customers can provide feedback	Continue to achieve a reduction in complaints resolution time	<ul style="list-style-type: none"> New complaints strategy centred on customer connection, service excellence, priority support for vulnerable customers and root cause and complaints prevention established Reduced non-external dispute resolution average time to close complaints from 13 days to seven days

1. All results for the year ended 30 September except jobs created through the Westpac Foundation job creation grants to social enterprises and Many Rivers job creation which are for the year ended 30 June.

PRIORITY AREAS	GOALS	TARGET BY 2020	FULL YEAR 2019 PERFORMANCE
Continuing to lead on the Sustainability Fundamentals	Employees	<ul style="list-style-type: none"> Lost Time Injury Frequency Rate Total Recordable Injury Frequency Rate 	<ul style="list-style-type: none"> LTIFR 0.4 TRIFR 3.1
	Human Rights	Benchmark performance by surveys and research	Westpac scored 95 in the DJSI human rights category, versus 29 industry average
	Sustainable lending and investment	<ul style="list-style-type: none"> BTFG portfolio carbon intensity Aim to reduce the emission intensity of our power generation portfolio to 0.30 tCO₂e/MWh by 2020 	<ul style="list-style-type: none"> Refer: Sustainable lending and investment 0.26 tCO₂e/MWh
	Environment ¹	<ul style="list-style-type: none"> 9% reduction in Greenhouse Gas Emissions Set renewable energy target 80% diversion of waste from landfill in Australian offices 15% reduction in water usage in Australian workplaces 40% reduction in paper used Maintain carbon neutrality 	<ul style="list-style-type: none"> 5.6% reduction in greenhouse gas emissions 100% of global electricity consumption through renewable energy sources by 2025 and joined RE100 75% diversion of waste from landfill in our main Australian offices 3.9% reduction in water usage in Australian workplaces 15.7% reduction in paper used Maintained carbon neutrality
	Responsible Sourcing	<ul style="list-style-type: none"> Responsible sourcing assessments Increase spend with diverse suppliers \$10 million spend with Indigenous suppliers 	<ul style="list-style-type: none"> Top 98 suppliers assessed against Responsible Sourcing Code of Conduct \$18.6 million spent on diverse suppliers \$3.6 million spent on Indigenous suppliers (\$7.4 million cumulative from FY18)
	Community and social impact	<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) 	<ul style="list-style-type: none"> 1.33% of pre-tax profits 13% of employees accessing workplace volunteering programs

1. All results for the year ended 30 September, except environmental footprint, which is for the year ended 30 June.



Other Information.

Global Reporting Initiative and other indices, assurance and glossary.

The on-site food truck at Bomen Solar Farm is run by a local Wagga Wagga business.

Read the full story in *Creating sustainable value.*

Global Reporting Initiative index.

GENERAL DISCLOSURES.

INDICATOR	DESCRIPTION	LOCATION
Organisational profile		
102-1	Name of organisation	Westpac Banking Corporation
102-2	Primary brands, products and services	Website: Company overview - Our businesses
102-3	Location of headquarters	275 Kent St, Sydney NSW 2000, Australia
102-4	Countries of operation	Website: Global locations
102-5	Nature of ownership and legal form	Publicly listed company limited by shares under the <i>Australian Corporations Act 2001 (Cth)</i>
102-6	Markets served	Website: Company overview
102-7	Scale of the organisation	2019 Annual Review and Sustainability Report: About Westpac (p.6), Five Year Summary (p.44)
102-8	Workforce overview	2019 Sustainability Performance Report: Performance metrics: Employees (p.70)
102-9	Supply chain	2019 Sustainability Performance Report: The issues that matter: Creating sustainable value (p.27), Performance metrics: Suppliers (p.84) Website: Sustainable Sourcing Website: Human Rights - Slavery and Human Trafficking Statement
102-10	Changes during the reporting period	2019 Annual Report - Significant developments (p.15) 2019 Sustainability Performance Report: The issues that matter: Governance, conduct and performance (p.16)
102-11	Precautionary approach or principle	Westpac publicly recognises this principle by being a signatory to the United Nations Global Compact and in the implementation of our risk frameworks
102-12	External sustainability initiatives subscribed to	2019 Sustainability Performance Report: Our approach (p.50)
102-13	Associations and advocacy organisations	Website: Our commitments and partnerships Website: CDP annual disclosure: C12. Engagement
Strategy and analysis		
102-14	Statement from most senior decision maker	2019 Annual Review and Sustainability Report: CEO's letter (p.16) 2019 Sustainability Performance Report: CEO and Chairman Letter (p.5)
102-15	Description of key impacts, risks and opportunities	2019 Annual Report: Significant developments (p.15), Risk and risk management (p.102) 2019 Sustainability Performance Report: The issues that matter (p.8), Our approach (p.50), Performance metrics: 2018-2020 Sustainability Strategy (p.91)
Ethics and integrity		
102-16	Description of the organisation's values, principles, standards, and norms of behaviour	2019 Sustainability Performance Report: The issues that matter: Our people (p.23) Website: Company overview - Our strategy and vision Website: Corporate governance - Operating principles and policies Website: Code of Conduct Website: Principles for Doing Business
102-17	Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and mechanisms for reporting concerns about lawful and unlawful behaviour	Website: Speaking Up Policy Website: Feedback and complaints

INDICATOR	DESCRIPTION	LOCATION
Governance		
102-18	Governance and structure of the organisation	2019 Annual Report: Information on Westpac (p.14), Directors' Report (p.26)
102-19	Delegation process from Board to senior executives	Website: Corporate Governance Statement
102-20	Executive level positions with responsibility for sustainability	2019 Sustainability Performance Report: Our approach (p.50)
102-21	Process for consultation between stakeholders and the highest governance body	
102-22	Board breakdown	2019 Annual Report: Directors' Report - Directors (p.26)
102-23	Chair of the Board also an executive officer	The Chair of the Westpac Board is an independent and non-executive director
102-24	Nomination process	Website: Corporate Governance Statement
102-25	Board conflicts of interest	
102-26	Board and senior executive involvement in sustainability	2019 Annual Report: Sustainability performance (p.121), Climate-related financial disclosures (p.127) 2019 Sustainability Performance Report: Our approach (p.50)
102-27	Measures taken to develop Board understanding of sustainability	Board reporting and sustainability briefing every six months as outlined in: 2019 Sustainability Performance Report: Our approach (p.50)
102-28	Evaluation of Board governance performance	Independent reviews of Board performance are undertaken annually as outlined in: Website: Corporate Governance Statement
102-29	Board role in ESG risk identification	2019 Annual Report: Risk and risk management (p.102) 2019 Sustainability Performance Report: Our approach (p.50) Website: Corporate Governance Statement
102-30	Board role in review of ESG risk policies	2019 Annual Report: Risk and risk management (p.102) 2019 Sustainability Performance Report: The issues that matter: Governance, conduct and performance (p.16) Website: Constitution and the Board - Board Charter Website: Corporate Governance Statement Also refer to GRI Standard 102-32
102-31	Frequency of review of ESG risks	2019 Annual Report: Risk and risk management (p.102), Sustainability performance (p.121) 2019 Sustainability Performance Report: Our approach (p.50) Westpac's Approach to Sustainable Finance Website: Corporate Governance Statement
102-32	Highest position that reviews and approves the sustainability report	Sustainability information included in the Annual Report and the Full Year Financial Results is approved by the Board; 2019 Sustainability Performance Report is approved by the Group Executive, Customer & Corporate Relations
102-33	Process for communicating critical concerns to the highest governance body	2019 Sustainability Performance Report: Our approach (p.50) Website: Code of Conduct Website: Constitution and the Board Website: Speaking Up Policy Website: Your Customer Advocate

INDICATOR	DESCRIPTION	LOCATION
102-34	Nature and total number of concerns reported to the highest governance body	2019 Sustainability Performance Report: Performance metrics: Customers – Customer complaints (p.68) Identified omission: The nature and number of issues is confidential
102-35	Board remuneration report	2019 Annual Report: Remuneration Report (p.44)
102-36	Process for determining Board remuneration	
102-37	Process to seek stakeholder views on remuneration	2019 Annual Report: Remuneration Report (p.44), Employment agreements (p.63) Website: Latest AGM – Notice of meeting Website: Results of 2018 Annual General Meeting
102-38	Ratio of organisation's highest paid individual to the median	2019 Sustainability Performance Report: Performance metrics: Employees (p.70)
102-39	Ratio of the percentage increase in 102-38	
Stakeholder engagement		
102-40	Stakeholder groups engaged	2019 Sustainability Performance Report: Our approach: Stakeholder engagement (p.53) Website: Listening to stakeholders
102-41	Coverage of collective bargaining agreements	2019 Sustainability Performance Report: Performance metrics: Employees (p.70) Fair Work Commission: Westpac Enterprise Agreement
102-42	Identification and selection of stakeholders	2019 Sustainability Performance Report: Our approach: Stakeholder engagement (p.53)
102-43	Approach to stakeholder engagement	Website: Listening to stakeholders
102-44	Key topics and concerns raised by stakeholders	2019 Annual Report: Material sustainability topics (p.122) 2019 Sustainability Performance Report: Our approach: Stakeholder engagement (p.53), Our material issues (p.55) Website: Listening to stakeholders
Reporting practice		
102-45	List of entities in the financial statements	2019 Annual Report: Note 31. Investments in subsidiaries and associates (p.263) This does not include philanthropic foundations that are not owned or operated by the Group
102-46	Process for defining report content and boundaries	2019 Sustainability Performance Report: Our approach: Our material issues (p.55)
102-47	Material aspects/issues	2019 Sustainability Performance Report: Our approach: Our material issues (p.55), Other information: Global Reporting Initiative index (p.95)
102-48	Impacts of restatements	All restatements are noted within the relevant data sets
102-49	Significant changes in scope and aspect boundaries	2019 Sustainability Performance Report: Our approach: Our material issues (p.55)
102-50	Reporting period	1 October 2018 – 30 September 2019 unless otherwise stated
102-51	Date of most recent report	2018 Sustainability Performance Report
102-52	Reporting cycle	Annual
102-53	Contact point for the report	sustainability@westpac.com.au General enquiries: 13 20 32
102-54	GRI Standards claim	This report has been prepared in accordance with the GRI Standards: Comprehensive option
102-55	GRI Content Index	2019 Sustainability Performance Report: Other information: Global Reporting Initiative index (p.95)
102-56	External assurance	2019 Sustainability Performance Report: Other information: Assurance statement (p.108)

MANAGEMENT APPROACH.

