

WESTPAC BANKING CORPORATION  
ABN 33 007 457 141

# Modern Slavery Statement

FY22

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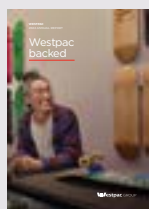
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This Modern Slavery Statement (Statement) is the Westpac Group's<sup>1</sup> including the BT reporting entities' (defined below) response to the *Australian Modern Slavery Act 2018* (Cth) (Australian Modern Slavery Act) and *Modern Slavery Act 2015* (UK) (UK Modern Slavery Act)<sup>2</sup> for the period 1 October 2021 to 30 September 2022, our financial year (FY22)<sup>3</sup>.

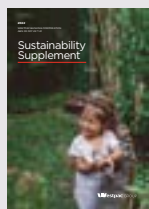
This is a joint Statement made on behalf of the following reporting entities:

- Westpac Banking Corporation (ABN 33 007 457 141) and a number of its owned and controlled entities including those which are reporting entities under the Australian Modern Slavery Act (listed in *Section 9 - Overview of reporting entities*); and
- BT Portfolio Services Limited (ABN 73 095 055 208) (BTPS), Advance Asset Management Limited (ABN 98 002 538 329) (AAML), Westpac Financial Services Limited (ABN 20 000 241 127) (WFSL) and BT Funds Management Limited (ABN 63 002 916 458) (BTFM) (collectively the BT reporting entities).

For approvals refer to *Section 9 - Overview of reporting entities*.



Annual Report



Sustainability Supplement

### 2022 Sustainability Index and Datasheet

### Climate Change Position Statement and Action Plan

### Human Rights Position Statement and 2023 Action Plan

### Child Safeguarding Position Statement

### 2022 Safer Children, Safer Communities Impact Report

## Westpac's reporting suite

Our reporting suite brings together the Group's financial, non-financial, risk and sustainability performance for the year. It includes our Annual Report, Financial Results Announcement, Presentation and Investor Discussion Pack, Pillar 3 Report, Sustainability Supplement and our Corporate Governance Statement. Access the full suite online at [westpac.com.au/2022annualreport](https://westpac.com.au/2022annualreport).

### Navigating this report:

External links are indicated bold and underlined.

All data is for the 12 months ended 30 September 2022, and all dollar amounts are in Australian dollars unless otherwise indicated.

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 identified reporting entities set out in Section 9, including the BT reporting entities. Any reference to Westpac Banking Corporation is a reference to that entity only.
2. Westpac Banking Corporation ABN 33 007 457 141 is the only reporting entity for the purposes of the UK Modern Slavery Act.
3. In this Statement a reference to 'the year', 'this year' and 'reporting year' is to FY22 (1 October 2021 to 30 September 2022) unless otherwise specified.

# 1. Message from the Chief Executive Officer

## Summary of our modern slavery risks

As a financial services institution we recognise there are areas of modern slavery<sup>1</sup> risk across our operations and supply chain. Using the United Nations Guiding Principles on Business and Human Rights (UNGPs), we have assessed modern slavery risk to most likely arise as follows:

- As a financial services provider there is potential for us to contribute or be directly linked to modern slavery through our relationships with partners or customers that are linked to modern slavery, or who use our products or services for activities that facilitate or involve modern slavery practices.
- As a lender there is potential for us to contribute or be directly linked to modern slavery through our relationships with partners or customers who are involved in modern slavery through their operations and supply chains.
- As an investor and specifically in our wealth management activities, there is potential for us to be directly linked to modern slavery through the companies and assets we invest in.
- As an employer there is potential to cause modern slavery if our own activity directly results in labour exploitation or other modern slavery impacts.
- As a supporter of communities there is potential to contribute or be directly linked to organisations involved in modern slavery through our donations or strategic partnerships.
- As a purchaser of goods and services there is potential for us to contribute or be directly linked to modern slavery through our relationships with suppliers who are involved in modern slavery through their operations and supply chains.

See *Section 4 - Identifying risks of modern slavery practices in operations and supply chain* for more information, including how this understanding of risks may inform our actions to address modern slavery risks.

As Australia’s oldest bank and one of the country’s largest financial institutions, we have a responsibility to respect human rights and opportunities to positively impact human rights, across our operations and supply chain. This includes being part of the global response to modern slavery.

At Westpac, we are committed to respecting human rights, and support the UN Guiding Principles on Business and Human Rights. We also seek to drive meaningful social impact in the areas that matter most to our stakeholders.

Our annual Modern Slavery Statements aim to provide insight into the risk of modern slavery in our operations and supply chain and the actions we’re taking to address this risk.

Highlights from FY22 include:

1. Launching a **Child Safeguarding Position Statement**, a first for an Australian bank, as we continue to increase our focus on emerging risks to children and young people.
2. Enhancing our ESG risk assessment processes to enable us to better identify, measure, monitor, manage and report on our exposure to ESG risks, including modern slavery risk. This included launching our digital platform for supplier risk assessments and



strengthening management of modern slavery risk in our supply chain.

3. Continuing to embed human rights considerations into our financial crime processes to support improved management of modern slavery risk and strengthening the capability of our people to identify and manage suspicions of modern slavery.

This Statement is a record of our actions to assess and manage modern slavery risk in our operations and supply chain.

**Peter King**  
Chief Executive Officer

1. Modern slavery as defined within the Australian Modern Slavery Act includes trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour (including slavery, child prostitution, use of children in criminal activities and dangerous labour).

## 2. Progress against our areas of focus

The table below summarises progress against our modern slavery risk management focus areas identified in our **FY21 Modern Slavery Statement**. See *Section 7 - Future focus* for more information on how we plan to continue to improve the way we assess and address modern slavery risks.

	FOCUS FOR FY22	OUR PROGRESS DURING FY22
<b>As a financial services provider</b>	Review human rights and modern slavery risk assessment criteria and red flag indicators for currency and consistency across functions.	See <i>Case study: Indicators of modern slavery risk</i> (p.12).
	Review and update training for customer facing staff as appropriate.	See <i>Training and awareness raising</i> (p.30).
	Continue to integrate human rights considerations into our financial crime processes.	See <i>Identification and assessment of risks: Operations (as a financial services provider)</i> (p.16).
<b>As a lender</b>	Continue to provide capability building and training for relevant staff to enable better identification and management of human rights risks. This will include seeking to improve our ability to track and monitor human rights impacts through development of systems and tools as part of the customer/transaction process.	See <i>Training and awareness raising</i> (p.30) and <i>Identification and assessment of risks: Operations (as a lender)</i> (p.18).
	Refine our approach to grievance and remedy for those impacted through our customers.	See <i>Remediation and grievance mechanisms</i> (p.31).
	Explore options to build collective industry awareness on high-risk human rights issues.	See <i>Engagement and advocacy</i> (p.28).
<b>As an investor</b>	Continue to develop our investment manager monitoring program to identify investment managers, markets and strategies through which exposure to modern slavery risk is greatest.	See <i>Identification and assessment of risks: Operations (as an investor)</i> (p.18).
<b>As an employer</b>	Take action to address vulnerabilities across Group employees based on the risk assessment conducted in FY21.	See <i>Identification and assessment of risks: Operations (as an employer)</i> (p.19).
<b>As a supporter of communities</b>	Continue uplift of our charitable donations due diligence by undertaking a more in-depth risk assessment using modern slavery risk factors.	See <i>Identification and assessment of risks: Operations (as a supporter of communities)</i> (p.19).
	Commence our <b>Strategic Partnerships program</b> to help enhance awareness and improve child protection outcomes in communities and drive action on child safeguarding (including child labour and child sexual exploitation) across Australian businesses.	See <i>Case study: Funding on-the-ground efforts to address modern slavery risks faced by children – across Australia and Asia Pacific</i> (p.20)
<b>As a purchaser of goods and services</b>	Continue to improve our approach to ESG due diligence, including modern slavery, including the continued strengthening of the Responsible Sourcing Program through a digital procurement solution and actions to improve accessibility of our grievance channels for our supply chain.	See <i>Identification and assessment of risks: Operations (as a purchaser of goods and services)</i> (p.20) and <i>Remediation and grievance mechanisms</i> (p.31).
	Continue prioritised supply chain transparency and mapping beyond our Tier 1 <sup>1</sup> suppliers.	See <i>Identification and assessment of risks: supply chain (Monitoring of modern slavery risks in our supply chain)</i> (p.22).
	Operationalise and embed controls from the Procurement Policy and Supplier Risk Management standard across the Group.	See <i>Policy commitment (as a purchaser of goods and services)</i> (p.27).

1. We define our Tier 1 suppliers as those that directly supply Westpac with goods or services. We consider Tier 2 suppliers to be at the next level of the supply chain, beyond our direct Tier 1 relationships.

# 3. Our structure, operations and supply chain

## Structure and operations<sup>1</sup>

Westpac is one of four major banks in Australia and one of five major banks in New Zealand – and supports over 12.7 million customers.

We have branches and controlled entities throughout Australia, New Zealand and the Pacific region, and maintain branches and offices in London, New York and Singapore. We are also opening an office in Frankfurt in 2023.

Founded in 1817, we are Australia’s first bank and oldest company. We were established as the Bank of New South Wales in Sydney before expanding across Australia, New Zealand and the Pacific.

Over time, we continued our expansion, acquiring several banks and growing our network across the region. In 1982, we changed our name to Westpac.

In 2008, we completed a merger with St.George Bank (in which we acquired the brands of St.George and BankSA). We re-launched the Bank of Melbourne brand in 2011.

We employ over 37,000<sup>2</sup> people across the Group. As at 30 September 2022, we reported a headcount of 36,113 permanent employees and 1,299 temporary employees. A more detailed breakdown of this information can be found in the [2022 Sustainability Index and Datasheet](#).

**Our operations<sup>3</sup> can be mapped as follows:**

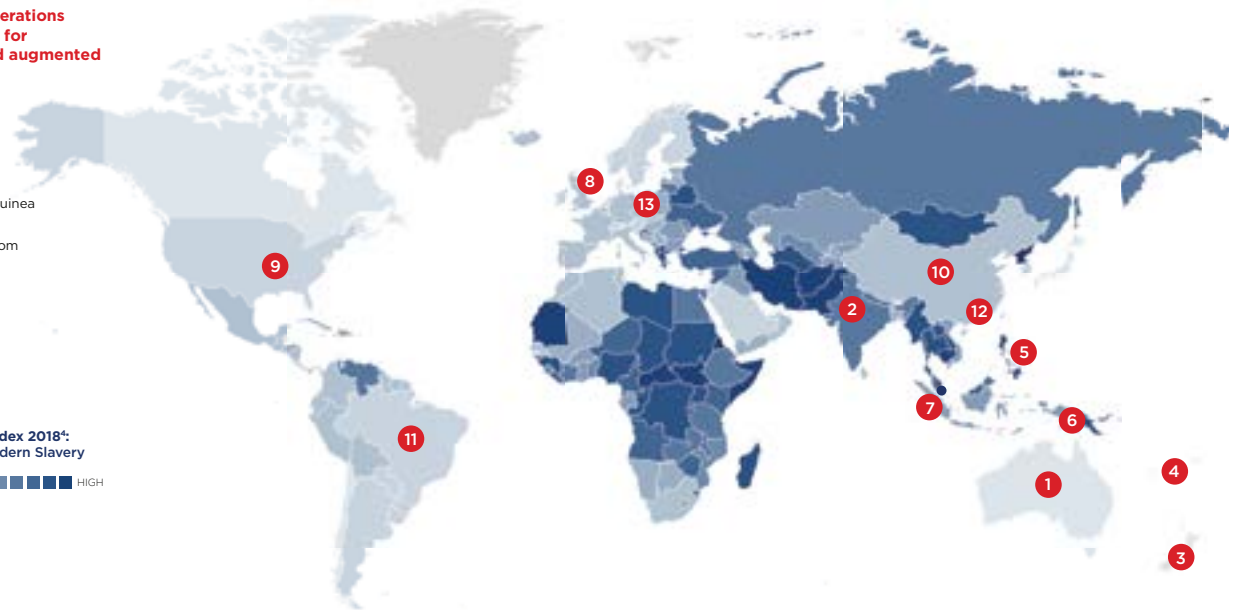
**Location of operations (by headcount for permanent and augmented workforce)<sup>3</sup>**

- 1 Australia
- 2 India
- 3 New Zealand
- 4 Fiji
- 5 Philippines
- 6 Papua New Guinea
- 7 Singapore
- 8 United Kingdom
- 9 United States
- 10 China
- 11 Brazil
- 12 Hong Kong
- 13 Germany

**Global Slavery Index 2018<sup>4</sup>: Prevalence of Modern Slavery**

LOW HIGH

■ NOT ASSESSED



1. In this Statement, the term ‘operations’ is used to refer to the activities undertaken to pursue our business objectives and strategy, consistent with the discussion of the term provided in the *Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities*.















