

2018 Slavery and Human Trafficking Statement

This statement sets out the steps Westpac¹ has taken to prevent modern slavery² in our business and supply chains globally during the financial year ending 30 September 2018. It has been prepared in accordance with Transparency in Supply Chains provision (section 54) of the United Kingdom's Modern Slavery Act 2015.

Our business

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

In 2018 we spent AU\$6.08 billion with suppliers across Australia and New Zealand. Our major areas of spend fall within the defined supplier portfolios comprised of:

- IT and telecommunications

- Enterprise Services, which include a range of sub-portfolios such as banking services, logistics, services supporting our property footprint, security, travel and entertainment, tools of trade and office supplies, training, recruitment and contingent workforce services and professional services.
- Customer engagement which includes the sub-portfolios of marketing and digital services, services supporting our products, our digital channels and call centres.

More information about Westpac's business is set out in our 2018 Annual Report and 2018 Sustainability Performance Report available at www.westpac.com.au.

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

The Westpac Group believes that respecting and advancing human rights helps us to achieve our vision to help our customers, communities and people to prosper and grow. Accordingly, we have zero tolerance for all forms of modern slavery and human trafficking.

The Westpac Group is a signatory to several international covenants and compacts on human rights, including the UN Global Compact, which stands for, among other things, the elimination of all forms of forced or compulsory labour and the abolition of child labour. Our approach to human rights is further guided by the UN Guiding Principles on Business and Human Rights and is set out

in our [Human Rights Position Statement and 2020 Action Plan](#).

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

- [Principles for Doing Business](#), which sets out how we aim to conduct ourselves, including in the areas of governance and ethics, customer and employee practices and supply chain management.
- Operating principles and policies, which include our:
 - [Code of Conduct](#), which sets out our expectation that all employees always comply with applicable laws and act with honesty and integrity. Together with our Vision, Values and Service Promise, our Code of Conduct forms part of 'Our Compass' which is a framework which organises in one place the key guidance for employees on our cultural and behavioural expectations. It aims to empower employees to make decisions that are consistent with our values, and to challenge decisions that may not be.
 - [Westpac Group Speaking Up Policy](#) (formerly referred to, as our Whistleblower Protection Policy), which encourages reporting of suspected or actual unlawful or unethical behaviour.
 - [Economic and Trade Sanctions policy](#).
- Procedures aimed at ensuring that all our staff work under conditions that meet the employment standards and laws of the countries in which they operate.
- Sustainability Risk Management Framework which sets out our approach to managing, escalating and reporting on material sustainability risks, including environmental, social and governance risks, in relation to our lending and investment decisions, supply chain management, operations, and employees. This framework defines human rights risks (including modern slavery and human trafficking) as a form of social sustainability risk.
- [Responsible Sourcing Code of Conduct](#) which requires our suppliers to not participate in child labour, whether forced or involuntary, and to not otherwise breach employment laws and regulations (including, but not limited to, laws around minimum wages, discrimination, and/or harassment).

Steps taken during the financial year ended 30 September 2018

In the financial year ending 30 September 2018, the Westpac Group continued its commitment to sustainable business practices and respecting human rights, including through the steps described in this section:

1. We updated our Sustainability Risk Management Framework and Principles for Doing Business to include more detailed descriptions of modern slavery risks such as slavery and human trafficking, rights of children and migrants. These updates were designed to assist employees to better

identify and manage modern slavery risks.