[Our material issues](#) from page 55 provides a description of how we determine our material topics, as well as why they have been deemed material.

The [Our approach](#) section of this report from page 50 sets out how we manage material topics, including an overview of our governance and policy frameworks, external benchmarking and stakeholder engagement. Wherever possible, we aim to reduce any negative impacts associated with our activities and seek opportunities to enhance the positive impacts. Our current performance, including targets, can be found within the [Performance metrics](#), this GRI table, and discussions on the performance against our Sustainability Strategy. Further information on our current activities, including impacts and responses, is detailed throughout our reporting suite as indicated below. More specific information, including publicly available copies of the relevant policies, can be found online where indicated for each GRI aspect below.

INDICATOR	DESCRIPTION IN REPORT	LOCATION
103-1	Aspect boundaries for material topics	2019 Sustainability Performance Report: Our approach: Our material issues (p.55)
103-2	The management approach and its components	2019 Sustainability Performance Report: The issues that matter (p.8), Our approach: Our material issues (p.55), Other information: Global Reporting Initiative index (p.95)
103-3	Evaluation of the management approach	2019 Sustainability Performance Report: Our approach: Our material issues (p.55)

SPECIFIC STANDARD DISCLOSURES.

MATERIAL ASPECTS	DESCRIPTION IN REPORT	LOCATION
ECONOMIC		
GRI 201: Economic performance		
<i>Aspect-specific management approach – 2019 Annual Report</i>		
201-1	Direct economic value generated and distributed	2019 Annual Review and Sustainability Report: Five Year summary (p.44) 2019 Annual Report: Financial statements (p.135) 2019 Sustainability Performance Report: Performance metrics: Social and economic impact (p.85)
201-2	Financial implications of climate change	2019 Annual Report: Risk and risk management (p.102), Climate-related financial disclosures (p.127) 2019 Sustainability Performance Report: The issues that matter: Creating sustainable value (p.27), Performance metrics: Sustainable lending and investment (p.75) Website: 2018-2020 Climate Change Position Statement and Action Plan Website: Climate change and environmental issues Website: Performance Reports – CDP Submission
201-3	Coverage of organisation's defined benefit plan obligations	Fair Work Commission: Westpac Enterprise Agreement – Section 8. What are my superannuation benefits? Westpac New Zealand website: Working for us

MATERIAL ASPECTS	DESCRIPTION IN REPORT	LOCATION
201-4	Financial assistance received from government	No significant developments relating to financial assistance received from government during the reporting period
GRI 205: Anti-corruption		
<i>Aspect-specific management approach</i> - Website: Principles for Doing Business , Website: Conflicts of interest		
205-1	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	2019 Annual Report: Significant developments (p.15), Risk and risk management (p.102) Website: Corporate Governance Statement
205-2	Communication and training on anti-corruption policies and procedures	2019 Annual Report: Risk and risk management (p.102) 2019 Sustainability Performance Report: Performance metrics: Employees – Doing The Right Thing training (p.73) and definition (p.113) Website: Anti-Bribery and Corruption Policy and Principles Website: Corporate Governance Statement – Anti-Bribery and Corruption Website: Responsible Sourcing Code of Conduct Measurement and tracking by region and employee category show no significant variances
205-3	Actions taken against confirmed incidents of corruption	2019 Annual Report: Significant developments (p.15) 2019 Sustainability Performance Report: Performance metrics: Employees – Whistleblower reporting (p.73) Website: Corporate Governance Statement
SOCIAL		
GRI 413: Local communities		
<i>Aspect-specific management approach</i> - Website: Our Sustainability Strategy , Website: Contributing to our communities		
413-1	Percentage of operations with implemented local community engagement, impact assessments and development programs	In all main operating geographies we have invested in community engagement activities, as evidenced by the geographic breakdowns in Social and economic impact. 2019 Sustainability Performance Report: The issues that matter: Our people (p.23), Creating sustainable value (p.27), Performance metrics: Sustainable lending and investment (p.75), Social and economic impact: Community investment (p.85), Financial education (p.86), Social impact framework measures (p.88)
413-2	Operations with significant actual or potential negative impacts on local communities	2019 Sustainability Performance Report: The issues that matter: Customers and service (p.9), Creating sustainable value (p.27), Performance metrics: Sustainable investment and lending (p.75), Social and economic impact (p.85)
G4-FS13	Access points in low-populated or economically disadvantaged areas by type	Westpac provides services to help those in low-populated or economically disadvantaged areas, seen in: 2019 Sustainability Performance Report: The issues that matter: Customers and service (p.9), Performance metrics: Customers (p.67), Social and economic impact (p.85) Website: Customers in need of extra care Website: Customer Vulnerability 2020 Action Plan
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	2019 Sustainability Performance Report: The issues that matter: Customers and service (p.9), Creating sustainable value (p.27), Performance metrics: 2018-2020 Sustainability Strategy (p.91)
GRI 417: Marketing and labelling		
<i>Aspect-specific management approach</i> - Website: Principles for doing business		

MATERIAL ASPECTS	DESCRIPTION IN REPORT	LOCATION
417-1	Type of products and service information required for product and service information and labelling and percentage subject to information requirements	Website: Banking Code of Practice Website: Disclosure Documents
417-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling	2019 Annual Report: Information on Westpac: Litigation, Note 27. Provisions, contingent liabilities, contingent assets and credit commitments (p.252)
417-3	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	2019 Annual Report: Information on Westpac: Litigation, Note 27. Provisions, contingent liabilities, contingent assets and credit commitments (p.252)
GRI 418: Customer privacy		
<i>Aspect-specific management approach</i> - Website: Committed to protecting your privacy		
418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Complaints metrics are available in 2019 Sustainability Performance Report: Performance Metrics - Customers (p.68). A review will be undertaken to explore further reporting on complaints regarding customer privacy and losses of customer data
GRI 419: Socioeconomic compliance		
<i>Aspect-specific management approach</i> - 2019 Annual Report: Risk and risk management		
419-1	Monetary value of significant fines for non-compliance with laws and regulations and total number of non-monetary sanctions	2019 Annual Report: Information on Westpac: Litigation, Note 27. Provisions, contingent liabilities, contingent assets and credit commitments (p.252)
G4 Financial services sector disclosure		
Audit		
<i>Aspect-specific management approach</i> - Website: Constitution and the Board , Website: Responsible sourcing , Website: Responsible Investment Transparency Report , Website: Equator Principles		
Product portfolio		
<i>Aspect-specific management approach</i> - 2019 Annual Report		
G4-FS6	Percentage of the portfolio for business lines by specific region, size	2019 Annual Report: Divisional performance (p.93) 2019 Sustainability Performance Report: Performance metrics: Sustainable lending and investment - Group lending profile (p.75) Pillar 3 Report for 30 September 2019 - Summary credit risk disclosure
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit	2019 Sustainability Performance Report: Performance metrics: Sustainable lending and investment (p.75), 2018-2020 Sustainability Strategy (p.91), Positive Impact Finance definition (p.117)
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit	2019 Sustainability Performance Report: Performance metrics: Sustainable lending and investment (p.75)
Active ownership		
<i>Aspect-specific management approach</i> - Website: Responsible Investment Transparency Report		
G4-FS10	Percentage and number of companies engaged on environmental or social issues	We monitor and track our engagements with companies in our asset portfolio as a matter of course. Our approach to ESG Risk Management is as follows: Origination, Evaluation, Approval, Documentation, and Monitoring. Further details can be found in:
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening	2019 Sustainability Performance Report: The issues that matter: Creating sustainable value (p.27), Performance metrics: Sustainable lending and investment (p.75) BT Financial Group's PRI Responsible Investment Transparency Report

Principles for Responsible Banking.

Westpac is a founding bank and signatory to the Principles for Responsible Banking (the Principles), launched in September this year. The Principles reinforce Westpac’s commitment to the Paris Climate Agreement and the United Nations Sustainable Development Goals (SDGs) that inform our 2020 Sustainability Strategy, targets, governance mechanisms and commitment to transparency.

To communicate our progress against the Principles we have adopted the Reporting and Self-assessment Index, set out below. Assurance of our alignment to the Principles is not currently available as the Principles were recently released, however our 2019 Sustainability Performance Report, the main reference for this Index, is subject to limited assurance (p.108).

REPORTING AND SELF-ASSESSMENT INDEX.

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF BANK’S RESPONSE	REFERENCES & MORE INFO
<p>Principle 1: Alignment <i>We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</i></p>		
<p>1.1 <i>Describe</i> (high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Westpac is Australia’s oldest bank and company, one of four major banking organisations in Australia and one of the largest banks in New Zealand. We provide a broad range of banking and financial services in these markets, including consumer, business and institutional banking and wealth management services.</p>	<p>Website: Company overview – Our businesses</p>
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society’s goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Our Sustainability Strategy sets out the areas where we believe we can create sustainable, long-term value for our customers, our communities and nation; aligning with the Sustainable Development Goals. Our Climate Change Position Statement and 2020 Action Plan highlights our support for the Paris Climate Agreement to limit global warming to less than two degrees Celsius above pre-industrial levels.</p>	<p>2019 Annual Report: Directors’ report: Business strategy (p.36), Sustainability performance (p.121) 2019 Sustainability Performance Report: • Our approach – Assessing impact and performance (p.60) 2018-2020 Sustainability Strategy Website: Climate Change Position Statement</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF BANK'S RESPONSE	REFERENCES & MORE INFO
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Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