2. Full time equivalent at September 2022.

3. Location of operations lists business activities by country based on headcount in descending order. Headcount is based on average country headcount over the last 12 months from 1 October 2021 to 30 September 2022 and includes permanent workforce as well as our augmented workforce (contractors, consultants, strategic partners and outsourced providers). Full-time and part-time employees and augmented personnel are all counted as ‘1’ regardless of the hours worked each week.

4. In assessing our risks, we have used a range of data sources. In this map we have used the *Global Slavery Index 2018* modern slavery prevalence data, the most up-to-date data source available at the time of risk assessment activities, to provide an indication of each country’s modern slavery risk.

Over the last few years, we have simplified our business. We have sharpened our focus on banking for Australian and New Zealand consumer, business and institutional customers. We have exited seven non-core businesses, consolidated our international presence and simplified our operations.

Westpac comprises six major segments:

SEGMENT	OVERVIEW	BRANDS
<b>Consumer</b>	Serving consumers in Australia with a range of banking products.	    
<b>Business</b>	Serving the needs of small to medium businesses and commercial and agribusiness customers across Australia. This segment also includes our Private Wealth businesses, supporting the needs of high-net-worth individuals.	   
<b>Westpac Institutional Bank (WIB)</b>	Delivering a broad range of financial services to commercial, corporate, institutional and government customers operating in, and with connections to, Australia and New Zealand.	
<b>Westpac New Zealand Ltd (WNZL)</b>	Delivering banking and wealth services to consumer, business and institutional customers across New Zealand.	
<b>Group Businesses</b>	Comprising our head office and Australian support functions including treasury, customer services and technology, corporate services and enterprise services.	
<b>Specialist Businesses</b>	Bringing together non-core businesses that we ultimately plan to divest. These currently include superannuation, platforms and investments, along with our operations in Fiji and Papua New Guinea <sup>1</sup> . For part of the year, the segment included the Group's motor vehicle dealer finance and novated leasing businesses and Westpac Life Insurance Services Limited (Australian Life Insurance) which were sold during the year. We expect to complete the sale of Advance Asset Management and successor funds transfer of BT's personal and corporate superannuation funds in FY23.	  

1. We are not expecting to sell the Pacific business in the short to medium term.

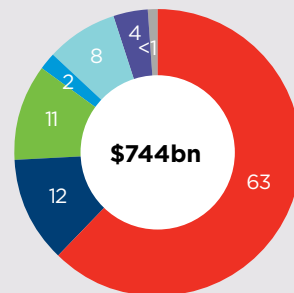
As a financial services institution we recognise there are risks of involvement in modern slavery across our operations and supply chain. Below we provide information on two material areas of our operations, as a lender and investor.

### Spotlight: Lending

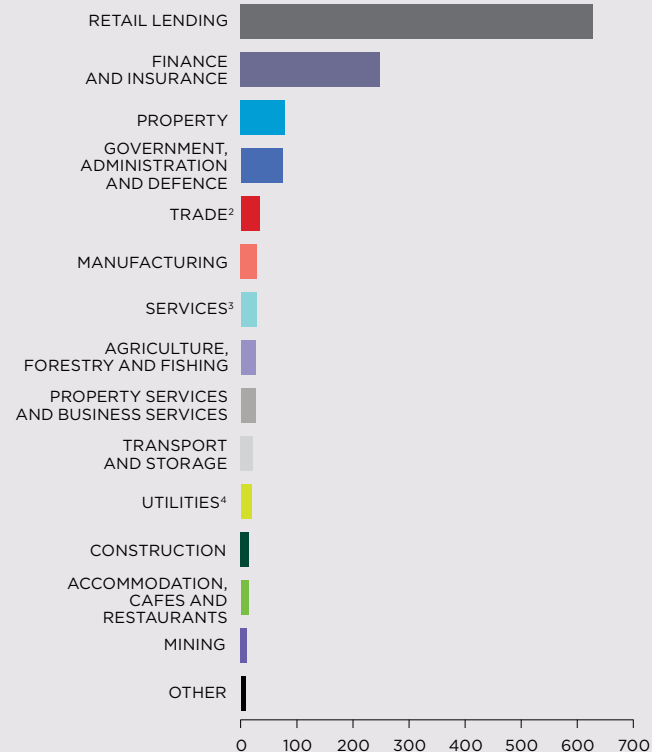
Our Consumer and Business Bank, WIB and New Zealand divisions support the flow of funds to our retail, small to medium business, corporate and institutional customers. The diagrams outline the composition of lending as at 30 September 2022.

Composition of loans<sup>1</sup> (% of total)

- Australian mortgages
- Australian business
- Institutional
- Australian other consumer
- New Zealand mortgages
- New Zealand business/others
- Other overseas



Group lending profile (exposure at default) (\$M)



### Spotlight: Investment

The majority of investment activity occurs within our wealth management business<sup>5</sup>. In this Statement wealth management entities are referred to collectively as BT<sup>6</sup>.

BT invests in assets on behalf of investors and superannuation members (customers). BT offers a range of products and services, and its ability to influence underlying investments across each of these varies greatly. At a high level these include:

1. Internally developed and managed investment options, where BT is responsible for making investment decisions on behalf of our superannuation members and investors. Whilst BT maintains responsibility for these funds, they appoint underlying investment managers who invest on their behalf.
2. Internally developed and externally managed investment options, where an investment manager is appointed to directly execute investment strategies on BT's behalf (external investment managers).
3. Investments that have been developed and managed externally, where BT is not the trustee (third party investments).

1. Gross loans.  
 2. Includes wholesale trade and retail trade.  
 3. Includes education, health and community services, cultural and recreational services, and personal and other services.  
 4. Includes electricity, gas and water, and communication services.  
 5. By value of funds invested.  
 6. BT Portfolio Services Limited (ABN 73 095 055 208), Advance Asset Management Limited (ABN 98 002 538 329), Westpac Financial Services Limited (ABN 20 000 241 127) and BT Funds Management Limited (ABN 63 002 916 458).

## Supply chain

Our supplier arrangements range from one-off purchases with non-contracted suppliers through to multi-year, large value strategic partnerships governed by master agreements.

Procurement is primarily managed by two functions:

1. Group Procurement (Australia) manages sourcing and procurement activity for:

- all types of technology goods and services;
- non-technology goods and services which are considered high risk<sup>1</sup>; and
- non-technology goods and services where spend exceeds \$250,000 per annum.

2. Commercial Services (New Zealand) manages sourcing and procurement for the New Zealand business, for both technology and non-technology goods and services.

Divisions are permitted to engage non-technology suppliers directly if the spend category is considered low-risk, under \$250,000 per annum and the engagement is for a period of less than 12 months. Group Procurement publishes a 'self-serve' step by step guide for internal use to support the divisions when undertaking their own purchasing activity.

In FY22, 80% of our spend was with 206 suppliers, with the remaining spread across 8,000 suppliers and other relevant third parties. Our total supplier and other relevant third party spend for FY22 was \$7.10 billion<sup>2</sup>. We are currently digitising our procurement processes which will give us greater visibility and control over the suppliers we work with as an organisation, helping us with our management of modern slavery risk.

### Our spend is managed in the following categories:

We include landlords and other relevant third parties in our total spend so that we can identify, assess and manage modern slavery risk within associated high risk categories such as cleaning, construction, catering and security.

CATEGORY	DESCRIPTION OF SPEND	% OF SPEND
<b>Technology</b>	Includes professional IT services, business process outsourcing (offshore), telecommunications, application services and infrastructure.	36%
<b>Corporate Services</b>	Includes consulting, human resources, legal services, office fit-out, facilities management, cleaning, utilities, rent and outgoings related to our corporate buildings and branches, security services, tools of trade, travel, entertainment, corporate memberships, market data, stationery and records management.	29%
<b>Customer Interactions</b>	Includes commercial print, post, mail-house, marketing, digital and creative services, events, uniforms, promotional merchandise, contact centres, corporate insurance (employee and business) and customer relations.	7%
<b>Customer Solutions</b>	Includes customer loyalty, card manufacturing, card payment processing, general insurance, card insurance, reinsurance, custodial services, shareholder administration, investments and superannuation.	6%
<b>Operations Enablement</b>	Includes freight and couriers, debt collection, settlement agents, valuation services, title searches, cheque and voucher processing, mail room and ATMs.	5%
<b>Other Third Parties<sup>3</sup></b>	Includes mortgage brokers and agents, fees for ATMs, point of sale and other payment schemes, bank charges, charitable donations, grants and sustainability (carbon credits).	15%
<b>Regulatory Fees and Taxation<sup>4</sup></b>	Includes regulatory fees and taxation.	2%

1. A supplier could be considered high risk due to several factors, including criticality of services, impacts on customers, exposure to financial crime, ability to meet regulatory or legal requirements and/or operating in or providing goods or services from higher risk countries or from industries considered high risk of modern slavery.
2. Total dollars spent (in AUD, excluding GST) with external suppliers and other relevant third parties who provided products or services during the reporting period. Spend includes Accounts Payable data, third party managed facilities maintenance and rent data. Spend excludes Purchasing Card (corporate-issued credit cards) transactions, employee reimbursements and intercompany payments. Note that in previous years total spend was presented inclusive of GST.
3. Other third parties are not classed as Tier 1 suppliers and are not assessed as part of the Responsible Sourcing Program.
4. Regulatory fees and taxation are not classed as Tier 1 suppliers and are not assessed as part of the Responsible Sourcing Program.



### Spend by country

We track the country of location of Tier 1 spend using data from our Accounts Payable system. The majority of our spend is with businesses located in Australia, however in some cases this is because our suppliers have Australian subsidiaries nominated as their address in the Accounts Payable System. In such cases the data may not always accurately reflect where products and/or services are being manufactured or delivered from.

In FY22, we began using our digital supplier risk assessment platform to ask suppliers in higher risk categories for modern slavery which country products and/or services will be manufactured in or delivered from. Going forward we will look to use this data to gain greater insight into location-specific modern slavery risks in our supply chain.

TOP 10 COUNTRIES	% OF TOTAL SPEND IN FY22
<b>Australia</b>	86.26%
<b>New Zealand</b>	8.66%
<b>Singapore</b>	1.59%
<b>United States</b>	1.53%
<b>United Kingdom</b>	1.13%
<b>Ireland</b>	0.39%
<b>India</b>	0.19%
<b>Belgium</b>	0.07%
<b>Switzerland</b>	0.06%
<b>Germany</b>	0.04%

### Governance and oversight

The following Board and management arrangements are in place to oversee Westpac's management of human rights (including modern slavery) risks.



Refer to our [2022 Annual Report](#): Sustainability governance and risk management.

# 4. Identifying risks of modern slavery practices in operations and supply chain

## Modern slavery risks

This year, we focused on improving our risk management processes and quality of resulting data, including by embedding the Sustainability Risk Class and piloting ESG risk assessment tools in institutional, consumer and business credit assessment processes.

A key action of our refreshed Human Rights Action Plan (to be released in 2023) is expected to be to undertake a refresh of our salient human rights issues assessment. This will help us to better identify and deepen our understanding of our human rights - and modern slavery - risks across our roles as a financial services provider, lender, investor, employer, supporter of communities, and purchaser of goods and services.

Improved data quality, combined with the saliency assessment, is expected to help us refine our assessment of where modern slavery risk arises in FY23 and future years (see *Section 5 - Our actions to assess and address modern slavery risk*).