2. We continued to apply our established standards for ethical and social business practices of suppliers through our Responsible Sourcing Code of Conduct (our Code).
3. We incorporated the principles of our Code into our sourcing frameworks in New Zealand and undertook a baseline assessment of our sourcing practices in the Pacific jurisdictions that we operate in. This assessment took place following the establishment of our Global Responsible Sourcing Steering Committee last year³.
4. In line with our Code and supporting governance frameworks, we undertook a number of responsible sourcing due diligence processes that aimed to identify, assess and mitigate potential breaches or abuses of fundamental human rights within the supply chain.
5. A key due diligence process that we continued to implement in financial year 2018 was the Responsible Sourcing Supplier Assessment, which screened supplier engagements to identify inherent environmental, social and governance risks present based on three key risk indicators:
 - a. country of operation of supplier and provision of service;
 - b. potential for direct brand impact; and
 - c. commodity and sector specific risks.
6. The outcome of these screenings was then used to categorise our specific supplier engagements as presenting a high, medium or low responsible sourcing risk to the Group.
7. For those engagements ranked as high or medium, the supplier was required to complete a comprehensive assessment relevant to those areas of risk identified.
8. The assessment required suppliers to confirm the steps they had taken within their operations and supply chain to identify, eliminate and manage their social and environmental risks. These steps may have included steps related to labour and workplace practices, occupational health and safety practices promoting a diverse and inclusive workforce, risk management, management of environmental issues, corporate governance and ethics, supply chain management and community engagement.
9. This process was applied to new market engagement activities and existing supplier relationships managed within our Australian supplier portfolios. This represented approximately 77% of the total supply chain spend in 2018 and included our top 100 suppliers by spend.
10. Once a supplier completed the assessment, a responsible sourcing risk profile was assigned, outlining key areas of performance, leadership and areas of further management or enquiry. These elements were then integrated into the ongoing supplier risk management and engagement processes for the duration of the contract.
11. For suppliers that were subject to our responsible sourcing assessment process we included in our contracts a right to require that they submit to an

independent audit of their performance against our Code.

12. In addition, we continued to place an emphasis on working collaboratively with suppliers to positively influence social, ethical and environmental performance, in line with the Code, and to encourage our suppliers to extend the overarching principles of our approach to their suppliers.

13. To help ensure awareness of, implementation of, and adherence to, our relevant responsible sourcing procedures, we provided mandatory training for employees directly responsible for supplier engagement.

14. We also signed up to the Australian Supplier Payment Code, which provides that signatories will, as buyers of goods or services in Australia, pay small business suppliers within a 30 day period upon receipt of a correct invoice. Underpayment or late or delayed payments are potential indicators for modern slavery that can reverberate down the supply chain and impact the nature and type of labour used. By committing to pay suppliers on time, we try to reduce the occurrence of delayed payments down our supply chain. Since signing the Code, we implemented a number of systems, processes and operational improvements including a centralised team to work with suppliers, supplier education and training and regular internal reporting.

15. We also continued to strengthen our Group Speaking Up Policy, to encourage employees to speak up when they see something is not right (including where they identify any

human rights concerns connected with modern slavery). We:

- a. amended the policy to expand the scope of individuals who can access the program as well as the protections they can receive;
- b. continued increased awareness campaigns and training;
- c. maintained multiple channels available to report concerns via intranet-based online platform, dedicated externally managed telephone hotline, and directly to our Whistleblower Protection Officer; and
- d. implemented a new platform to track and manage issues and undertook greater analysis to identify insights as well as to enhance our internal governance process.

16. We also undertook an exercise, with the assistance of third-party experts, to refresh our assessment of our salient human rights issues – which are human rights at risk of most severe negative impact through a company's activities and business relationships.

17. One of the salient human rights issues we identified was unfair wages and conditions for workers in our supply chain and broader value chain, impacting worker prosperity, security and standard of living.

18. We continued to undertake regular monitoring of salient human rights issues and also engaged with external stakeholders and experts to inform our identification, response and management of the issues. Consistent with our approach to salient human rights, if a material concern is identified, either through our own analysis or by

stakeholders, we engage with suppliers individually to resolve the issue.

19. We delivered our redesigned mandatory training to all employees to help them more clearly understand what 'Doing the Right Thing' at Westpac looks like.

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

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



Brian Hartzler
Chief Executive Officer
March 2019

End notes

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

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

³ [2017 Slavery and Human Trafficking Statement](#)