<p>2.1 Impact analysis*</p> <p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p> <p>(Your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)).</p> <p>Show that building on this analysis, the bank has:</p> <ul style="list-style-type: none"> Identified and disclosed its areas of most significant (potential) positive and negative impact Identified strategic business opportunities in relation to the increase of positive impacts/reduction of negative impacts. 	<p>As a major financial institution, we recognise we can influence both positive and negative social and environmental outcomes through our operations.</p> <p>We use materiality assessments to identify a range of current and emerging risks and opportunities that may impact our stakeholders and business. We undertake stakeholder engagement, data analysis, and consultation with senior management and our external Stakeholder Advisory Council as part of this process. In addition, this year we have undertaken an impact assessment of those themes where we can make the greatest difference, working with the PRB Impact Identification and Assessment Tool.</p> <p>This analysis is reflected in the goals outlined in our Sustainability Strategy and our Sustainability Risk Management Framework (Framework) which sets out our approach to managing sustainability risks in all aspects of our operations.</p> <p>The Framework is supported by a number of policies and position statements addressing the key aspects and impacts of our operations.</p> <p>We provide extensive reporting on progress against our Sustainability Strategy and the alignment of our lending and investment portfolios to our Framework.</p> <p>These aspects are covered extensively in the references provided. We continue to mature our approach to impact identification and assessment through use of the PRB Impact Identification and Assessment Tool.</p>	<p>2019 Annual Report: Material sustainability topics (p.122)</p> <p>2019 Sustainability Performance Report:</p> <ul style="list-style-type: none"> The issues that matter: Creating sustainable value (p.27) Our approach: Stakeholder engagement (p.53), Our material issues (p.55), Assessing impact and performance (p.60) Performance metrics: Sustainable lending and investment (p.75) <p>2018-2020 Sustainability Strategy Website: Stakeholder Engagement Framework</p> <p>Website: Sustainability Risk Management Framework Impact Identification & Assessment for bank portfolios: Tool prototype introduction manual</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

We have fulfilled our Impact Analysis requirements by identifying the areas in which we have the most significant potential positive and negative impact through a Materiality, Strategy and SDG-driven impact analysis, taking into consideration scope, scale of exposure, context & relevance, and scale and intensity of impact.

* In line with PRB requirements, we will arrange specific assurance for these aspects as it becomes available. Our 2019 Sustainability Performance Report, the main reference for this index, is subject to [limited assurance](#) (p.108).

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF BANK'S RESPONSE	REFERENCES & MORE INFO
<p>2.2 Target Setting*</p> <p><i>Show</i> that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p><i>Show</i> that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p><i>Show</i> that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximise the net positive impact of the set targets.</p>	<p>Our 2018–2020 Sustainability Strategy sets out a range of SMART measures linked to our priority Sustainable Development Goals.</p> <p>Example 1: Science-based targets for our Scope 1 & 2 emissions (with a 2016 baseline), highlighting our support for the Paris Climate Agreement to limit global warming to less than two degrees Celsius above pre-industrial levels.</p> <p>Example 2: A 2020 reduction target for the emissions intensity of our lending to the electricity generation sector (with a 2016 baseline), well below the national average. This target was informed by scenario analysis to understand the risks and opportunities of climate change, completed in 2016.</p> <p>Further details can be found in the references provided.</p>	<p>2019 Annual Report: Sustainability performance (p.121)</p> <p>2019 Sustainability Performance Report:</p> <ul style="list-style-type: none"> Our approach: Assessing impact and performance (p.60) Performance metrics: Sustainability Strategy (p.91) <p>2018-2020 Sustainability Strategy Website: Climate Change Position Statement</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p>We have fulfilled our Target Setting requirements through the measures set out in our 2018–2020 Sustainability Strategy.</p>		
<p>2.3 Plans for Target Implementation and Monitoring*</p> <p><i>Show</i> that your bank has defined actions and milestones to meet the set targets.</p> <p><i>Show</i> that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>Our 2018–2020 Sustainability Strategy sets out Goals, Initiatives, Measures and Accountabilities across five pillars.</p> <p>Our Sustainability Council meets at least quarterly and monitors progress against the Initiatives as a fixed agenda item.</p> <p>Updates are provided to the market in our interim and annual reporting.</p>	<p>2019 Annual Report: Sustainability performance (p.121)</p> <p>2019 Sustainability Performance Report:</p> <ul style="list-style-type: none"> Our approach: Sustainability governance (p.52) <p>2018-2020 Sustainability Strategy</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p>		
<p>We have fulfilled our Target Implementation and Monitoring requirements through disclosure of accountabilities and quarterly tracking in our Sustainability Council.</p>		
<p>2.4 Progress on Implementing Targets*</p> <p>For each target separately:</p> <p><i>Show</i> that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><i>Or explain</i> why actions could not be implemented/needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p><i>Report</i> on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (Where feasible and appropriate, banks should include quantitative disclosures.</p>	<p>Progress on our 2018–2020 Sustainability Strategy is disclosed publicly through our interim and annual reporting.</p> <p>Further details can be found in the references provided.</p>	<p>2019 Annual Review and Sustainability Report: Building a sustainable future (p.26)</p> <p>2019 Annual Report: Sustainability performance (p.121)</p> <p>2019 Investor Discussion Pack: Sustainable futures (p.58)</p> <p>2019 Sustainability Performance Report:</p> <ul style="list-style-type: none"> Our approach: Assessing impact and performance (p.60) Performance metrics: Sustainability Strategy (p.91) <p>2018-2020 Sustainability Strategy</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		
<p>We have fulfilled our Progress on Implementing Targets requirements through disclosing our implementation in the last 12 months through our external reporting.</p>		

* In line with PRB requirements, we will arrange specific assurance for these aspects as it becomes available. Our 2019 Sustainability Performance Report, the main reference for this index, is subject to [limited assurance](#) (p.108).

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF BANK'S RESPONSE	REFERENCES & MORE INFO
<p>Principle 3: Clients and Customers <i>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</i></p>		
<p>3.1 <i>Provide an overview</i> of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>Our Principles for Doing Business and our wider operating principles, policies, frameworks and position statements set out how we aim to conduct ourselves in the areas of governance and ethics, sustainability risk, employee practices, customer practices, care for the environment, community involvement, sensitive sectors, climate change and human rights and other core sustainability policy areas, and supply chain management.</p> <p>Westpac is committed to upholding the Australian banking industry's standards of practice and service contained in the Banking Code of Practice. It requires banks to meet higher standards of ethical behaviour, fair and responsible lending and provide greater protections for customers.</p> <p>Further details can be found in the references provided.</p>	<p>2019 Annual Report: Chief Executive Officer's letter (p.8), Information on Westpac: General regulatory changes affecting our business (p.18)</p> <p>2019 Sustainability Performance Report:</p> <ul style="list-style-type: none"> The issues that matter: Customers and service (p.9), Governance, conduct and performance (p.16) <p>Website: Principles for Doing Business Website: Banking Code of Practice Website: Our positions and perspectives</p>
<p>3.2 <i>Describe</i> how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>Our Sustainability Strategy sets out SMART targets for lending to and facilitating climate change solutions, and social and affordable housing, as well as supporting retail and business customers experiencing vulnerability.</p> <p>Further details can be found in the references provided.</p>	<p>2019 Sustainability Performance Report: Creating sustainable value (p.27)</p> <p>Website: Sustainability-Linked Loan Website: Green Tailored Deposit Website: Climate bonds Website: BT sustainable investing Website: Customer Vulnerability 2020 Action Plan</p>
<p>Principle 4: Stakeholders <i>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</i></p>		
<p>4.1 <i>Describe</i> which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>Engagement with stakeholders plays a critical part in shaping our approach to sustainability. A number of channels provide us the opportunity to assess feedback, understand concerns and respond to stakeholders. External stakeholder committees also play an important role by bringing wider perspectives to inform our approach, including the Stakeholder Advisory Council, Westpac Indigenous Advisory Committee, and Vulnerable Customer Council.</p> <p>Further details can be found in the references provided.</p>	<p>2019 Sustainability Performance Report:</p> <ul style="list-style-type: none"> Our approach: Stakeholder Engagement (p.53) <p>Website: Listening to stakeholders</p>
<p>Principle 5: Governance & Culture <i>We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</i></p>		
<p>5.1 <i>Describe</i> the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>Our Sustainability Council has responsibility for managing our sustainability agenda. Westpac's Sustainability Risk Management Framework sets out our approach to managing sustainability risk.</p>	<p>2019 Annual Report: Sustainability performance (p.121)</p> <p>2019 Sustainability Performance Report:</p> <ul style="list-style-type: none"> Our approach: Sustainability governance (p.52) <p>Website: Sustainability Risk Management Framework</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH-LEVEL SUMMARY OF BANK'S RESPONSE	REFERENCES & MORE INFO
<p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>There are a number of programs under way to rebuild trust, strengthen governance and deliver more consistent customer outcomes, including our Royal Commission response plan and our Culture, Governance, and Accountability Self-Assessment action plan. Further details can be found in the references provided.</p>	<p>2019 Annual Report: Chairman's report (p.4), Chief Executive Officer's letter (p.8), Significant developments (p.15) 2019 Investor Discussion Pack: Governance & Culture (p.62) 2019 Sustainability Performance Report: <ul style="list-style-type: none"> The issues that matter: Governance, conduct and performance (p.16), Our people (p.23) Website: Culture, Governance and Accountability</p>
<p>5.3 Governance structure for implementation of the principles* <i>Show</i> that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ol style="list-style-type: none"> target-setting and actions to achieve targets set remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. 	<p>The Sustainability Council brings together senior leaders from across the Group with the explicit responsibility for managing our sustainability agenda, including the implementation of our 2018–2020 Sustainability Strategy. Council members receive extensive quarterly updates on progress against the goals of our strategy and discuss remedial actions where required. The Council reports up to the Group Executive Committee and Board at least twice per year.</p>	<p>2019 Annual Report: Risk and risk management (p.102), Sustainability performance (p.121) 2019 Sustainability Performance Report: <ul style="list-style-type: none"> Our approach: Sustainability governance (p.52) </p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>We have fulfilled our Governance Structure requirements through the use of our Sustainability Council as a governance mechanism for driving implementation of our Sustainability Strategy targets.</p>		
<p>Principle 6: Transparency & Accountability</p>		
<p><i>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</i></p>		
<p>6.1 Progress on Implementing the Principles for Responsible Banking* <i>Show</i> that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1–2.4). <i>Show</i> that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice. <i>Show</i> that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>We publish our alignment with the PRBs and progress against the priorities set out in our Sustainability Strategy, each year. We provide extensive reporting on our current commitments to international/regional good practices, and progress against their implementation. Examples include the Task Force on Climate-related Financial Disclosures (TCFD), UNGPs, and SDGs. Further details can be found in the references provided.</p>	<p>2019 Sustainability Performance Report: <ul style="list-style-type: none"> Our approach: Assessing impact and performance (p.60), Benchmarking (p.64) 2018 Sustainability Performance Report: Principles for Responsible Banking (p.101) Website: Our commitments and partnerships Website: Westpac's Environmental, Social and Governance dashboard UNEP FI: Principles for Responsible Banking</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p>		
<p>We have fulfilled our Principles for Responsible Banking Progress requirements through the use of the Principles to continuously improve our existing practices.</p>		

* In line with PRB requirements, we will arrange specific assurance for these aspects as it becomes available. Our 2019 Sustainability Performance Report, the main reference for this index, is subject to [limited assurance](#) (p.108).