In identifying our modern slavery risks, we recognise a continuum of 'involvement', as set out in the UNGPs.

This explains that companies may cause, contribute to or be directly linked to adverse human rights impacts through their activities and business relationships, including in their operations and supply chain<sup>1</sup>. The expected action we take will vary according to the level of involvement in adverse human rights impacts (see diagram right).

### Our understanding of the UNGPs continuum of involvement

Cause	Contribute	Directly linked	No involvement
A company may <b>cause</b> modern slavery if its own activities directly result in a modern slavery impact.	A company may <b>contribute</b> to modern slavery if its activities significantly contribute to modern slavery caused by another party, including acts or omissions that may facilitate or incentivise modern slavery.	A company may be <b>directly linked</b> to modern slavery if the impact is directly linked to its operations, products or services by its business relationships. Direct linkage may occur even where there is no direct contractual relationship.	A company may not be linked to a modern slavery impact.

### Responding to impact

#### Take action where possible to improve human rights outcomes

Seek to prevent or stop the impact and provide for or cooperate in remediation.	Seek to prevent or stop contribution to the impact; use leverage to mitigate any remaining impact, as far as possible; and/or provide for or cooperate in remediation.	Seek to build or use leverage to prevent and mitigate the impact and consider whether to stay in relationship if there is no leverage; show ongoing efforts to mitigate the impact; and/or potentially take a role in remediation.
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1. These are not definitive formal terms but are useful concepts from the UNGPs which help inform our understanding of our risks and our response to those risks. This includes recognising that a company's level of involvement with an impact may shift over time. There is still ongoing global debate about what some of these types of involvement mean for the finance sector. We closely monitor these discussions and consider current guidance from key external experts.

The risk of modern slavery occurring is heightened when any of the following factors are present:

Sector or category risks	Geography risks	Vulnerable groups	Business model risk
Categories of products, services and industry sectors that are regarded as having more significant inherent modern slavery risk.	Countries or regions which are known to have higher human rights (including modern slavery) risks.	Individuals or groups who are more likely to be exposed to harm, or unable to advocate for themselves in exploitative situations.	Business models that are structured around high risk work practices and complex supply chain arrangements.
Prevalence of modern slavery tends to be higher for certain categories of goods and products, raw materials, services and industry sectors (such as electronics products or the agricultural and manufacturing sectors), due to their operational and supply chain models, workforce structure and characteristics, and the geographies in which they operate or source from.	Prevalence of modern slavery tends to be higher in geographies with weak governance (including weak rule of law and corruption), high rates of conflict, displacement or contested land use, a record of State failure to protect human rights, and even remote or isolated areas with limited access to social or economic support and infrastructure. However modern slavery exists in every country, including Australia and New Zealand.	Certain individuals or groups may be more vulnerable to experiencing modern slavery in the workforce. The vulnerability of these groups to modern slavery exploitation is compounded by socio-demographic and geographic factors such as cultural and language barriers, level of education and literacy, visa insecurity, residency or citizenship status, sex, age, disability and remoteness or isolation.	Prevalence of modern slavery tends to be higher within business models that are reliant on high risk work practices or complex supply chain arrangements that introduce a layer of aggressive pricing or time pressures, precarious work demands, or which reduce visibility over recruitment practice and working conditions.

The diagram below shows that, depending on the role we play as a business, there are a range of ways through which we may be linked to modern slavery, and different degrees to which we may be involved in the harm.

**UNGPs continuum of involvement: our roles\***



\*Shading indicates the ways we may typically be involved in these risks.

We have analysed specific scenarios<sup>1</sup> across each of these roles, and use these scenarios to inform the way in which we respond to identified risks or actual impacts, as appropriate and expected in line with our commitment to the UNGPs. *Section 5 - Our actions to assess and address modern slavery risk* addresses how we seek to take action in line with the UNGPs with the aim of mitigating risk and preventing and addressing modern slavery impacts, given our understanding of how we may be involved in modern slavery.

1. Each individual scenario will also be highly dependent on the facts.

## Potential modern slavery risks in our operations

### CASE STUDY

#### Indicators of modern slavery risk

Risk indicators are a key tool that can be embedded into internal processes to help us detect, report and investigate potential and actual cases of modern slavery. They can relate to behavioural, physical, demographic or transactional patterns and characteristics.

This year we reviewed our existing risk indicators against modern slavery best practice resources, including those indicators identified as part of a collaboration between the Australian Banking Association (ABA), of which Westpac is a member, and KPMG Australia: [Typologies and Indicators of Modern Slavery](#).

This resulted in us adding 57 new indicators to our Modern Slavery Risk Indicator Library which relate to identifying either victims or perpetrators (those that exploit victims) of modern slavery, and are mapped to the different types of modern slavery (i.e. forced labour, human trafficking, debt bondage). The aim is that these indicators will be incorporated into relevant operational processes and be updated as new information arises over time.

As a next step, we will explore how insights, particularly from our external partnerships, can help us to add to or refine our indicators. For example, we will continue to partner with the International Centre for Missing and Exploited Children (ICMEC) Australia to identify innovative ways to access and share resources and data (including refined indicators and typologies) to help identify and disrupt human trafficking and child sexual exploitation. See *Case Study: Funding on-the-ground efforts to address modern slavery risks faced by children - across Australia and Asia Pacific*.

In FY23, we also plan to develop an internal guide to help teams more confidently identify what constitutes specific instances of modern slavery.

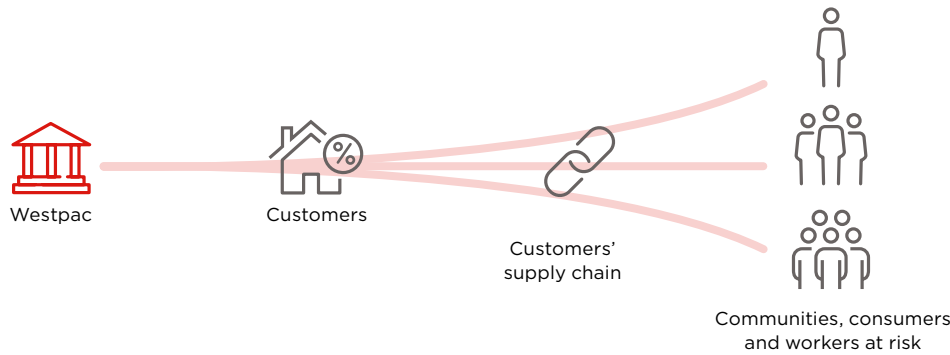
#### Financial services provider

We recognise we may have individual customers who are vulnerable to modern slavery, through their personal or work circumstances. Although we may not be involved in the instance or allegation of modern slavery, and it may not be directly related to our relationship with customers, we may identify such instances through our customer interactions in a branch, over the phone or online.

We could be involved in modern slavery if our customers use our products or services for activities (or to facilitate or benefit from activities) that involve modern slavery, such as through sharing or paying for child sexual abuse materials. We recognise that our risk may be higher where our customers are involved in activities, industries or countries that are high risk for modern slavery; for example, by transacting to and from countries with a higher risk for modern slavery. Modern slavery may also be linked to other financial crimes committed by our customers, such as money laundering, corruption and sanction avoidance.

#### Lender

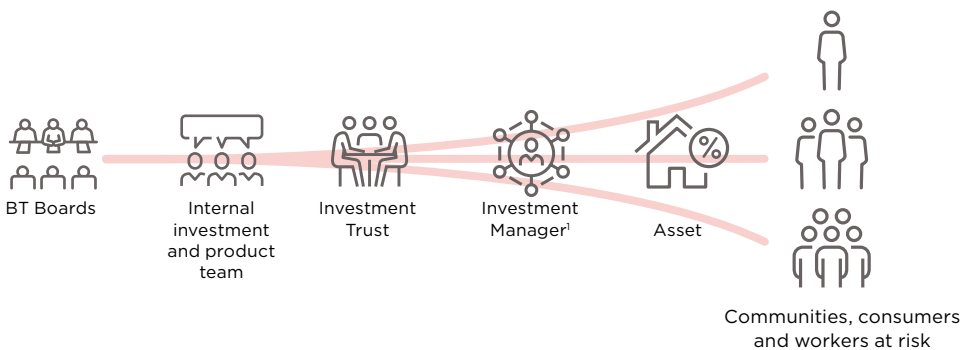
We understand there is a risk of involvement in modern slavery through providing financial services to institutional, business and retail customers that have modern slavery in their operations, supply chains or other business relationships. For example, we may lend to a project where forced labour is used in its supply chain (simplified example shown below - noting that the degree of our involvement may vary, as every scenario is fact- and context-dependent). This risk may be higher where we lend to customers that are identified as operating in industries or countries that are higher risk for modern slavery.



The *Case Study: Forced labour* provides an example of how we may be connected to modern slavery through our customers' supply chains or through the projects we finance.

**Investor**

The majority of investment activity occurs within our wealth management business. In some situations where BT develops investment options internally, BT could be directly linked to the modern slavery risks of the companies or assets we invest in. Across these options BT invests in a wide range of companies and assets, which means the investment portfolio spans multiple asset classes, industries and countries. BT also works with a number of business partners when providing investment services (see example below), which means that involvement with those who may be impacted could be several steps removed. This can make assessing BT's investment portfolio for modern slavery risk more complex.



1. Investment managers are external and overseen by BT's investment team.

The risk of exposure to modern slavery through investments is highest where assets are associated with industries and countries that are higher risk for modern slavery. However, BT recognises modern slavery can and does occur in industries and countries that are not considered 'high risk'.

BT also acknowledges that investments in developed markets may have supply chains that extend into geographies and industries where modern slavery is more likely to occur. This is considered in BT's approach to assessing and addressing modern slavery risks across the investment portfolio.

For third party investment options offered across BT (for example, where BT provides access to investments managed by external parties through investment platforms), the nature of these investments means that BT may have limited ability to influence the management of modern slavery risk associated with the underlying companies or assets.

**Employer**

There may be a risk of exploited labour within our workforce. There are also business activities which are correlated to modern slavery risk, such as recruitment practices, employment arrangements and terms, working conditions and ability to take collective action. This risk tends to be higher where we have low-skilled workers or indirect employment arrangements in place, and where we operate in geographies that are higher risk for modern slavery (for example, through Westpac's operations in India, Fiji and Papua New Guinea).

**Supporter of communities**

We may be exposed to modern slavery risk where our partnerships, grants or charitable donations support organisations linked to modern slavery, particularly where these organisations operate in industries or countries that are higher risk for modern slavery.

For example, a charity or organisation that is a recipient of one of our social impact grants, partnerships or donations, may be found to have modern slavery in its operations or supply chain, or our funding may not be used as intended and instead be used in relation to activities involving modern slavery, or activities within higher risk industries or countries.

## Potential modern slavery risks in our supply chain

Previous allegations of forced labour in various industries demonstrate the ongoing risk of modern slavery, particularly when procuring goods and services from higher risk industries and/or countries. There is a risk that we could be involved in modern slavery if it is present in our supply chain. This risk is higher where we procure goods and services that are manufactured in, or use raw materials sourced from, industries and/or countries that are higher risk for modern slavery. Our level of involvement may be influenced by our sourcing practices, engaging in one-off purchases and/or the use of non-contracted suppliers, or where suppliers engage in certain workplace practices or rely on vulnerable populations.

Westpac's Responsible Sourcing Program uses industry and country risk profiles to determine a supplier's inherent risk profile. We have mapped our Tier 1 suppliers against these risk profiles to identify and assess our modern slavery risk.

We have identified 10 high risk categories which accounted for \$1.61 billion of spend<sup>1</sup> which equated to 22.69% of total spend<sup>2</sup>. Categories may be higher risk due to employment of temporary visa holders, use of low-skilled, child or forced labour, or offshore manufacturing of goods.

Our country risk profiles are informed by international indices, including the Global Slavery Index, Worldwide Governance Indicators (WGI) project and Trafficking in Persons Report.