Human Rights Reporting Index.

Our approach to human rights is guided by the UN Guiding Principles on Business and Human Rights and has been described in our Human Rights Position Statement and 2020 Action Plan. This is our third year of formally reporting our progress in line with the UNGP Reporting Framework’s principles and criteria. We continue to work towards improving the depth and quality of our responses to all criteria over time.

UN GUIDING PRINCIPLES REPORTING FRAMEWORK INDEX.

QUESTION	DESCRIPTION	LOCATION
Governance of respect for human rights		
A1	Public commitment to human rights	2019 Annual Report: Sustainability performance (p.121) Human Rights Position Statement and 2020 Action Plan: Our commitments (p.3) Website: Human rights Website: Principles for doing business
A2	Embedding human rights commitment	2019 Sustainability Performance Report: <ul style="list-style-type: none"> The issues that matter: Spotlight: Human Rights (p.38) Our approach: Sustainability governance (p.52) Human Rights Position Statement and 2020 Action Plan: Our principles (p.5), Related policies and position statements (p.23) Website: Westpac’s Corporate Governance Statement: Ethical and responsible decision-making Website: Principles for doing business
Defining focus of reporting		
B1	Statement of salient issues	2019 Annual Report: Sustainability performance (p.121)
B2	Determining salient issues	2019 Sustainability Performance Report: <ul style="list-style-type: none"> The issues that matter: Spotlight: Human Rights (p.38) Our approach: Our material issues (p.55) Determining our salient human rights issues Human Rights Position Statement and 2020 Action Plan: Our focus (p.6)
B3	Geographic focus	Not applicable
B4	Severe impacts	

QUESTION	DESCRIPTION	LOCATION
Risk Management		
C1	Specific policies to address salient issues	2019 Annual Report: Sustainability performance (p.121) 2019 Sustainability Performance Report: <ul style="list-style-type: none"> The issues that matter: Spotlight: Human Rights (p.38) Human Rights Position Statement and 2020 Action Plan: Our approach (p.7-16), Related policies and position statements (p.23)
C2	Approach to stakeholder engagement on salient issues	2019 Sustainability Performance Report: <ul style="list-style-type: none"> The issues that matter: Spotlight: Human Rights (p.38) Our approach: Stakeholder engagement (p.53) Human Rights Position Statement and 2020 Action Plan: Engaging with stakeholders (p.18), Effective grievance mechanisms (p.19) Website: Stakeholder Engagement Framework
C3	Approach to identifying changes in salient issues over time	2019 Sustainability Performance Report: <ul style="list-style-type: none"> The issues that matter (p.8) Our approach: Sustainability governance (p.52) Human Rights Position Statement and 2020 Action Plan: Our focus (p.6), Our approach (p.7-8), Engaging with stakeholders (p.18) Website: Sustainability Risk Management Framework
C4	Integration of findings relating to salient issues into decision-making	2019 Annual Report: Sustainability performance (p.121) Human Rights Position Statement and 2020 Action Plan: Our approach (p.7-16), Governance (p.18-20), Our actions (p.25-29) Website: Sustainability Risk Management Framework
C5	Tracking performance and actions on salient issues	2019 Sustainability Performance Report: <ul style="list-style-type: none"> The issues that matter (p.8) Our approach: Sustainability governance (p.52) Human Rights Position Statement and 2020 Action Plan: Performance reporting and monitoring (p.20)
C6	Remediation processes relating to salient issues	2019 Annual Report: Sustainability performance (p.121) 2019 Sustainability Performance Report: <ul style="list-style-type: none"> The issues that matter: Spotlight: Human Rights (p.38) Human Rights Position Statement and 2020 Action Plan: Effective grievance mechanisms (p.19), Related policies and position statements (p.23)



Assurance report.

INDEPENDENT ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF WESTPAC BANKING CORPORATION

What we found

Based on the work described below, nothing has come to our attention that causes us to believe that the selected subject matter for the year ended 30 September 2019 has not been prepared, in all material respects, in accordance with the reporting criteria.

What we did

Westpac Banking Corporation ('Westpac') engaged us to perform a limited assurance engagement on selected subject matter within the 2019 Westpac Group Sustainability Performance Report.

Selected subject matter.

- Westpac's assertion that the 2019 Westpac Group Sustainability Performance Report has been prepared in line with:
 - The AA1000 AccountAbility Principles (2008) ('AA1000'); and
 - The Global Reporting Initiatives' GRI Standards (2016) (the 'GRI Standards');

- selected performance indicators listed in Table 1 for the year ended 30 September 2019 (unless otherwise indicated by Westpac within the Report) (the 'selected performance indicators').

The selected subject matter did not include:

- data sets, statements, information, systems or approaches other than the selected performance indicators and related disclosures;
- forward looking statements; or
- any comparisons made against historical data.

Reporting criteria

The selected subject matter has been assessed against the following criteria (the 'reporting criteria'):

- Westpac's own definitions for each of the selected performance indicators, contained in the 'Glossary and definitions' section of the 2019 Westpac Group Sustainability Performance Report;
- AA1000; and
- the GRI Standards.

Table 1: Selected performance indicators

	PERFORMANCE INDICATOR
Customers	<ul style="list-style-type: none"> Change in number of customer complaints from prior year (%) <ul style="list-style-type: none"> Australian Banking Wealth management and insurance New Zealand Complaints types (%) <ul style="list-style-type: none"> Australian Banking New Zealand Wealth management and insurance Complaints resolved within 5 days (%) <ul style="list-style-type: none"> Australian Banking
Employees	<ul style="list-style-type: none"> Aboriginal and Torres Strait Islander new-to-bank hires - Australia (%) Doing the Right Thing training (%) Employees (FTE) Group total Women in leadership - Group total (%) Whistle blower reporting - total number of new concerns Ratio of the annual total compensation for highest-paid individual to the median annual total compensation for all employees (excluding the highest paid individual) <ul style="list-style-type: none"> Westpac Group excluding New Zealand (%) New Zealand (%)
Sustainable lending and investment	<ul style="list-style-type: none"> Climate change solutions - Australia and New Zealand <ul style="list-style-type: none"> total attributable financing (\$m) distribution by taxonomy type (%)
Suppliers	<ul style="list-style-type: none"> Spend with Indigenous Australian suppliers (\$m)
Social and economic impact	<ul style="list-style-type: none"> Community investment including commercial sponsorships (\$m) Number of approved applications for financial assistance from customers experiencing financial hardship Jobs supported at social enterprises by Westpac Foundation (cumulative) Financial education - number of participants (Group total)

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

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Responsibilities

PwC

Our responsibility is to express a conclusion based on the work we performed.

Westpac

Westpac management ('management') is responsible for the preparation and presentation of the selected subject matter in accordance with the reporting criteria and is also responsible for the selection of methods used in the reporting criteria.

Further, management is responsible for establishing and maintaining internal controls relevant to:

- the preparation and presentation of the selected subject matter, such that it is free from material misstatement, whether due to fraud or error;
- maintaining adequate records; and
- making estimates that are reasonable in the circumstances.

What our work involved

We conducted our work in accordance with the Australian Standard on Assurance Engagements 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Revised)*.

This Standard requires that we comply with independence and ethical requirements and plan the engagement so that it will be performed effectively.

Main procedures performed

The main procedures we performed were:

- obtaining an understanding of Westpac's materiality process and assessing it against the AA1000 and GRI Standards requirements;
- reviewing a sample of supporting documentation and conducting interviews with management to assess whether the outputs of Westpac's materiality process fairly represent the material issues identified by stakeholders;

- reviewing the 2019 Westpac Group Sustainability Performance Report to assess whether it meets the disclosure requirements of AA1000 and the GRI Standards;
- interviewing selected members of the Westpac Executive team, business unit personnel and group level management to understand the key sustainability matters relevant to Westpac;
- making enquiries regarding the processes and controls for capturing, collating and reporting the performance data within the selected subject matter
- reconciling a sample of the selected performance indicators to underlying data sources;
- testing the arithmetic accuracy of a sample of calculations of the selected performance indicators;
- reviewing a sample of relevant management information and documentation supporting the selected subject matter;

- undertaking analytical procedures over a sample of the selected performance indicators; and
- reviewing the selected subject matter to assess whether it has been prepared as described in the reporting criteria.

We believe that the information we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Yours sincerely,

Liza Maimone
Managing
Partner

PricewaterhouseCoopers
Melbourne

4 November 2019

Our Independence and Quality Control.

We have complied with relevant ethical requirements related to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies the Australia Standard on Quality Control *ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Limited assurance.

This engagement is aimed at obtaining limited assurance for our conclusions. As a limited assurance engagement is restricted primarily to enquiries and analytical procedures and the work is substantially less detailed than that undertaken for a reasonable assurance engagement, the level of assurance is lower than would be obtained in a reasonable assurance engagement.

Restriction on use.

This report has been prepared in accordance with our engagement terms to assist Westpac in reporting its sustainable development performance. We do not accept or assume responsibility for the consequences of any reliance on this report for any other purpose or to any other person or organisation. Any reliance on this report by any third party is entirely at its own risk.

We consent to the inclusion of this report in the 2019 Westpac Group Sustainability Performance Report to assist Westpac's members in assessing whether the directors have discharged their responsibilities by commissioning an independent assurance report in connection with the selected subject matter.

Inherent limitations.

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data.

Glossary and definitions.

INDICATOR OR TERM	DEFINITION
Aboriginal and Torres Strait Islander new-to-bank hires as a percentage of total hiring	The number of interns, trainees, employees and contractors who self-identified as Aboriginal and Torres Strait Islander that have been hired across Westpac Group (Australia) during the reporting period as a percentage of the total number of Australian external permanent hires for the same period.
Absenteeism	Measured as the number of actual absentee days lost as a percentage of total days scheduled to be worked by the workforce for the same period. Employees absent from work because of incapacity of any kind, not as the result of work-related injury, excluding permitted leave such as holidays, study, parental and compassionate leave. Includes permanent full-time, part-time and maximum term employees.
Age and gender profile (%)	Refers to the proportion of male and female employees within each defined age bracket as at September 30. The figure includes full-time, part-time permanent and maximum term employees for Australia, Westpac Pacific and New Zealand.
Age profile of workforce compared to national labour force (%)	Compares the age profile of permanent employees (permanent full-time, permanent part-time and maximum term employees) to that of the national workforce. Australian workforce data is as per ABS 6291.0.55.001. New Zealand workforce data is as per the Department of Labour Key Information Tool (KIT).
Average hours of training per year per employee	Total number of hours of training (both workshop and online) in the period as captured by learning management systems, divided by headcount as at 30 September. Excludes non-managed training and some training conducted at a business unit level. 'Australian employees' refers to geography of legal employer; which includes UK and US based employees. All data sourced from Australian and New Zealand Learning Management Systems (eAcademy; Way Ahead NZ and Learning Bank).
Bank@Post	Bank@Post outlets available to Westpac Group customers to provide basic cash and servicing transaction capability.
Base building emissions	Emissions from shared building facilities or services that are attributable to Westpac but not under our direct operational control, including both direct and indirect emissions sources (electricity, natural gas, diesel, transmission and distribution losses).
BT Portfolio carbon intensity	<p>BT Portfolio carbon intensity is made up of three metrics, intended to provide members of our internally managed superannuation and investment options with information on the investments they hold. Portfolios covered by this analysis include the MySuper Lifestage options under the following product lines:</p> <ul style="list-style-type: none"> • BT Super For Life/BT Super (BTSFL) • Westpac Group Plan MySuper (WGP) • Asgard Employee Super Account (AESAs) • BT Lifetime Super – Employer Plan (LSEP) • BT Business Super (BTBS). <p>These options represent the majority of Funds under management across BT's superannuation non-platform superannuation portfolios. Other portfolios covered by the analysis include:</p> <ul style="list-style-type: none"> • Westpac Group Plan Diversified Options • Advance Diversified Multi-Blend Funds • BT Multi-manager Diversified Funds • BT Diversified Index Funds. <p>The metrics include:</p> <ul style="list-style-type: none"> • weighted average carbon intensity describing each portfolio's exposure to each company's carbon intensity. Each company's carbon intensity is expressed in tonnes of carbon dioxide equivalents (tCO₂e) per million Australian dollars of revenue; • % of a fund covered by the carbon intensity analysis. Funds with a higher exposure to Australian and International Equities will have a higher portion included in the analysis; and • exposure to carbon-related assets providing the weight within the Australian and International equities allocation invested in the most carbon-intensive sectors. A fund's overall exposure to these carbon-related assets is derived using the % of the fund covered by the analysis.
Business travel – Air	Air travel undertaken by Westpac Group employees for business purposes and booked through Westpac's preferred travel management supplier. For Australia and the UK, emission factors are sourced from the UK Government conversion factors for Company Reporting (2018) published by DEFRA, excluding radiative forcing. For New Zealand, the domestic emission factor is sourced from the 2019 Ministry for the Environment Summary of Emission Factors including radiative forcing. International emission factors are sourced from UK BEIS (previously under DEFRA's responsibility), including radiative forcing.

INDICATOR OR TERM	DEFINITION
Business travel – Hire vehicles and personal vehicles	Hire vehicle travel undertaken by Westpac Group employees for business purposes, including preferred supplier kilometres travelled and non-preferred spend. Data is supplied by the preferred supplier or extracted from Westpac’s supplier database, and where required kilometres travelled are estimated based on average \$/km. For Australia and the UK, emission factors are sourced from the UK Government conversion factors for Company Reporting (2018) published by DEFRA. For New Zealand, emission factors are sourced from the 2019 Ministry for the Environment Summary of Emission Factors. Personal vehicle travel includes distance travelled by employees using their vehicles for business purposes and is reported for New Zealand only.
Business travel – Hotels	Hotel stays include accommodation nights undertaken by Westpac Group employees in Australia and New Zealand booked through the Westpac preferred travel supplier agency. For Australia, emission factors are sourced from country specific factors in line with those set out within Government emission conversion factors for greenhouse gas company reporting issued by the UK Department of Environment, Food & Rural Affairs (DEFRA 2018). For New Zealand, country specific emission factors are sourced from the 2019 Ministry for the Environment Summary of Emission Factors. Excludes UK and Pacific.
Business travel – Taxis	Taxi travel undertaken by Westpac Group employees in Australia and New Zealand for business purposes. For Australia, spend data is sourced from the Westpac supplier database and total kilometres travelled estimated utilising State-based flag fall and kilometre fees of major taxi providers. Emission factors are sourced from the UK Government conversion factors for Company Reporting (2018) published by DEFRA. For New Zealand, spend data is sourced from internal ledgers and emission factors are sourced from the 2019 Ministry for the Environment Summary of Emission Factors.
Certified paper	Paper purchased during the reporting period that has some content that is accredited by the Forest Stewardship Council (FSC) and/or Programme for the Endorsement of Forest Certification (PEFC) as indicated by the supplier.
Charitable gifts	Cash donations to charities, with no branding or strategic intent. Cash support for charitable purposes not directly linked to the company’s community investment or commercial strategies. This donation type is typically made in response to an appeal or initiated by management or an employee.
Climate change solutions	<p>Lending and investment to climate change solutions is defined as the total direct and indirect financing of customers to the extent they are:</p> <p>a) involved in climate change solutions activities reported in total committed exposures (TCE) as at the disclosure date; or</p> <p>b) undertake activities that are over and above what is considered to be business as usual in the relevant industry, and which produce a material net benefit to the environment.</p> <p>To meet this, the activities must:</p> <ul style="list-style-type: none"> involve process changes used to reduce environmental impacts or greenhouse gas emissions; and be over and above normal compliance obligations (e.g. legal, license or regulations). <p>Climate change solutions activities are defined as any of the following:</p> <ul style="list-style-type: none"> energy efficiency: projects qualifying for government energy efficiency schemes; green buildings: buildings with NABERS 5-Star rating or better (or equivalent) or a minimum 5 Star Green Star rating in New Zealand. Any other evidence that supports building GHG gas efficiency being in the top 15% of buildings within a given geography (e.g. city boundary) OR combinations of buildings within portfolios that achieve the same result may qualify; green businesses: businesses involved in providing green products or services including consulting; renewable energy: projects qualifying for government renewable energy schemes and hydro-electric generation; low carbon transport: includes national rail and freight systems (where less than 50% of revenues or freight km come from haulage of fossil fuels), urban rail systems (e.g. metro and light rail), electric vehicles, fuel efficient vehicles, alternative fuel vehicles, Bus Rapid Transit, bicycle transport, aviation biofuel, transport logistics; adaptation infrastructure: infrastructure to increase resilience of existing infrastructure (e.g. bridges and rail) to the physical impacts of climate change. Includes water desalination; Low carbon infrastructure: electricity transmission and distribution grids and related infrastructure to support renewable energy projects;

INDICATOR OR TERM	DEFINITION
Climate change solutions (continued)	<ul style="list-style-type: none"> waste: alternate waste treatment, resulting in displacement of carbon emissions resulting from landfill; water: rehabilitation of waterways, water recycling & efficiency. Excludes desalination projects (these are categorised in 'Adaptation infrastructure'); carbon farming projects: projects qualifying for inclusion in the Carbon Farming Initiative; forestry: plantation forestry only; land rehabilitation: rehabilitation of contaminated land, returning developed land to natural habitat or otherwise reserving land for long-term carbon sequestration; or other: case-by-case determination of additional activities. <p>Direct financing refers to structured exposures to specific assets or unstructured exposures to an organisation whose operations are focused on only one type of activity that meets the definition for climate change solutions.</p> <p>Indirect financing refers to organisations where one or more of the following apply:</p> <ul style="list-style-type: none"> finance is provided centrally as unstructured lending and forms part of the general capital of the company at large; and/or the company has operations other than climate change solutions; and/or the company operates multiple assets or facilities that are funded centrally. <p>For indirect financing, TCE is apportioned so that only the proportion attributed to climate change solutions activities is included. This proportion is based on available financial information (such as revenues or assets) for the period, which provide an indication of the extent of an organisation's activities or assets that relate to climate change solutions. In some cases, the TCE is apportioned based on the clean energy generation capacity of the organisation.</p> <p>Figures are for Australia and New Zealand only, and cover financing undertaken by Westpac Institutional Bank Australia and New Zealand, WNZL Business Banking (including corporate, mid-markets, Agri and property finance), above a threshold of NZD1m TCE and Commercial and Business Bank above a threshold of AUD1m from 1 October 2013 TCE. For WNZL exposures below NZD1m and for all Commercial and Business Bank retail exposures (Aust and NZ), only new lending (after 30 September 2012) and facilitated investment associated with green products fitting the climate change solutions activity definition are included.</p>
CO₂e	Carbon Dioxide equivalent (CO ₂ e) is the universal unit of measurement for measuring carbon dioxide footprint. It is used to indicate the radiative forcing of the six greenhouse gases relative to carbon dioxide (CO ₂). CO ₂ e is calculated using the Global Warming Potential of each gas. The Global Warming Potential is a factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given greenhouse gas relative to one unit of CO ₂ .
CO₂e/employee	This is a normalised figure describing the tonnes of Scope 1 and 2 greenhouse gas emissions per full time equivalent employee (FTE) during the reporting year. Note that FTE data is calculated on a 30 June year-end consistent with environmental data. Australian emissions data is prepared in alignment with NGER and New Zealand data is prepared in alignment with New Zealand Ministry for the Environment guidance for GHG reporting.
CO₂e/m²	This is a normalised figure describing the tonnes of Scope 1 and 2 greenhouse gas emissions per weighted net lettable area (NLA) measured in square metres (m ²). Australian emissions data is prepared in alignment with NGER and New Zealand data is prepared in alignment with New Zealand Ministry for the Environment guidance for GHG reporting.
Commercial sponsorships	Activities in the community, usually by commercial departments, to directly support the success of the company, provide direct opportunities to sell the company's products and service, promote its brand identities and other policies, in partnership with charities and community based organisations with the purpose of generating business and/or commercial gain.
Community investment as a % of operating profit before income tax (cash earnings basis)	Refers to the total Group community investment made during the reporting year as expressed as a proportion of operating profit before income tax (cash earnings basis) over the same period.
Community investment as a % pre-tax profits	Refers to the total Group community investment made during the reporting year as expressed as a proportion of pre-tax profit over the same period.