PRIORITISED HIGH RISK CATEGORIES	OUR RELATED PRODUCTS AND SERVICES	% OF HIGH RISK SPEND	% OF TOTAL SPEND
<b>Labour Hire</b>	Contingent labour/contractors	37.79%	8.57%
<b>IT Hardware</b>	IT and telco hardware and consumables	27.55%	6.25%
<b>Cleaning and Facilities Maintenance</b>	Services in our corporate buildings and branches, including outgoings paid to landlords for activities on our behalf	10.80%	2.45%
<b>Construction</b>	Construction and fit-out projects in our corporate buildings and branches	7.12%	1.61%
<b>Business Process Outsourcing (Onshore)</b>	Mail sorting, document scanning and call centres	5.53%	1.25%
<b>Business Process Outsourcing (Offshore)</b>	Mortgage and data processing, call centres and IT systems support	5.37%	1.25%
<b>Manufactured Products</b>	Merchandise, stationery, security equipment, ATMs and commercial print	3.64%	0.82%
<b>Security Services</b>	Security, guarding services and mobile patrols for our corporate buildings and branches	1.49%	0.33%
<b>Apparel</b>	Uniforms for our branch employees	0.37%	0.08%
<b>Hospitality and Accommodation</b>	Catering and hospitality services in our corporate buildings and corporate travel hotels	0.34%	0.08%
		<b>100.00%</b>	<b>22.69%</b>

1. High risk spend is comprised of \$1.61 billion (AUD), excluding GST.

2. FY22 total supplier and other relevant third party spend is comprised of \$7.10 billion (in AUD, excluding GST) spent with external suppliers and other relevant third parties who provided products or services during the reporting period. Spend includes Accounts Payable data, third party managed facilities maintenance and rent data. Spend excludes Purchasing Card (corporate-issued credit cards) transactions, employees reimbursements and intercompany payments. Note that in previous years total spend was presented inclusive of GST.

## Spend in higher risk countries<sup>1</sup>

RISK	NO. OF COUNTRIES	SPEND	NO. OF SUPPLIERS
High	4	\$13.5M	14
Medium	4	\$3.1M	24

In FY22, we began using our supplier risk assessment digital platform to ask suppliers in high-risk categories for modern slavery which countries goods and/or services will be delivered from. In FY23, we will continue to seek to identify where goods and/or services are being delivered from countries considered high risk for modern slavery.

## Strengthening our assessment of child labour risks

In accordance with our [Child Safeguarding Position Statement](#), we have strengthened the child labour section of our Responsible Sourcing Assessment. Suppliers who respond in the questionnaire that they employ workers under the age of 18 are now assessed to help ensure that child safeguarding policies and procedures are in place, and that processes are in place to ensure workers under the age of 18 are not involved in hazardous work.

## Expedited due diligence for rapid antigen tests

During the COVID-19 pandemic supply chains were disrupted, including impacts to manufacturing sites and ports. Westpac had an urgent requirement to purchase rapid antigen tests (RATs) in response to changing testing requirements for employees. Our existing screened suppliers were unable to supply RATs in the timeframe and quantity required. Some of the potential suppliers did not traditionally import medical items into Australia, heightening responsible sourcing risk. We conducted an expedited desktop-based risk assessment of proposed suppliers to consider relevant ESG risks (including in relation to modern slavery).

## Digital platform for Responsible Sourcing Assessments

In FY22, we launched a new digital platform for supplier risk assessments as part of our digital procurement program. This includes a new digital format for the Responsible Sourcing Assessment where suppliers in high-risk categories for modern slavery receive a Responsible Sourcing Questionnaire which has been tailored for their business size, location and the category of product and/or service being provided. We then use the digital platform to review the supplier's response, and to set supplier action plans if a gap is identified in the supplier's policies and/or processes in relation to modern slavery.

## CASE STUDY

### Forced labour

In FY21, we reported on how we responded to alleged instances of forced labour arising in sub-tiers of the supply chains of our customers and suppliers arising out of a high risk region. One of the instances related to renewable energy, highlighting broader challenges as the economy transitions to net-zero, and the associated social impacts particularly for those engaged in global supply chains. The challenge facing many, including Westpac, is how to respect human rights in the transition to a net-zero emissions economy by 2050.

To better understand our exposure to forced labour in this high risk region, we continue to identify customers and suppliers that we have prioritised for additional targeted due diligence, ongoing monitoring and/or deeper engagement.

During the selection of a new solar electricity supplier for Westpac, the selected supplier completed a full Responsible Sourcing Assessment and demonstrated their approach to reducing modern slavery risk in their supply chain prior to contract execution.

In relation to our financing activities, WIB undertook enhanced due diligence on a selection of customers identified as higher risk and considered how we could further extend these improved practices across our ESG risk management practices and customer engagement.

Through training and awareness activities (see *Section 5 - Our actions to assess and address modern slavery risk*) we have also sought to build awareness and capability of employees in areas at higher risk for modern slavery, including our Business Lending, Institutional Lending and Transactions teams.

1. Spend includes Accounts Payable data, third party managed facilities maintenance and rent data. Spend excludes Purchasing Card (corporate-issued credit cards) transactions, employees reimbursements and intercompany payments. Note that in previous years total spend was presented inclusive of GST. Country location for our supply chain is based on the supplier's address in our Accounts Payable system and may not reflect the location where the products and/or services are being delivered from or to, or manufactured in.

# 5. Our actions to assess and address modern slavery risk

Our focus in FY22 was to build on our actions reported in FY20 and FY21, based on an understanding of how we may be involved in modern slavery risks and impacts.

For completeness, where our actions to assess and address modern slavery risk have remained the same over the reporting period, we have re-stated the same information.

## Identification and assessment of risks: Operations

### As a financial services provider

Our approach to fighting financial crime focuses on prevention, detection, management and reporting of financial crime risks and compliance with applicable global and local financial crime regulatory obligations, as outlined in our Financial Crime Risk Management Framework and supporting governance documents.

FINANCIAL CRIME RISK MANAGEMENT FRAMEWORK				
Financial crime risks that may have a connection with modern slavery risks	Anti-money laundering and counter terrorism financing	Economic and trade sanctions	Tax transparency	Anti-bribery and corruption
Principles for combatting modern slavery risks through financial crime risk management	PREVENTION	DETECTION	MANAGEMENT	REPORTING
	<ul style="list-style-type: none"> <li>Who (customers, employees, third parties)</li> <li>How (channel, products)</li> <li>Where (jurisdiction)</li> </ul>	<ul style="list-style-type: none"> <li>Due diligence (customers, employees, third parties)</li> <li>Screening (customers, employees, third parties)</li> <li>Training (employees)</li> <li>Monitor (customers, transactions)</li> </ul>	<ul style="list-style-type: none"> <li>Manage relationships (customers, employees, third parties)</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory reporting (customers, transactions)</li> <li>Independent oversight (independent reviews)</li> </ul>

There are a range of ways we identify possible modern slavery risks through our financial crime processes. This includes through risk assessments across products, channels, industries and regions, customer due diligence, payment and customer screening, and transaction monitoring. This year, we:

- Conducted regular media monitoring and environmental scans using key words related to modern slavery.
- Used our Financial Crime Human Rights Integration Plan to identify and track a range of initiatives, with the aim of embedding human rights (particularly modern slavery) considerations into existing financial crime risk frameworks and policies. The plan is supported by a monthly Financial Crime Human Rights working group, which was also used to share new typologies and case studies that may be used in the enhanced due diligence process.
- Continued to enforce a Global Sanctions Policy and sanctions compliance framework aimed at ensuring we do not have banking relationships with or facilitate any transactions involving individuals and/or entities that are the subject of sanctions designations due to involvement in modern slavery related activities or human rights abuses. During FY22, Australia’s Autonomous Sanctions Act 2011 (Cth) was updated to include thematic sanctions regimes - including human rights abuses. These changes were reflected in our screening processes. Additionally, sanctions third party (vendors and suppliers) screening helps identify relationships that link Westpac to modern slavery activity, including entities listed on the USA Department of Homeland Security’s Uyghur Forced Labor Prevention Act Entity List.



- Strengthened resourcing of specialist teams to undertake enhanced due diligence where customers present heightened risk or concern across our financial crime risk classes. We developed guidance materials for internal teams to establish modern slavery indicators, typologies and scenarios to help ensure modern slavery related risks, instances or incidents would be identified and captured for further investigations. This due diligence provides us with information about where modern slavery risk exists across the products and services we offer including behavioural, demographic and transactional activity perspectives.

This year we took action to strengthen our detection scenarios and indicators including where we:

- Reviewed and enhanced detection scenarios aimed at the identification of child sexual exploitation activity.
- Reviewed and enhanced applicable detection scenarios aimed at identifying modern slavery activity.

To help equip our people to better understand the links between financial crime and modern slavery we:

- Delivered refreshed financial crime awareness training to 98% of all Group employees, which highlighted the risks of modern slavery in financial crime.
- Invited our community partner, the International Justice Mission, an anti-slavery organisation, to share on-the-ground insights on modern slavery and child sexual exploitation with our financial crime team members, including how to apply these insights into their own day-to-day roles.

### Identifying modern slavery risks that present to customer facing employees

We continued operating our vulnerable customer escalation model, that was developed in FY21 and designed to support customers at risk or exposed to modern slavery.

Under the escalation model, suspicions or disclosures of modern slavery are escalated to Priority Assist, one

of our specialist vulnerability teams, to better support vulnerable customers with access to support systems. To support this approach, we have:

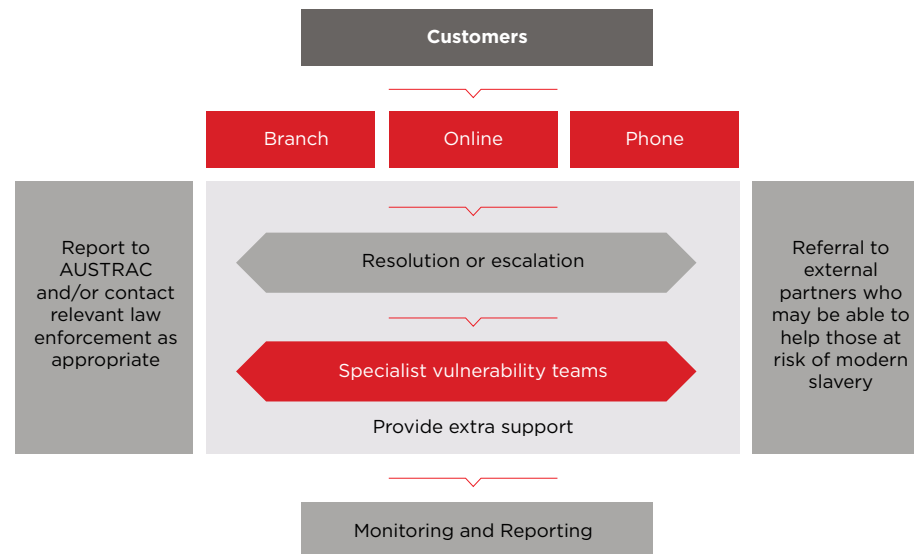
- Reviewed our existing risk indicators for modern slavery against best practice, resulting in 57 new indicators added to our Modern Slavery Risk Indicator Library. The indicators will be incorporated into relevant operational processes and be updated as new information arises over time (see *Case Study: Indicators of modern slavery risk*).
- Identified, and included reference in supporting documentation to, external partners who may be able to help those at risk of modern slavery - including maintaining our relationship with the Freedom Hub and The Salvation Army Trafficking and Slavery Safe House.

See *Training and awareness raising* for how we intend to develop an ongoing online module, which aims to support customer facing employees, including branch,

specialist vulnerability and relationship management teams, to support customers who may be victims of modern slavery.

We launched a new internal Customer Vulnerability Standard, which describes Group requirements to service our vulnerable customers and incorporates the *Australian Banking Association's Banking Code of Practice (BCoP)* requirement that banks provide inclusive and accessible services. The standard identifies modern slavery as an example of a circumstance that may cause customer vulnerability.

To support the implementation of the standard, we published a series of processes (including for modern slavery and child abuse and exploitation) for our people on how to recognise, respond, record, and refer customers experiencing vulnerability for extra support. These resources are available to all employees on our intranet and have been integrated into customer facing processes.



### As a lender

Our Group ESG Credit Risk Policy (including WNZL's ESG Credit Risk Policy) requires consideration of ESG risks at a customer, transaction and sector level across each stage of our credit cycle.

This year we prototyped ESG risk assessment tools to screen business, commercial and institutional banking customers. This includes the risk of our customers being involved in modern slavery.

Our WIB division updated its customer and transaction ESG risk assessment process to more fully embed this into the end-to-end credit assessment process. Our Customer and Transaction Risk Escalation Committee ('CT-REC'), which is dedicated to reviewing escalated customers and transactions, played an important role in reviewing transactions and sectors identified as high risk for modern slavery. The Committee may direct engagement with customers until there is sufficient comfort that adequate action has been taken to address the modern slavery risks arising. Refer to *Section 6 - Assessing effectiveness* for matters escalated to CT-REC due to high modern slavery risk.

We also piloted a prototype ESG risk assessment with a number of our larger Commercial Banking clients. We refined our transaction-level risk assessment for new or increased lending over \$20 million in total committed exposure<sup>1</sup> for our portfolio managed accounts, and included questions related to modern slavery and human rights.

In FY22, WNZL refreshed its ESG Credit Policy, which clarified the definition of modern slavery risk. WNZL also published a **consolidated Responsible Banking and Investment Position**, with the aim of providing an overview of how ESG factors guide lending, investment and wider banking activities in a clear and simple summary for customers.

WNZL also took steps to strengthen ESG risk assessment process through uplift of policy and guidance materials and integration of the assessment process into the new digital lending origination system. This has included social and human rights aspects, including specific reference to modern slavery risks.

Our efforts were supported by training - see *Training and awareness raising*.

### As an investor

During the year, BT conducted an annual assessment of the way in which BT's external investment managers approach modern slavery. The results of this assessment are shown in the chart below. This assessment informs BT's understanding of how and where the risk of modern slavery may exist in the companies and assets in our portfolio, and how this risk is being addressed.

This assessment is conducted on BT's internally developed and managed portfolios and is used to understand where there may be a higher risk of modern slavery occurring in underlying companies and assets as well as to assess the maturity of each external investment manager's approach to modern slavery risk.

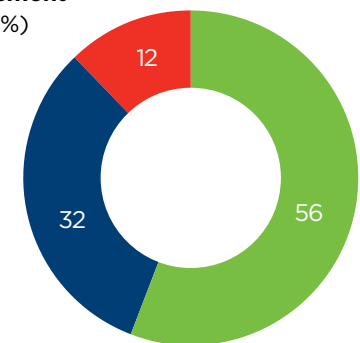
BT engaged across underlying investment managers to improve their understanding of how ESG risks, including modern slavery risk, can be considered in the investment process. The number of investment managers BT reviewed for modern slavery considerations increased to 34 over FY22 from 28 in FY21. BT saw a considerable improvement in their understanding and management of modern slavery risk across the portfolio. Over this period the number of investment managers assessed as requiring improvement under BT's assessment framework has decreased from 21% to 12%.

Different asset classes and investment strategies influenced how investment managers chose to approach the management of modern slavery risks. Some investment managers have sought to avoid companies or regions with higher risk of exposure to modern slavery practices. Others favour engagement with investee companies to seek to improve labour practices and reporting. BT's modern slavery assessment identified that the majority of managers who invest in higher risk countries or sectors are either considering or have developed a demonstrable framework for addressing modern slavery risk in their portfolio. BT will continue to work with underlying managers and encourage ongoing improvement with regards to monitoring and management of modern slavery risks.

In addition to engagement by appointed external investment managers, BT is also a member of Investors Against Slavery and (human) Trafficking Asia Pacific (IAST APAC). IAST APAC is an investor-led initiative, focused on engaging with companies in the Asia-Pacific region to promote effective action in finding, fixing and preventing modern slavery in operations and supply chains.

### Modern slavery risk assessment - investment managers<sup>2</sup> (%)

- Modern slavery clearly addressed in portfolio and supply chain
- Modern slavery risk considered, or approach under development
- Consideration of modern slavery risk requires improvement



1. Total committed exposure (TCE) represents the maximum amount of credit exposures that Westpac has committed to provide to a customer, both on- and off-balance sheet, including those that arise from transactional banking.  
 2. Assessment completed during FY22 of managers appointed across Equities, Fixed Interest, Multi-Asset and Real Assets for internally managed and developed investment options only.

BT also employs the services of EOS at Federated Hermes (EOS), a specialist engagement provider focusing on global companies (those listed outside Australia). EOS discusses key ESG issues with directors and senior management of investee companies with the goal of improving long-term shareholder value. It reports regularly on the outcome of these engagements, including those regarding modern slavery.

Where our internal product teams have appointed an external investment manager directly or where BT provides access to third party investments, BT is not involved in making individual investment decisions. However, we are working to better understand how our business partners consider modern slavery risks in their investment processes in these circumstances.

### As an employer

Last year, we reported on a detailed inherent risk assessment of how modern slavery may arise in our human resources division or in connection with the division's processes across the Group. The assessment concluded that there was a low inherent modern slavery risk in the human resources function.

Some of the key ways in which we seek to manage modern slavery risk across our workforce are as follows:

- The roll-out of a clear set of requirements designed to help us meet our regulatory obligations in relation to child employment and the Migration Act 1958, Migration Regulations 1994 and Fair Work Act 2009.
- The nature of our workforce arrangements - we do not employ casual employees, or irregular and transitory workers; and we offer unpaid work experience only in accordance with relevant employment law (including provided certain criteria are met for both vocational and non-vocational placements).
- Our employment arrangements and terms, which are set out in written employment contracts and other industrial instruments (such as Westpac Group's Enterprise Agreement).

- Our verification processes, which seek to verify the age of our candidates prior to them commencing employment, to reduce the risk that we employ children under minimum employment age in line with relevant State or Territory laws.
- Our people policies and practices, which seek to ensure that Westpac employees are able to join unions, enter into collective agreements and receive equal pay for equal work (including continued work to close salary gaps for the same job and changes to increase pay transparency which help promote open conversations about pay).
- The communication of our grievance mechanisms, which are available to current and former employees, including contractors and temporary employees (see *Remediation and grievance mechanisms*).
- Our Responsible Sourcing Questionnaire, which assesses modern slavery risk in our supply chain (including for labour hire and outsourcing arrangements) by asking suppliers a range of targeted questions on employment practices including how they manage outsourcing, employment of temporary visa holders, workers under the age of 18, and use of recruitment agencies and subcontractors.

### Long Service Leave Remediation

In FY21, we provided an update on remediation in response to errors in some employees' Long Service Leave calculations, which we reported to the Fair Work Ombudsman (FWO). During FY22, we have continued our program of work to remediate impacted employees and implement interim and strategic solutions. The FWO continues to have visibility of, and engages with Westpac on, the progress of the program. We continue to check payroll processes and address identified issues in relation to employee entitlements.

During the year we also reviewed our Pacific businesses labour policies, to assess whether they met or exceeded local employment laws. This review did not identify any issues and it was found that our Pacific businesses employment policies exceed local standards and met Group standards. All Pacific policies are modelled on standards used across the Westpac Group, with consideration of local law.

### As a supporter of our communities

In FY23, we plan to continue to broaden our assessment of the potential risk of modern slavery in our charitable donations processes through considering all types of donations, including matching gifts and charitable donation components of sponsorships or community charitable partners.

Through the Safer Children, Safer Communities program we also provide a range of grant funding across Australia and the Asia Pacific. Since 2020, we have funded over 50 Australian and two international organisations working to empower, protect and support children, young people and their families. Due diligence in relation to the organisations we fund involves detailed assessments by both internal and external experts to help ensure that we fund reputable organisations that have appropriate child safeguarding policies and processes in place.

## CASE STUDY

### Funding on-the-ground efforts to address modern slavery risks faced by children – across Australia and Asia Pacific

In FY22, funding through our Safer Children, Safer Communities program helped the International Justice Mission (IJM) support 174 victim rescues, train 400 law enforcement officials and 120 prosecutors, and assist in the conviction of 40 perpetrators in the Philippines; and helped Save the Children provide child protection training to over 3,000 children and 1,500 adults across 32 community training workshops to raise awareness on online child sexual exploitation in the Philippines.

We also committed \$2.5 million over two years to seven of our existing grant recipients to further support child protection challenges across Australia and high risk countries in the Asia Pacific region.

We also provided seed funding to the Australian Childhood Foundation to set up a Child Safe Business Coalition which will seek to drive action on child safeguarding among Australian businesses. The Coalition held two co-design workshops this year which saw representation from businesses across the financial, telecommunications, social media and retail sectors.

More information on progress against the Safer Children, Safer Communities program is available on our [website](#).

### Identification and assessment of risks: supply chain

Our Responsible Sourcing Program has been designed to support the identification, assessment, management, monitoring and remediation of ESG risks, including modern slavery, in our supply chain. In FY22, we continued to strengthen the program through the introduction of a supplier risk assessment digital platform. This platform has streamlined the supplier onboarding process by consolidating the risk assessments for Responsible Sourcing, Information Security, Financial Crime, Financial Health, Outsourcing, Business Continuity, Privacy and Complaints Handling.

We have continued to take a risk-based approach by using our Responsible Sourcing Assessment to screen 93% of spend in high risk categories and all top 100 suppliers by spend. As a result, over 72% of our total spend was assessed under the Responsible Sourcing Program in FY22.

METRIC	RESULT
Percentage of total spend <sup>1</sup> assessed under the Responsible Sourcing Program	72%
Percentage of spend in high risk categories assessed under the Responsible Sourcing Program	93%

#### Responsible Sourcing Assessment

Our Responsible Sourcing Assessment is a key tool for the identification of modern slavery risks in our supply chain. The assessment process begins with a supplier screening which takes into account country and category risk and leads to the assignment of an initial risk rating.

A supplier may then be asked to complete a Responsible Sourcing Questionnaire which is tailored based on their business structure, country and category risk. The Responsible Sourcing Questionnaire captures information about key modern slavery issues and risk indicators and upon completion leads to the assignment of a remaining risk rating.

The Responsible Sourcing Questionnaire includes questions relating to:

- Indicators of Modern Slavery: management of outsourced activities, employment of temporary visa holders, management of workers under the age of 18, use of recruitment agencies, relevant policies and processes.
- Modern Slavery Management and workplace practices: Modern Slavery risks in operations and supply chain, employment practices, use of subcontractors, holding of identification documentation, workplace health and safety and grievance management.
- Corporate governance and risk management.

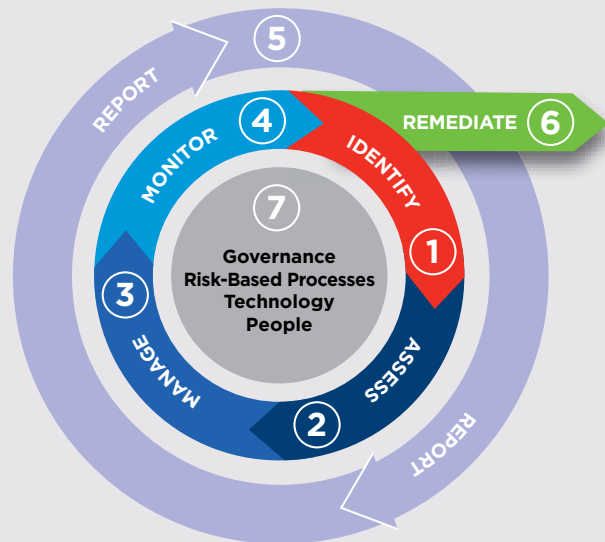
In FY22, we identified the opportunity to strengthen our Responsible Sourcing Assessment in relation to child labour risks. The updated assessment aims to identify suppliers who employ workers under the age of 18 and assess whether they have adequate child safeguarding policies and procedures in place to ensure that no workers under 15 are employed, no workers under 18 are involved in hazardous work, and that work does not interfere with their education.