INDICATOR OR TERM	DEFINITION
Community partnerships	<p>Contributions that are typically:</p> <ul style="list-style-type: none"> • over a longer period, e.g. one-to-five years; • represent strategic investments in community partnerships; and • address specific community issues chosen by the company to fulfil a business objective, such as a culture of engagement, and to support employee desires to make a contribution to the communities that in turn support our enterprise. <p>These contributions include partnerships with non-profits or community groups, which have been selected due to their programs' relevance to Westpac Banking Group's business objectives. They also include memberships and subscriptions to non-profit and community groups.</p>
Complaints resolved within five days	The percentage of customer complaints that are resolved within five business days from the date the complaint was lodged in the system, including those complaints that are resolved at the first point of contact. Based on the total number of complaints tracked during the reporting period.
Customer complaints	Complaints reported are those recorded in the Bank's complaint systems, which are deemed to meet the ASIC Definition Australian Standard ISO 10002-2006: Expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required. Complaints recorded by Westpac Group personnel in Australia for Australian banking, BT Financial Group personnel in the Bank's complaint systems for BT Financial Group, and WNZL personnel in the Bank's complaint systems for New Zealand.
Customer numbers	All customers with an active relationship (excludes channel only and potential relationships). For Australian Banking an active relationship is where the customer has at least one open product; where a product has joint ownership, both owners are counted.
Customers experiencing financial hardship who accessed a financial assistance package	Number of approved applications for financial assistance from Westpac Group customers experiencing financial hardship. Financial hardship occurs when a person is unable to meet their repayment obligations for a period of time due to an unexpected event or unforeseen change in circumstances, such as illness or injury or a change in employment. Each request is assessed on a case-by-case basis. Some of the hardship options that may be available to customers include reduced or deferred repayments and reduction in interest charges.
Digitally active customers	Westpac Group customers who, as at 30 September, have successfully authenticated into the Bank's digital banking platforms (including Quick zone) within 90 days.
Doing the Right Thing training	Through interactive scenarios employees learn what doing the right thing means and looks like in the areas of our code of conduct; acting with integrity; maintaining privacy; equal employment opportunity in action; AML and counter-terrorism; operational risk; our information security; giving advice; managing regulator relationships; managing records; information security; complaints management and resolutions; sanctions. This training must be completed by all new recruits and existing employees every two years. Includes all Westpac Group employees except those in Westpac Pacific. Excludes employees on extended leave.
Domestic air travel	For Australia this includes passenger kilometres travelled for all domestic flights as provided by air travel supplier. Emission factors are sourced from the UK Government conversion factors for Company Reporting (2017, v1.0) published by DEFRA. For New Zealand this includes passenger kilometres travelled for domestic flights as provided by travel suppliers, assumed to be an accurate reflection of the direct distance between flight points. The emission factors used are sourced from the New Zealand Ministry for the Environment, Guidance for Voluntary, Corporate Greenhouse Gas Reporting. An aviation multiplier of 1.08 is applied to reflect non-direct flights. UK data is based on the total number of flights within Europe multiplied by the average distance. Emissions are calculated using the Greenhouse Gas Protocol emissions factor for economy class short-haul flights.

INDICATOR OR TERM	DEFINITION
Electricity generation – Australia and New Zealand	<p>This includes both direct and indirect financing to energy generation assets in the Australian and New Zealand electricity markets, reported in total committed exposures (TCE) as at 30 September.</p> <p>Direct financing refers to structured exposures to specific energy generation assets or unstructured exposures to an organisation whose operations are focused on only one type of energy generation asset that is registered for operation in Australian or the New Zealand electricity markets.</p> <p>Indirect financing organisations are where one or more of the following apply:</p> <ul style="list-style-type: none"> • finance is provided centrally as unstructured lending and forms part of the general capital of the company at large; and/or • the company has operations other than electricity generation; and/or • the company operates multiple generation assets or facilities that are funded centrally; • where a company has operations other than electricity generation and/or operates multiple generation assets or facilities, TCE is apportioned based on the proportional value contribution of the energy generation business of each organisation and the relative proportions of the different types of energy generation within each organisation; and • figures do not include generator financing outside of Australia and New Zealand and refer only to financing undertaken by Westpac Institutional Bank (Infrastructure and Utilities) and Westpac NZ.
Electricity generation portfolio emissions intensity – Australia	<p>The average financed greenhouse gas emissions intensity is calculated by weighting each credit exposure by the greenhouse gas emissions intensity of each company (or Special Purpose Vehicle), where that entity is borrowing in Australia dollars and energy generation forms a major part of their business.</p> <p>The greenhouse gas emissions intensity of a company is calculated as the average greenhouse gas emissions intensity of their generation portfolio (scope 1 and 2 only), weighted by the most recently available generation data.</p> <p>Where greenhouse gas emissions intensity for a facility is not available from data provided under the National Greenhouse and Energy Reporting Act (2007) or other publicly available sources, an average greenhouse gas emissions intensity of similar facilities is applied.</p>
Employee Assistance Program utilisation (%)	<p>The <i>Employee Assistance Program</i> (EAP) is an independent, professional, and confidential counselling and coaching service available to all employees and their immediate families for both personal and work-related issues. The EAP utilisation represents the proportion of employees who have accessed the EAP for support throughout the defined reporting period. Utilisation is reported as a % of the headcount of permanent employees in Australia and the Pacific. Higher engagement in EAP utilisation demonstrates positive help-seeking behaviours, meaning our people are receiving support when they need it.</p>
Employee Commitment Index	<p>Employee Commitment Index shows the percentage of Westpac Group employees who answered favourably to survey questions on vision, advocacy and inspiration on a scale of 1 to 5 where 1 is Strongly Disagree and 5 is Strongly Agree. This monthly survey was introduced in 2017 and six-month rolling average results are reported.</p>
Employee numbers	<p>Westpac Group headcount (total number of full-time, part-time and temporary) as at 30 September.</p>
Employee voluntary attrition (%)	<p>Total number of permanent (full-time and part-time) and maximum term employees (those leaving before their contract has expired) that voluntarily separated from the Westpac Group during the 12-month period, over the average total headcount for the 12-month period.</p>
Employee voluntary attrition (number)	<p>Refers to the total number of permanent (full-time and part-time) and maximum term employees (those leaving before their contract has expired) that voluntarily separated from the Westpac Group during the 12-month period. Westpac Pacific figures included since FY15.</p>
Employees accessing parental leave	<p>The total number of employees, including permanent full-time, part-time and maximum term employees accessing parental leave during the reporting period.</p>
Employment pathways supported at social enterprises by Westpac Foundation	<p>The number of people from the social enterprise's disadvantaged target group (cumulative since 2015, one quarter in arrears) involved in unpaid work experience or a training program/qualification delivered by the social enterprise.</p> <p>Note: It is possible for a person to be counted twice if they have been involved in both unpaid work experience and a training program/qualification.</p>
Energy consumption – Electricity (GJ)	<p>Total consumption of electricity purchased from the grid for the year ending 30 June, as per supplier invoices for all facilities under the operational control of Westpac, normalised to gigajoules.</p>

INDICATOR OR TERM	DEFINITION
Energy consumption – Fuels (GJ)	Total consumption of natural gas, stationary diesel, stationary LPG and fleet fuels for the year ending 30 June, as per supplier invoices for all facilities under the operational control of Westpac and vehicle fleet, normalised to gigajoules.
Enhanced lending criteria to coal-fired generation (Climate Change Position Statement)	All lending during the year to coal fired generation facilities is compliant with limits as established in 'Action Plan 2 – Energy System, Energy Generation' of the Climate Change Position Statement and 2020 Action Plan. Figures are for Australia and WIB only.
Enhanced lending criteria to existing thermal coal sector customers (calorific value >5,700 kCal/kg)	Compliance of lending to existing customers, mines or projects in the Thermal Coal Sector with limits as set out in 'Action Plan 2 – Energy System, Coal Mining' of the Climate Change Position Statement and 2020 Action Plan (calorific value >5,700 kCal/kg Gross As Received).
Enhanced lending to new thermal coal mines or projects (calorific value >6,300 kCal/kg)	Compliance of lending to new customers, mines or projects in the Thermal Coal Sector with limits as set out in 'Action Plan 2 – Energy System, Coal Mining' of the Climate Change Position Statement and 2020 Action Plan (calorific value >6,300 kCal/kg Gross As Received).
Equator Principles	The Equator Principles are a voluntary set of standards for determining, assessing and managing social and environmental risk in project financing. Westpac applies the Principles against all project finance activities regardless of size. Loan exposures include both direct and contingent lending, and are represented by sector, geography and Equator Principle categories.
E-Waste	Electronic waste recycled, re-purposed, re-used or donated in Australia by Westpac Group's preferred provider. Excludes New Zealand, Pacific and UK.
Family of giving	Westpac Group's five foundations (Westpac Foundation, Westpac Scholars, St.George Foundation, Bank of Melbourne Neighbourhood Fund and BankSA Foundation).
Female/Male salary ratios	The average full-time equivalent (FTE) base salary (excluding variable reward, leave loading, superannuation and any other allowances) for males and females across the Westpac Group broken down by the classification levels consistent with our reporting to the Board to satisfy ASX listing requirements. The report includes permanent employees (full-time, part-time and flexi part-time), employees on a fixed term arrangement (full-time maximum term, part-time maximum term and flexi part-time maximum term), and expatriate employees. The annualised salaries are included for those employees who have been with Westpac for part of the reporting year.
Financial Assistance	Financial assistance options that may be available to customers include reduced or deferred repayments and reduction in interest charges. Numbers refer to approved applications.
Financial education (hours)	The number of hours of financial education, offered by the Westpac Group, undertaken by employees, customers and the general public (including via online channels). In Australia financial education covers personal, business and social sector content inclusive of modules on financial basics, owning your home, building wealth, retirement planning, starting and growing a business, and financials for non-profit organisations. New Zealand and Pacific businesses deliver locally tailored programs.
Financial education (participants)	Total number of employees, customers and general public engaging with financial education materials offered by the Westpac Group during the year, delivered through face-to-face and online platforms.
Fleet – Emissions per vehicle	Refers to the total Scope 1 emissions from fuel consumption used by Australian and New Zealand based fleet vehicles under Westpac Group operational control during the year divided by the average number of vehicles in the fleet during the reporting year.
Fleet – Fuel consumption per vehicle	The total kilolitres of fuel used by Australian and New Zealand based fleet vehicles under Westpac Group operational control during the year divided by the average number of vehicles in the fleet during the reporting year.
Foregone fee revenue	An effective donation arising by not charging fees to charitable organisations or low-income earners. The estimated value of the effective donation is calculated as the difference between what was charged (if anything), and what would have been charged on equivalent standard accounts.