The output of the Responsible Sourcing Assessment allows us to make a more informed decision about whether and how to engage with a new service or supplier and allows us to continue to manage the risk of modern slavery in our supply chain, through reassessment of high-risk suppliers every year and low-risk suppliers every three years.

1. FY22 total supplier and other relevant third party spend is comprised of \$7.10 billion (in AUD, excluding GST) spent with external suppliers and other relevant third parties who provided products or services during the reporting period. Spend includes Accounts Payable data, third party managed facilities maintenance and rent data. Spend excludes Purchasing Card (corporate-issued credit cards) transactions, employees reimbursements and intercompany payments. Note that in previous years total spend was presented inclusive of GST.

# Responsible Sourcing

The Responsible Sourcing Program takes a cyclical approach to drive sustainable outcomes and continuous improvement both internally across our business and externally with our suppliers.



1	<p><b>Identify:</b> Industry references and category risk profiles will inform identification of suppliers representing high inherent risks across each ESG risk area.</p>
2	<p><b>Assess:</b> Assessment, screening, due diligence and verification to evaluate the residual risks of suppliers, for each ESG risk area, against our risk appetite.</p>
3	<p><b>Manage:</b> Tailored controls through supplier governance, action plans and partnership plans to address sustainability gaps or opportunities.</p>
4	<p><b>Monitor:</b> Key metrics, targets and risk appetite thresholds will define the guardrails to drive continuous improvement and measure effectiveness.</p>
5	<p><b>Report:</b> Continuous risk-based and spend-based reporting for each step in this approach to track effectiveness and improve decision making.</p>
6	<p><b>Remediate:</b> Take action to support, provide or cooperate in remediation when appropriate in alignment with defined procedures.</p>
7	<p><b>Enablers:</b> Approach is underpinned by four enablers to define the guardrails for operation and ensure an integrated, consistent and streamlined process.</p>

## Suppliers in categories which are higher risk for modern slavery

As part of our industry risk profiles we have identified 10 categories which are higher risk for modern slavery. We use the information gathered in the Responsible Sourcing Assessment to identify where we are procuring goods and/or services in one of these higher risk categories.

In FY22, we screened 93% of spend in high risk categories for modern slavery. Suppliers in low-risk categories may also present a modern slavery risk where certain workplace practices or risk indicators are present. To identify and assess such suppliers, we screened the remainder of our top 100 suppliers by spend (i.e. those not already captured in the high risk categories) plus other new and existing suppliers as part of the onboarding or contract renewal process. We will continue to take a targeted, risk-based approach to supplier assessments in FY23.

## Management of modern slavery risks in our supply chain

### Encouraging suppliers to manage modern slavery risks in their supply chains

Through our Responsible Sourcing Code of Conduct, we encourage our suppliers to set clear expectations of their own suppliers regarding modern slavery. Our Responsible Sourcing Assessment includes questions about policies and processes in relation to human rights including modern slavery, particularly in relation to managing the risk of modern slavery in our suppliers' supply chains.

### Sustainability Partnerships

Manufactured products, including branded products such as promotional merchandise, is one of our spend categories which has been identified as higher risk for modern slavery. In FY22, we partnered with our promotional merchandise supplier to draft a set of internal guidelines to support sustainable choices when planning marketing campaigns, including consideration of modern slavery risks. These guidelines will be finalised in FY23.

## Monitoring of modern slavery risks in our supply chain

### *Adverse media screening*

In FY21, we introduced an adverse media screening process to seek to monitor modern slavery risks in selected high-risk areas of our supply chain, and began piloting this with 50 suppliers (selected based on their spend and risk profile). In FY22, we continued to monitor these suppliers and identified significant media attention called out in relation to modern slavery allegations and regulatory activities associated with the manufacture of solar panels. We took these concerns into account during the selection of a new solar electricity supplier, requiring that the selected supplier had completed a full Responsible Sourcing Assessment and demonstrated their approach to reducing modern slavery risk in their supply chain prior to contract execution. Refer to *Case Study - Forced labour*.

### *Additional supplier due diligence*

Modern slavery risks in our supply chain may also be identified through our additional due diligence process for suppliers. This includes desktop assessments, adverse media and the use of Sustainalytics screening (where available for the company), as well as the identification of gaps and improvement opportunities.

In FY22, we selected the high-risk category of construction to conduct additional supplier due diligence. This was conducted for over 30 of our Tier 2 suppliers (subcontractors) which are frequently used in our construction projects. In FY23, we will build on this initial work to conduct additional due diligence beyond Tier 1 with a focus on those industries known to be of high-risk for modern slavery. As we continue to build our understanding of our extended supply chain and the modern slavery risks within it, we will look for opportunities to positively influence our suppliers' approaches to modern slavery risk management.

## CASE STUDY

### Responsible Sourcing Action Plans

Where the Responsible Sourcing Questionnaire identifies a gap in a supplier's policies and/or processes with relation to modern slavery, an action plan (Responsible Sourcing Action Plan) may be developed to manage any risk.

In FY22, we expanded the use of Responsible Sourcing Action Plans through our new digital platform for supplier risk assessments which flags where a gap has been identified and an action plan is required. From there, our user guide supports us to set targeted, measurable action plans to address the specific residual risk raised in the assessment. Examples of Responsible Sourcing Action Plans, where modern slavery risk has been identified, include:

- Integration of human rights and modern slavery considerations into governance frameworks, governance committees or relevant policies (i.e. employee Code of Conduct).
- Implementation of regular human rights and modern slavery employee training.
- Commencing reporting against the Australian Modern Slavery Act.
- Implementing response plans to address allegations or instances of modern slavery identified in supply chains.
- Documenting supplier expectations relating to human rights and modern slavery through use of a supplier contract clause.
- Conducting mapping of Tier 1 and/or Tier 2 supply chains including subcontractors and consider use of digital supplier risk assessment platforms to increase supply chain visibility.

In FY22, 110 suppliers were assigned at least one modern slavery related action. Responsible Sourcing Action Plan completion is monitored via the digital platform. In FY23, we will focus on further developing the process and framework around how Responsible Sourcing Action Plans are managed.

## Remediation of modern slavery risks in our supply chain

### *Managing modern slavery grievances in our supply chain*

In FY22, we identified an opportunity to improve access to our grievance mechanisms for suppliers and their workers, through two initiatives which will target suppliers providing security, cleaning and maintenance services within our Australian premises. These initiatives are expected to go live in FY23 and aim to raise awareness and improve accessibility of our grievance channels across our corporate offices, business banking centres and branch network, and are expected to include updates to our digital check-in app used by suppliers' workers when entering our premises.

## Risk Management

Our Risk Management Framework outlines how we manage risk, providing structure and discipline for risk management activities. Social and human rights risks are managed in accordance with the Group's Risk Management Framework, which requires divisions to identify controls to manage modern slavery risk. The Group's Risk Management Framework is supported by our SRMF and other risk frameworks including those in the diagram below.

Westpac's SRMF sets out our approach to managing sustainability risks, including those relating to human rights, climate change and the environment, and supports the Board-approved Risk Management Framework.

The SRMF is operationalised and supported by several Group-wide and divisional sustainability risk policies and procedures, including the Group ESG Credit Risk Policy.

Sustainability risks are identified in our Group Risk Taxonomy under the Reputational and Sustainability Risk Class and the Credit Risk Class.

## Westpac New Zealand Ltd

Westpac New Zealand undertakes screening, due diligence and assessments of its suppliers to determine levels of sustainability risk and performance. This includes suppliers completing a Responsible Sourcing Assessment, which provides us with information required for onboarding, governance, monitoring and reporting obligations throughout the lifecycle of the relationship.

In 2019, WNZL became New Zealand's first Living Wage accredited bank and maintained this accreditation in FY22.

### RISK MANAGEMENT FRAMEWORK

Our approach to measuring and monitoring risk.

#### Sustainability risk management framework

Our approach to managing sustainability risk, which is the risk of loss or negative impact resulting from failure to recognise or address ESG issues (including human rights and modern slavery risk). This is relevant to the provision of products and services, lending and investment decisions, supply chain management, operations and employees.

#### Reputation risk management framework

Our approach to managing reputation risk which is the risk of key stakeholders forming negative perceptions, beliefs or unrealistic expectations of the Group. It recognises the significant interlinkage between reputation and sustainability risk.

#### Group financial crime risk management framework





Our approach to managing the risk that the Group fails to prevent financial crime and comply with applicable global financial crime regulatory obligations, such as anti-money laundering and counter-terrorism financing, bribery and corruption, tax transparency and economic and trade sanctions risks.

#### Credit risk management framework

Our approach to evaluating credit risk, which is the risk of financial loss where a customer or counterparty fails to meet their financial obligations to Westpac. This includes considering the impact of social (such as human rights and modern slavery) issues.

Sustainability risks are also managed in accordance with our Three Lines of Defence which set the context for the role that all employees are expected to play in risk management. The first line is responsible for identifying and owning the risks in all aspects of their activity. The second line provides expertise, advice, and monitoring of how risks are managed. The third line is Internal Audit, who provide independent assurance.

Our approach to managing human rights risks, including modern slavery risks, seeks to align to the key pillars of the Group's Risk Management Framework.

 <b>Business strategy and policy commitment</b>	 <b>Identify and assess inherent risks and impacts</b>	 <b>Assess residual risk and action to manage risks and impacts</b>	 <b>Monitoring and reporting</b>
<ul style="list-style-type: none"> <li>– <a href="#">Human Rights Position Statement and Action Plan</a>.</li> <li>– Sustainability Risk Management Framework.</li> </ul>	<ul style="list-style-type: none"> <li>– Assessment of human rights at risk, including consideration of vulnerable groups.</li> <li>– Assessing our connection to human rights impact.</li> </ul>	<ul style="list-style-type: none"> <li>– Training and awareness.</li> <li>– Uplift and embed policies and procedures.</li> <li>– Business partner engagement.</li> <li>– Outcomes aligned with our human rights principles.</li> </ul>	<ul style="list-style-type: none"> <li>– Monitor circumstances, risks and impacts over time and embed into core risk and reporting systems.</li> </ul>
<b>Stakeholder engagement   Advocacy   Governance and Oversight</b>			

Work to mature the management of sustainability risk, including modern slavery risk, across the Group this year included:

- The roll-out of the Sustainability Risk Class, including modern slavery risk, to divisional risk profiles. Where applicable, an assessment of the likelihood and materiality of the risk arising was completed along with an assessment of the strength of the control environment.
- Introduction of a requirement for social impact (including modern slavery) to be assessed in all risk, issue and incident assessments. This had a target completion date for full implementation by end December 2022 (now complete).
- Continued progress on the Customer Outcomes and Risk Excellence (CORE) program, including the uplift of several frameworks, policies and processes to incorporate the Sustainability Risk Class. The target outcomes we are seeking include strengthened risk capabilities, uplift of our reporting and governance, and updated frameworks, policies and processes.
- A Group Audit review that identified opportunities to improve embedment of the SRMF. A series of activities have commenced to better embed Sustainability Risk (including social risk, human rights and modern slavery) within divisional risk profiles, with ongoing support and guidance to divisions.
- A second line review of controls relating to modern slavery, which identified opportunities to improve the end-to-end monitoring and oversight of modern slavery risk, with several divisions putting in place action plans to uplift the control environment.



## Westpac New Zealand Ltd (WNZL)

WNZL has its own Board-approved Risk Management Framework and risk-class frameworks, which provide structure to how our New Zealand business respects human rights. Human rights risks are identified in line with the Group's SRMF in areas including lending and supply chain management.

## BT

During the reporting periods the BT Boards comprised a majority of Independent Non-Executive Directors<sup>1</sup>. The BT Boards have approved a set of investment beliefs that shape the way that they expect investments to be managed and investment decisions made.

The BT Sustainability Principles<sup>2</sup> are approved by the BT Boards and outline the approach to addressing ESG impacts, including modern slavery risks, across BT financial products and services. These are developed with consideration to Westpac's processes and policies.

Where BT is acting as the trustee or Responsible Entity (RE), the internal investment and product teams are responsible for the management of ESG factors in our portfolios, and how this is applied to the investment strategy, or delegated to the relevant investment manager.

For investments developed and managed internally, the approach to managing ESG impacts, including modern slavery, is governed by the *BT Sustainable Investment Policy*. This sets out the requirements, roles and responsibilities for implementing the BT Boards investment beliefs as they relate to these products.

For investments made through our wealth platform and related services, BT has implemented the BT Platform Sustainability Principles. These describe the activities, roles and responsibilities undertaken to manage and promote sustainability and sustainable investment through BT's wealth platforms and related services.

## Policy commitment

We recognise that we have both a responsibility to respect human rights, and opportunities to positively impact human rights, across our value chain. Our third Human Rights Action Plan sets out the principles that guide our approach and is underpinned by our responsibility to respect human rights as set out in the UNGPs. We will release a refreshed Human Rights Action Plan in 2023.

We have a number of policies and frameworks in place that support our human rights approach and commitments across our operations and supply chain. These apply across the Group unless otherwise stated and are communicated to employees either directly or through mandatory training and are available on our intranet.

Noting the update to the Global Estimates of Modern Slavery and identification of severe child abuses in situations of armed conflict<sup>3</sup>, we also commenced a review of our Defence Position Statement to better address the dynamic nature of ESG risks (with a focus on human rights risk), that may arise for example through the end-use of defence equipment in countries in conflict or with otherwise high human rights risk, by requiring enhanced due diligence.

Our existing position statements also play a role in helping to identify and manage the risk of modern slavery. This includes our **Agribusiness Position Statement**, which notes that we seek to develop customer relationships with companies that uphold the rights of workers, including the right to fair wages and working conditions, and commits to internationally recognised certification schemes such as the Forest Stewardship Council (FSC) and Roundtable on Sustainable Palm Oil (RSPO), which include requirements in relation to the prevention of forced and child labour.

## Our 'Should We?' test

We have incorporated the 'Should We?' test into our **Code of Conduct** to help our people make decisions and encourage them to speak up.

In addition to simply asking 'Can We?', we encourage our people to ask these 'Should We?' questions:

- Am I sure it helps us to fulfil our purpose, values and behaviours?
- Am I sure it helps us achieve each of our Code of Conduct outcomes?
- Are we doing the right thing for our customers, communities as well as shareholders now and in the long term?
- Would I feel comfortable if I had to tell my manager or my family or friends?

1. As of 4 October 2022 the BT Boards comprise only Independent Non-Executive Directors.

2. Refer to <http://bt.com.au/sustainability> for more information. In FY23, BT will review the Sustainability Principles with the aim of integrating them into the Investment Governance Policy.

3. Global Slavery Index: Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, September 2022. Available at <https://www.walkfree.org/resources/>.

The table below sets out policies and frameworks that are key to managing modern slavery risk across our business. *Appendix 2* sets out additional policies and frameworks that support our broader approach to managing ESG risk:

ROLE	EXAMPLES OF POLICIES THAT SUPPORT MANAGEMENT OF MODERN SLAVERY RISK
<b>As a financial services provider</b>	<ul style="list-style-type: none"> <li>– Our Financial Crime Risk Management Framework and supporting policies outline our approach to prevention, detection, reporting and mitigation of financial crime risks and compliance with global and local financial crime regulatory obligations. The <a href="#">Westpac Group Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Policy</a> sets out our approach for managing AML/CTF risk including compliance with legislative obligations, which includes systems and processes to identify, mitigate and manage various risks (including potential links to modern slavery) presented by customers, products and services, channels and jurisdictions.</li> <li>– Our Customer Vulnerability Policy outlines our core principles and requirements to help customers experiencing vulnerability, including modern slavery. This is supported by the Customer Vulnerability Standard (Australia) which helps drive a consistent approach to providing extra care to customers experiencing vulnerability by aligning with our purpose, values, behaviours and Code of Conduct, Australian regulatory obligations, Australian industry guidelines and community expectations.</li> </ul>
<b>As a lender</b>	<ul style="list-style-type: none"> <li>– The ESG Credit Risk Policy describes how we incorporate ESG risk analysis (including in relation to modern slavery) into the credit assessment and approval process in relation to business, corporate and institutional customers. During the year we reviewed the policy with the aim of simplifying the content and building out additional information in divisional standards.</li> </ul>
<b>As an investor</b>	<ul style="list-style-type: none"> <li>– The <a href="#">BT Sustainability Principles</a> sets out BT's approach to addressing ESG impacts, including modern slavery risks, across its products and services. These principles describe the activities, roles and responsibilities undertaken to manage and promote sustainability and sustainable investment through BT's wealth platforms and related services.</li> <li>– The <a href="#">BT Sustainable Investment Policy</a> sets out how BT approaches sustainable investment across internally developed and managed investment options. The policy sets out the requirements, roles and responsibilities for implementing the Boards' investment beliefs as they relate to these products, including in relation to sustainable investment including considering social factors such as human rights including modern slavery.</li> <li>– In FY22, BT reviewed its approach to sustainability governance and determined that where BT is acting as the trustee or RE, internal investment and product teams are responsible for the management of ESG factors in our portfolios, and how this is applied to the investment strategy, or delegated to the relevant investment manager.</li> </ul>
<b>As an employer</b>	<ul style="list-style-type: none"> <li>– Our <a href="#">Code of Conduct</a> sets out the standards and expectations of our Company and our people to do the right thing, including compliance with laws and policies. Key polices include our Group Remuneration and Recruitment Policies, and Australian Enterprise Agreement. The Code requires us to apply the 'Should We?' test when making decisions, and encourages our people to speak up when our standards are not being met. The Code applies to the Group, except WNZL who implement their own.</li> <li>– The <a href="#">Speaking Up Policy</a> supports current and former employees, including those employed on a temporary basis, secondees and contractors, to raise concerns about suspected or actual unethical or unlawful behaviour, where it may have significant implications for Westpac. Modern slavery is considered reportable conduct.</li> </ul>

ROLE	EXAMPLES OF POLICIES THAT SUPPORT MANAGEMENT OF MODERN SLAVERY RISK
<p><b>As a supporter of our communities</b></p>	<ul style="list-style-type: none"> <li>– The Charitable Donations Policy (Global) reflects our commitment to helping ensure integrity, accountability and ethical conduct in our charitable donations, including seeking to manage risks in our charitable donations such as modern slavery risk.</li> <li>– Prior to making a Charitable Donation, we seek to assess any potential risks including social (including human rights and modern slavery) risks as set out in the Charitable Donations Standard (Australia). Where risks are identified, additional consideration is required to determine whether the activity is appropriate and whether the risks can be mitigated.</li> </ul>
<p><b>As a purchaser of goods and services</b></p>	<ul style="list-style-type: none"> <li>– The <a href="#">Responsible Sourcing Code of Conduct</a> outlines our key sustainability principles for doing business with our suppliers. It supports suppliers to identify, mitigate and manage their sustainability risks, and sets Westpac’s expectations of our suppliers and their supply chain engagements in providing goods and services to Westpac. It includes a section on human rights, which includes a specific expectation that suppliers have policies and/or processes in place to identify, mitigate and address any form of modern slavery within their operations and supply chain.</li> <li>– In FY22, we released a new Procurement Policy (Global) and Supplier Risk Management Standard (Australia). The Procurement Policy (Global) applies across all of Westpac Group and provides a consistent process, effective risk management and clear roles and responsibilities for Procurement activities. The Supplier Risk Management Standard (Australia) applies Australia-wide and focuses on how we manage and monitor risk when doing business with our suppliers. In particular, the Standard explains supplier risk assessment requirements including the Responsible Sourcing Assessment, possible outcomes, roles and responsibilities, and reassessment frequency.</li> <li>– The <a href="#">Speaking Up Policy</a> (noted above) supports current and former suppliers and their workers to raise concern about suspected or actual unethical or unlawful behaviour, where it has significant implications for Westpac. This may include modern slavery.</li> <li>– The Third Party Due Diligence section of the Group Financial Crime Standard sets out the minimum requirements for identifying, mitigating and managing financial crime risk associated with third parties, including suppliers, for example bribery and corruption or money laundering and terrorism financing risks (which may have potential links to modern slavery).</li> </ul>

## Engagement and advocacy

We recognise the important role of collaboration in addressing modern slavery. We continued to engage in a number of initiatives and forums that have informed and continue to inform our approach to human rights and modern slavery.

INITIATIVE	FY22 UPDATE
<b>Australian Banking Association's (ABA) Human Rights Working Group</b>	Focus areas for the working group to date have included a collaboration between the ABA and KPMG Australia to produce a working paper: <b>Typologies and Indicators of Modern Slavery</b> . The paper focuses on the typologies and indicators of modern slavery in the forms of forced labour, labour exploitation and debt bondage, and offers guidance on two high risk sectors – agriculture and construction – in the Australian banking context. Other areas of focus for the Group have included grievance mechanisms and remedy and a joint industry submission to the review of the Australian Modern Slavery Act.
<b>Principles for Responsible Banking</b>	We continued our support for the Principles for Responsible Banking, aligning the purpose of banking with delivering against the United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement.
<b>UN Global Compact</b>	We maintained membership of the UN Global Compact Network Australia's Modern Slavery Community of Practice, a forum to discuss modern slavery risks facing business. We also report on our continued progress to implement the UN Global Compact Principles.
<b>Principles for Responsible Investment</b>	BT continued its status as a signatory to the Principles for Responsible Investment (PRI), a UN-supported network, which works to support investor signatories to incorporate ESG factors, including human rights, into investment and ownership decisions.
<b>Fintel Alliance</b>	We continued active membership in the Fintel Alliance, which is AUSTRAC's public-private partnership that brings together financial crime intelligence professionals and law enforcement agencies to collaborate on solutions to combat serious and organised crime. Participation in this group provides us a platform by which we can engage with industry participants, law enforcement and regulators on matters directly and indirectly related to modern slavery. This year, we also participated in a working group that considered child sexual exploitation typologies.
<b>Safer Children, Safer Communities (SCSC) Roundtable and Advisory Group</b>	We continued to seek input and guidance from our SCSC Roundtable, consisting of experts in human rights, child and online safety, and law enforcement and our Advisory Group, including representatives from child protection organisations. This year they guided the development of our <b>Child Safeguarding Position Statement</b> and provided input into the Australian Childhood Foundation-led Child Safeguarding Business Coalition.
<b>International Centre for Missing and Exploited Children (ICMEC) Australia-Pacific Financial Coalition and Collaboration Working Group</b>	Our three year \$25 million partnership with ICMEC helped to establish ICMEC's presence in Australia as an operating not-for-profit. We continued our active membership in the ICMEC Australia-Pacific Financial Coalition as well as the Australian Collaboration Working Group. The working group brings together financial crime experts from across Australian financial service providers in a non-competitive space to build tools, share knowledge and expertise, and deliver projects that enable the sharing of information and data that can be used by members to uplift their organisational response to child sexual exploitation.

INITIATIVE	FY22 UPDATE
<b>Shift Financial Institutions Practitioners Circle</b>	Shift is the leading centre of expertise on the UNGPs. We are a member of a network of private banks and export credit agencies designed to co-create innovative approaches and ultimately advance leading practice for human rights. Focus areas have included human rights due diligence and the nexus between climate change and modern slavery.
<b>Financial Services Council (FSC) and Responsible Investment Association of Australasia (RIAA)</b>	BT continued involvement in the FSC and RIAA industry groups in FY22, which included participating in consultation on the Australian Modern Slavery Act, as well as development of tools to help investors assess and understand modern slavery risks in their portfolios.
<b>Investors Against Slavery and Trafficking (IAST) Asia Pacific (APAC)</b>	BT continued its participation in the IAST APAC initiative throughout FY22. Information on progress can be found in IAST APAC's 2021-2022 <b>Annual Report</b> . This investor-led initiative brings together 37 investors and seeks to engage with companies in the Asia Pacific region and promote effective action to find, fix and prevent modern slavery. Membership enables BT to engage with companies at higher risk of modern slavery and will help inform approaches to managing this risk across BT's investments in future years.
<b>Consultation on proposed modern slavery legislation in New Zealand</b>	WNZL contributed to an industry submission through the New Zealand Bankers' Association on the proposal to develop a legislative response to modern slavery and worker exploitation, forced labour, people trafficking and slavery.