INDICATOR OR TERM	DEFINITION
Full time equivalent (FTE)	Total full-time equivalent (FTE) employees of the Group as at 30 September. One full-time equivalent (FTE) is 76 hours paid work per fortnight. Full-time equivalent employees include permanent (full-time and pro-rata part-time staff) employees, and temporary (overtime, temporary and contract staff) employees.
General recycling (tonnes)	Total waste recycled or reused (or otherwise diverted from landfill) for commercial and retail facilities under Westpac Group's operational control, for the year-end 30 June. Includes commingle, organics, cardboard, glass, printer cartridges/toners and waste to energy, where data is available. Excludes stand-alone ATMs and fleet. For Australia, commercial sites and data centres are based on recycling provider invoices where available or estimated based on averages from properties within the same portfolio for which actual data is available. For retail sites, based on representative waste audits and extrapolated across the retail network. For New Zealand, based on supplier records.
Greenhouse Gases (GHG)	Greenhouse gases include the six gases listed in the Kyoto Protocol (CO ₂ , CH ₄ , N ₂ O, SF ₆ , hydrofluorocarbons and perfluorocarbons) as well as the Montreal Protocol gases, where activity data is available and meets materiality requirements. For Australia, GHG's are calculated in accordance with the National Greenhouse and Energy Reporting Act 2007 (NGER Act) and the National Carbon Offset Standard. For New Zealand GHG are calculated in accordance with the Ministry for the Environment, Guidance for GHG Reporting. For UK and Pacific, GHG's are calculated in accordance with the GHG Protocol.
Group community investment (\$AUD)	Total amount in AUD provided in support of community-based activities during the reporting year. It includes monetary contributions, time contributions, management costs and in-kind contributions comprising of gifts and foregone fee revenue or donations. Reported amounts have been compiled with reference to the Global Reporting Initiative's Standards under 103-2 and the Financial Services Sector Disclosures.
Group lending profile	Represents total exposure in lending products broken down by geography (based on country of booking location and by sector (based on Australian New Zealand Standard Industrial Classification (ANZSIC) codes produced by the Australian Bureau of Statistics and the New Zealand Department of Statistics) and assigned by Westpac based on companies primary source of revenue. All data is in exposure at default.
In-kind gifts or donations	Use of company premises, donation of resources such as computers and in-kind marketing to community organisations.
International air travel	For Australia includes passenger kilometres travelled for all international and Trans-Tasman flights as provided by air travel supplier. Emission factors are sourced from the UK Government conversion factors for Company Reporting (2018) published by DEFRA, based on flight distances and air travel class. For New Zealand this includes passenger kilometres travelled for international flights as provided by travel suppliers. The emission factors are sourced from UK BEIS (previously under DEFRA's responsibility), including radiative forcing. For UK data is based on total number of flights outside Europe multiplied by the average distance. Emissions are calculated using the Greenhouse Gas Protocol emissions factor for economy class short-haul flights.
Jobs supported at social enterprises by Westpac Foundation	The number of people from the social enterprise's disadvantaged target group (cumulative since 2015, one quarter in arrears) that are employed on a full time, part time or casual/contract basis as well as those that transition to another job as a result of the social enterprise's support. Note: It is possible for a person to be counted twice for being employed at the social enterprise and then if they transition to another job as a result of the social enterprise's support.
Lost Time Injury Frequency Rate (LTIFR)	Lost Time Injury Frequency Rate (LTIFR) measures the number of Lost Time Injuries (LTIs), defined as injuries or illnesses (based on workers compensation claims accepted) resulting in an employee being unable to work for a full scheduled day (or shift) other than the day (or shift) on which the injury occurred where work was a significant contributing factor, per one million hours worked in the rolling 12 months reported. Westpac Pacific figures included from FY16 (not included in prior years).
Management costs	General: management costs comprise of salaries and on-costs of employees involved in facilitating donations and volunteering by employees, managing the community investment program, as well as non-wage administration costs e.g. research or evaluation and communications. Indigenous: management costs comprise the relevant proportion of salaries and on-costs of employees involved in facilitating donations and volunteering by employees, managing the community investment program, as well as non-wage administration costs e.g. research or evaluation and communications.
Matched giving	Where employees raise or donate money and the financial institution matches with its own contribution. Only the money the financial institution itself donates is counted, not that contributed by employees.

INDICATOR OR TERM	DEFINITION
Mining – Group	Data is reported in Total Committed Exposure (TCE) as at 30 September. Data represent group wide exposures (TCE) to all customers where mining forms the primary basis of their business. Where companies operate in multiple industries they are classified according to their primary industry exposures into six commodity categories (coal mining, oil and gas extraction, iron ore mining, other metal ore mining, mining services and other) and are reported as a percentage of the metric Mining – Group. Where companies have more than one mining activity TCE is apportioned based on the majority activity of the company. Where the major activity does not meet any of the categories presented above, the exposure has been categorised as other.
Monetary contributions	Monetary contributions are comprised of charitable gifts of money or other cash donations, matched giving and community partnerships. Inclusive of GST where applicable.
NEM	National Electricity Market. The average emissions intensity of generation for the NEM is determined as the sum of emissions arising from electricity generation on the NEM, divided by the sum of sent out generation.
Net Lettable Area (NLA)	Net lettable area (NLA) is measured in square metres (m ²) as recorded on lease agreements during the reporting year. Weighted NLA is calculated as net lettable area (m ²) x days in operational control/days in the period.
New starter retention	Voluntary new starter retention over the new starter headcount for the 12-month period (permanent full-time and part-time employees).
New starters (%)	Voluntary new starters over the 12-month average headcount for period (includes permanent full-time and part-time employees).
New starters (number)	Total number of new starters over the last 12 months (includes permanent full-time and part-time employees).
New starters by gender and age	The total number of employees (permanent full-time and part-time) who started during the reporting period split by age and gender. Number and percentage of the total.
Occupational health and safety training	Our global program of OH&S training is made up of five eLearning modules: Doing the Right Thing; Your Health and Safety; Building Emergency Procedures; Health and Safety for People Leaders and Health and Safety in an Agile Environment (for employees in dedicated agile workspaces). We also have a face-to-face H&S Leadership training program. The full program is available in Australia and New Zealand and the five eLearning modules are available globally. Prior to 2015, NZ employees undertook 'Doing the Right Thing' training (one module of the full global program). Data prior to 2015 excludes Asia and the Pacific. All permanent and temporary employees are required to complete this training within 90 days of commencing in their role with Westpac Group.
Paper consumption (tonnes)	Total office paper and paper products purchased (in tonnes) by Westpac Group as reported by key suppliers. Includes office copy paper, paper products and printed materials, including direct mail and marketing documents (e.g. office stationery, marketing brochures, customer statements). Emission factors are calculated utilising the Victoria Government GHG emission factors for office copy paper.
Paper recycling (tonnes)	Total paper recycled via secure document recycling (in tonnes) including archived documents that have exceeded their expiry date, for commercial and retail facilities under Westpac Group's operational control, as reported by recycling provider. Includes commercial offices, retail and business banking centres and data centres. Excludes stand-alone ATMs.
Positive impact finance	Positive Impact Finance includes: <ul style="list-style-type: none"> • lending that directly addresses a widely recognised societal issue, or to sectors or markets that operate with an explicit societal goal; and • deposits or products and services provided (other than lending) to customers or markets that would otherwise meet our definition of positive impact. <p>This does not include lending to any individual customer where we have made a specific sustainability requirement as part of our lending or encouraged sustainable practices as part of our customer engagement.</p>
Ratio of the annual total compensation for highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	Ratio of the annual total compensation for highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual). Compensation for the highest paid individual comprises: <ul style="list-style-type: none"> • Annual total remuneration; • Short-term incentives; • Long-term incentives (based on the grant value); and • Other quantifiable benefits (such as insurance or medical checks).

INDICATOR OR TERM	DEFINITION
Recycled content paper purchased	The percentage of paper purchased during the reporting period that has some content that is from recycled sources as indicated by the supplier.
Responsible Sourcing Code of Conduct (RSCoC)	We ask our suppliers participating in formal market engagements and others seeking to do business with us to comply with Westpac's Responsible Sourcing Code of Conduct. It sets out Westpac's standards of ethical, social and environmental business practices required for suppliers. The RSCoC is available on our website under Sustainable Sourcing – Responsible Sourcing.
Responsible Sourcing Program	<p>The Westpac Responsible Sourcing Program is a program designed to:</p> <ul style="list-style-type: none"> • guide the identification, assessment, prioritisation and management of ESG-related risks as they relate to suppliers; and • enhance opportunities for creating positive environmental and social outcomes via supplier engagement and collaboration. <p>As part of the Westpac Responsible Sourcing Program relevant suppliers are assessed for sustainability risk. The Westpac Responsible Sourcing Program is applicable to those suppliers that satisfy the following criteria:</p> <ul style="list-style-type: none"> • suppliers being (or previously) on-boarded or participating in formal market engagement processes facilitated by Westpac Group sourcing functions, business units, brands and subsidiaries through new contracts and renewals; or • suppliers that supply conventional goods and services; and • suppliers with which Westpac has entered into a formal contract with a duration of 12 months or more; or • suppliers that are defined as strategic, material or major.
Self-assessment	We ask our suppliers participating in formal market engagements and others seeking to do business with us to comply with Westpac's Responsible Sourcing Code of Conduct. Compliance typically involves a self-assessment against the Code of Conduct. Relates to self-assessment undertaken during the reporting period.
Skilled volunteering	Volunteering that utilises employee skills including unique life and/or professional skills and advice, to help not-for-profits or community organisations, realise and achieve their potential and aspirations.
Social and Affordable housing lending and services	<p>Refers to the cumulative Total Approved Exposure to customers in the Social and Affordable Housing sector since 2013. Social Housing is low-cost housing provided to tenants who are typically reliant on benefits as a significant source of income. Tenants cannot pay more than 35% of their income on rent. Affordable Housing is provided to employed tenants who have low or moderate incomes and priced to ensure households are able to meet other essential basic living costs. Rent must be less than 80% of the market rent.</p> <p>These customers include Community Housing Providers, Property Investors with National Rental Affordability Scheme (NRAS) Entitlements, Not-for-Profits that provide low-cost or free accommodation and Public Private Partnerships in social and affordable housing.</p> <p>This excludes Borrowers who have a total aggregate exposure of less than \$1.0m, individual retail customers who have sought financing of NRAS affordable housing and listed and unlisted property developers who participate in the development of affordable housing through the utilisation of NRAS entitlements.</p>
Spend with Indigenous suppliers	Annual spend with businesses that are 50% or more owned and operated by an Aboriginal or Torres Strait Islander person and registered and certified with a relevant member organisation. Indigenous owned businesses are defined at: Website: Supplier inclusion and diversity – Supplier Inclusion and Diversity Policy .
Suppliers by type	<p>IT and telecommunications: includes professional IT services, business process outsourcing, telecommunications, application services and infrastructure.</p> <p>Operations and property: includes security, facilities maintenance, catering, utilities, valuations, settlements, freight, travel, entertainment, conferences, information services, and office suppliers.</p> <p>Products, Marketing & Digitisation: includes customer loyalty, schemes and cards, event management, marketing services, media, market research, mail and sponsorship.</p> <p>Workforce Enablement, Services and Wealth: includes recruitment, training, wardrobe, staff wellbeing services, legal and consulting.</p> <p>Other: includes those not captured in the above categories.</p>
Tenure & gender profile (%)	Tenure and gender profile refers to the proportion of male and female employees (permanent full-time, part-time and maximum term) within each defined bracket of years of employment at the end of the reporting period. Westpac Pacific figures included since FY15.

INDICATOR OR TERM	DEFINITION
Top suppliers	Top 100 suppliers to Westpac Australia by spend for the 12 months ended 30 September.
Total committed exposure (TCE)	Represents the sum of the committed portion of direct lending (including funds placement overall and deposits placed), contingent and pre-settlement risk plus the committed portion of secondary market trading and underwriting risk.
Total Reportable Injury Frequency Rate (TRIFR)	Total Reportable Injury Frequency Rate (TRIFR) measures the number of recorded injuries (lost time injuries, restricted work injuries and other injuries requiring medical treatment), where work was a significant contributing factor, per one million hours worked in the rolling 12 months reported.
Total Scope 1 and 2 emissions (tCO₂e)	Total Scope 1 and Scope 2 emissions as a result of Westpac Group's operations across Australia, New Zealand, UK and Pacific.
Total Scope 1 greenhouse gas emissions (tCO₂e)	Scope 1 emissions are the release of greenhouse gases into the atmosphere as a result of Westpac Group's direct operations for the period 1 July – 30 June. Australian data is prepared in accordance with the National Greenhouse and Energy Reporting Act. New Zealand data is prepared in accordance with the New Zealand Ministry for the Environment's Guidance for GHG reporting.
Total Scope 2 greenhouse gas emissions (tCO₂e)	Scope 2 emissions are indirect greenhouse gas emissions from the consumption of purchased electricity by Westpac Group for the period 1 July – 30 June. Australian data is prepared in accordance with the National Greenhouse and Energy Reporting Act. New Zealand data is prepared in accordance with the New Zealand Ministry for the Environment's Guidance for GHG reporting, using emission factors from the Ministry for Business, Employment and Innovation.
Total Scope 3 greenhouse gas emissions (tCO₂e)	Scope 3 emissions are indirect greenhouse gases emitted as a consequence of Westpac Group operations but occur at sources owned or controlled by another organisation. Australian data is prepared in accordance with the National Carbon Offset Standard. New Zealand data is prepared in accordance with the Greenhouse Gas Protocol (2004) and ISO 14064-1:2006 Specification.
Total supply chain spend	Total dollars spent captured through Group reporting systems in AUD with external suppliers who provide products or services to the organisation during the reporting period.
Transmission & distribution losses	Emissions from energy losses that are attributable to the transmission and/or distribution of energy to the end user. For Australia this includes electricity and natural gas. For New Zealand this includes electricity only.
Transport – Fleet vehicles	Includes consumption of liquid fuels for transport purposes (diesel, gasoline) by vehicles under Westpac Group operational control, regardless of whether these vehicles are owned or leased. Excludes Novated Lease, salary sacrifice purchased vehicles, transport services provided by a third-party supplier or vehicles sponsored by the Westpac Group. For Australia this includes emissions from direct Scope 1 (fuel consumption) and indirect Scope 3 (upstream extraction and distribution) prepared in accordance with NGER and the NGA Factors. For New Zealand this includes direct Scope 1 emissions only prepared in accordance with the Ministry for the Environment, Guidance for Voluntary, Corporate GHG Reporting.
Volunteer time	Staff participation in authorised volunteering activities. The value of volunteer time is calculated based on total community leave hours recorded in the Group's HR systems or other internal records, multiplied by the derived average hourly salary for all employees in the financial year.
Waste diversion (%)	Calculated as the percentage of waste that does not go to landfill (tonnes) compared to the total waste generated (in tonnes, including waste recycled, reused, donated, processed as waste to energy and waste sent to landfill). Includes Sydney-based office spaces in Barangaroo, Kogarah and Westpac Place on Kent Street. The number of commercial offices reporting on target will increase year-on-year as waste management practices are implemented. Excludes storage units, retail sites (branches & business banking centres), stand-alone ATMs, stand-alone data centres, fleet and sites over which the Westpac Group does not have direct control over waste contracting or operational control.
Waste to landfill (tonnes)	Total waste sent to landfill across commercial and retail facilities under Westpac Group's operational control for the year ending 30 June. Excludes stand-alone ATMs and fleet. For Australia, commercial facilities and data centres are based on provider invoices where available and estimated based on averages from properties within the same portfolio for which actual data is available. For retail sites these are based on representative waste audits and extrapolated across the retail network. Emission factors are sourced from the National Greenhouse Accounts Factors for commercial and industrial waste. For New Zealand, these are based on provider records and calculated in accordance with the Ministry for the Environment Guidance for GHG Reporting.
Water consumption (kL)	Water consumption is the total potable water consumed at facilities under Westpac Group operational control. Water consumption is based on supplier reports where available, or estimated based on the net lettable area and average consumption of similar properties for which actual data is available. Excludes recycled and reclaimed water consumption.

INDICATOR OR TERM	DEFINITION
Water consumption in Australian workplaces (kL)	Water consumption for all Australian workplaces, including commercial, retail, data centre and subsidiary sites. Excludes recycled and reclaimed water consumption and all other commercial offices, storage units, retail sites (branches & business banking centres), stand-alone ATMs, stand-alone data centres, fleet and sites over which the Westpac Group does not have operational control.
Whistleblower reporting	Number of concerns reported directly into the Group's Concern Online system, via the Group's whistleblower hotline or to the Group's Whistleblower Protection Officer. Total concerns are broken down into classifications and the substantiation status, as determined by the investigation. The Whistleblower Policy has been known as 'Speaking Up' since November 2018.
Women in leadership - Board (%)	Refers to the % female Board directors including executive and non-executive directors at the end of the reporting period.
Women in leadership	Women in Leadership refers to the 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.
Why complaints matter training	A mandatory training module completed by all our employees, continuing our commitment to quality customer service. It provides a consistent approach for managing complaints and issues across the Group. The module outlines our complaints management obligations: what bankers need to do (the three rules for helping: Spot it, Log it and Own it); why our obligations are important; articulates the difference between what is and isn't a complaint; process of logging a complaint; the consequences of doing (and not doing) the right thing; and articulates our aim to resolve all complaints within five business days where possible.

Contact details.



Contact information

Westpac Group Sustainability.

For any enquires email

sustainability@westpac.com.au

@westpacsustain

To find out more about Westpac Group's sustainability approach, policies and performance, please visit westpac.com.au/sustainability or sign up to our [Westpac Sustain newsletter](#)

Westpac Group Head Office.

275 Kent Street, Sydney NSW 2000 Australia

Tel: +61 2 9155 7713

Fax: +61 2 8253 4128

International tel: +61 2 9155 7700

www.westpac.com.au/westpacgroup

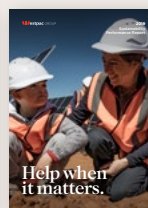
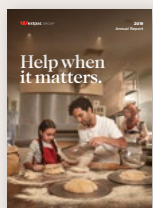
Westpac Investor Relations.

investorrelations@westpac.com.au

Tel: +61 2 8253 3143

westpac.com.au/investorcentre

Westpac Group's Reporting Suite for 2019.



Mike James, President of the Wagga Wagga Amateur Beekeepers Club, with a beehive at the Bomen Solar Farm.



This annual Sustainability Performance Report for the year ending 30 September 2019 forms part of Westpac Group's Reporting Suite for 2019. The reporting suite also includes the Annual Report and Annual Review & Sustainability Report. The Annual Report includes the full financial statements for the year, Directors' report, Remuneration report including executive remuneration, and other detailed financial performance reports. The Annual Review & Sustainability Report includes an integrated performance summary with expanded commentary and metrics related to our sustainable business practices, providing supporting information towards Recommendation 7.4 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Third Edition).

This report aligns with the Global Reporting Initiative (GRI) Standards (Comprehensive) and the AA1000 AccountAbility Principles Standard (2008). This alignment has been independently assured by PwC.