## Training and awareness raising

During FY22, we continued to build the capability of employees working in targeted risk, supplier facing and customer facing roles, to help identify and manage suspicions of modern slavery. This included delivering:

- ESG Professional Development training for over 1,100 employees, including those who work in areas with potentially high exposure to modern slavery risk in our Business bank, WIB and Procurement teams. This included a focus on human rights, and case studies featuring modern slavery. Delivered as a virtual workshop in partnership with Monash University's Castan Centre for Human Rights Law and Pillar Two (a business and human rights advisory firm), among others, the program aimed to establish baseline knowledge of material ESG risks associated with customers and industry sectors and facilitate strategic engagement with customers on current and emerging ESG issues. Of those employees who completed post training feedback, 81% agreed or strongly agreed that they had a better understanding of which modern slavery risk indicators to identify in their role and 40% agreed or strongly agreed that they felt equipped to face future ESG challenges.
- A 'Managing ESG Risk' online learning module, completed by over 3,000 employees, in areas with potentially high exposure to modern slavery risk in our Business bank and WIB. This focused on the fundamentals of managing ESG risk in the provision of products and services and included a case study on modern slavery.

- A Responsible Sourcing online learning module, which we continued to deliver for employees involved in sourcing, procurement or supplier management activities. This module is in place to support our purchasing decisions, raise awareness of how to identify and manage sustainability risks and promote respect and protection of human rights in our supply chain. WNZL procurement employees also received training on modern slavery risk and ESG best practice.
- A new Financial Crime Risk Awareness online training module, which was completed by 98% of all Group employees, aimed at continuing to build employee capability in identifying, mitigating and managing financial crime risk and exposures, financial crime red flags and Unusual Matter Reports (UMR). The training also demonstrated how to manage risk across a number of financial crime scenarios which included modern slavery.
- A special session on modern slavery as part of our monthly Financial Crime learning program. Financial Crime, Risk and ESG employees attended a session by International Justice Mission (IJM) on the human implications of modern slavery, focusing on the role of banks in helping to end global modern slavery.

Our online modern slavery awareness animation remains available for all employees via our intranet and online learning platform. It outlines what modern slavery is, how it may present across our business including red flag indicators, and resources available to support employees in escalating any suspicions.

In FY21, we delivered one-off capability training to branch and specialist vulnerability teams as part of the pilot of a vulnerable customer escalation process for modern slavery. In FY22, we identified an opportunity to transition the one-off training into an ongoing online module, which aims to support customer facing employees, including branch, specialist vulnerability and relationship management teams, to support customers who may be victims of modern slavery. The online module will be live in FY23 and will align to our vulnerable customer escalation process and include modern slavery scenarios, risk indicators, grievance channels and references to a referral partner. Employees will be encouraged to complete working examples to test their knowledge.

## Remediation and grievance mechanisms

A principle of our Human Rights Action Plan is that we provide access to remedy, where appropriate<sup>1</sup>, and we provide mechanisms through which grievances can be raised, including in relation to modern slavery.

Refer to *Section 6 - Assessing effectiveness* for matters escalated through our Whistleblower channels due to suspicions of modern slavery.

In our Human Rights Action Plan we commit to seeking to improve the effectiveness of these mechanisms specifically in relation to remediating human rights issues, with reference to the principles for effective grievance mechanisms set out in the UNGPs<sup>2</sup>.

1. The UNGPs recognise different remedies that a company may seek to provide (or cooperate in providing) if they identify that they have caused or contributed to human rights harm. These could include apologies, restitution, rehabilitation, financial or non-financial compensation and punitive sanctions (criminal or administrative, such as fines), and prevention of harm through, for example, injunctions or guarantees of non-repetition.

2. The effectiveness criteria outlined in the UNGPs are: legitimate, accessible, predictable, equitable, transparent, rights-compatible, source of continuous learning, and based on dialogue.

Last year, we assessed the effectiveness of our Speaking Up channel and identified opportunities to improve awareness and accessibility of these mechanisms and reportable conduct in our supply chain.

This year, in line with that assessment, we:

- Updated our [Speaking Up Policy](#) to make it clear that ‘reportable conduct’ includes any conduct which is dishonest, corrupt, fraudulent or illegal, including modern slavery.
- Commenced the implementation of two initiatives, targeting our suppliers and their workers providing security, cleaning and maintenance services within our Australian premises. These initiatives include promoting our grievance channels through posters displayed in our corporate offices, business banking centres and branch network and updates to the digital application used by suppliers’ workers when checking-in to our premises. We aim to complete the roll-out of both initiatives in FY23. This was supported by training and engagement with relevant teams to raise awareness of specific risk indicators for modern slavery, and potential supply chain scenarios.

We recognise that there are challenges in implementing effective channels for non-customer stakeholders. For example, those who may be impacted through a link to our operations, products or services may not know we have a relationship with the customer who impacted them, or that a business is in our supply chain. In addition, impacts are often remote, occurring deep within our business partners’ value chains. The responsibility for providing a grievance channel and remedy should also lie with those who caused or contributed to the harm; however, our customers and business partners might not always have these mechanisms in place.

To this end, under our Responsible Sourcing Code of Conduct, we encourage suppliers to establish and maintain a channel for employees and stakeholders to confidentially and anonymously raise complaints which aims to reduce the risk of retaliation.

This year we also formalised the use of our feedback and complaints channel to receive broader sustainability related matters, including human rights issues linked to our operations, products or services.

We recognise there is an opportunity to make our grievance mechanisms more accessible and effective for groups with particular accessibility barriers. As a result, we have developed a plan to review and strengthen our grievance mechanisms with these groups in mind. Delivery of this plan will continue into FY23 and will also include consideration of how we work with targeted corporate customers to help ensure they have their own approaches in place for grievance mechanisms and remedy.

## Our Grievance Mechanisms

For our **current and former employees**, including contractors and temporary employees, we have a range of processes in place for reporting matters of concern in the ordinary course of business, such as via our human resources, risk and compliance teams. Our [Speaking Up Policy](#) also provides guidance on how to raise a concern about suspected or actual unethical or illegal behaviour, including modern slavery. It outlines several confidential channels for raising concerns including via the Whistleblower Hotline on 1800 989 569 or online using our [Speak Up reporting system](#).

For our **suppliers**, we have a [Supplier Advocate](#) hub which acts as the voice for suppliers through which they may raise queries or concerns.

For **current and former suppliers and their workers** (whether paid or unpaid), our [Speaking Up Policy](#), including our Whistleblower channels, is also available to raise concerns about suspected or actual unethical or illegal behaviour where it has significant implications for Westpac.

For our **customers**, we strive to provide the best possible service and to do our best to resolve any concerns quickly and fairly. Suspicions or disclosures of modern slavery may be raised in person, over the phone or online using our [feedback and complaints form](#) and may be escalated to a specialist vulnerability team (see *Identifying modern slavery risks that present to customer facing employees*).

For our **community**, any member of the public is able to raise a concern that may relate to human rights, including modern slavery, by contacting the [Westpac Group Sustainability](#) team at [sustainability@westpac.com.au](mailto:sustainability@westpac.com.au).

## 6. Assessing effectiveness

Assessing the effectiveness of our actions is key to driving continuous improvement in our approach to modern slavery risks. There are a number of challenges in assessing the effectiveness of our actions to address modern slavery risks, including the complexities in identifying and measuring the prevalence of modern slavery in our operations and supply chain given its diverse and often hidden nature. In FY22, we sought to refine our effectiveness measures and as our data continues to improve, we aim to improve our ability to assess whether our actions are resulting in effective outcomes for those impacted by modern slavery. As part of our refreshed Human Rights Action Plan, we also intend to strengthen our monitoring and evaluation.

Specific measures of effectiveness are described in the table below.

OUR ACTIONS	HOW WE MEASURE	HOW WE ASSESSED IN FY22
<b>Governance and oversight, risk management and policies</b>	Relevant divisions have established governance and oversight of human rights and modern slavery, including forums and working groups.	<ul style="list-style-type: none"> <li>– The SRMF sets an expectation that all divisional risk committees consider the human rights dimensions of business activities as required, including reviewing and monitoring action plans to address risk matters (including modern slavery).</li> <li>– The ESG and Reputation Committee oversees the Group Sustainability Strategy and wider ESG agenda. The Committee is chaired by the Group CEO; the CEO has overall responsibility for the Group's approach to and management of human rights.</li> <li>– CT-REC considers transactions requiring enhanced ESG due diligence, including for human rights and modern slavery risk, in WIB.</li> </ul>
	Level of assessed maturity in management of human rights and modern slavery risk as part of the Reputation and Sustainability Risk Class, as against the Group's Risk Management Framework.	<ul style="list-style-type: none"> <li>– The second line ESG Risk team reviewed the maturity of our sustainability (including modern slavery) risk management processes and found that the identification and understanding of sustainability risk had improved since the previous assessment, reinforced by inclusion of social impact in our Risk Impact Scale and the incorporation of social risk (including modern slavery risk) in risk assessments across the divisions.</li> </ul>
	Number of divisions who have assessed modern slavery as a risk as part of their risk profiles.	<ul style="list-style-type: none"> <li>– Each division has assessed the Sustainability Risk Class within their divisional risk profile. Where applicable, an assessment of the likelihood and materiality of the risk arising was completed along with an assessment of the strength of the control environment.</li> </ul>
	Planned reviews of modern slavery risk by Assurance and Audit teams.	<ul style="list-style-type: none"> <li>– Second line risk completed a review over specific key controls relating to obligations within the Australian Modern Slavery Act and UK Modern Slavery Act. The review identified opportunities to improve the end-to-end monitoring and oversight of modern slavery risk, with several divisions putting in place action plans to uplift the control environment.</li> <li>– Internal audit also performed a review which identified opportunities to improve embedment of the SRMF. A series of activities are planned for FY23 to better embed Sustainability Risk (including Social Risk) within Divisional risk profiles and provide ongoing support and guidance to divisions.</li> </ul>



OUR ACTIONS	HOW WE MEASURE	HOW WE ASSESSED IN FY22
	Progress against Human Rights Action Plan actions related to modern slavery.	<ul style="list-style-type: none"> <li>In FY22, we continued to make progress against our Human Rights Action Plan, which included progress towards identifying and responding to our salient human rights issues. Refer to the Human Rights section of our <a href="#">FY22 Annual Report</a>. In FY23, we will refresh our Human Rights Action Plan.</li> </ul>
	Frameworks, policies, procedures and standards in place to manage sustainability risk, including human rights and modern slavery risks.	<ul style="list-style-type: none"> <li>25 relevant policies and frameworks are in place, and 17 of these were updated in FY22 (refer to 'Policy Commitment' under <i>Section 5 - Our actions to assess and address modern slavery risk</i> and <i>Appendix 2</i>).</li> </ul>
<b>Identification and assessment of risk - operations</b>	Key financial crime processes including transaction monitoring, country risk assessments and adverse media are regularly reviewed and updated as appropriate to support identification and assessment of modern slavery risk.	<ul style="list-style-type: none"> <li>New adverse media screening process was introduced for new-to-bank customers, including individuals, to identify modern slavery and human rights risk.</li> <li>Our sanctions screening processes were updated to respond to changes under the Autonomous Sanctions Act 2011 (Cth), including considerations for human rights abuses.</li> <li>We strengthened the resourcing of specialist teams to undertake enhanced due diligence where customers present heightened risk or concern across our financial crime risk classes.</li> <li>We completed an annual review of modern slavery (and other human-rights based) transaction monitoring detection scenarios.</li> <li>Ongoing updates were made to our detection scenarios and indicators based on industry publications, media reports and various other sources of intelligence.</li> </ul>
	Transactions with modern slavery risks identified for additional due diligence and/or escalation to divisional risk committees as part of credit and other transaction activity in WIB.	<ul style="list-style-type: none"> <li>210 transactions were escalated to WIB's ESG team during FY22, of which seven specifically had material modern slavery risks and three required escalation to CT-REC.</li> <li>A further 13 customer engagements were rejected or withdrawn for ESG reasons; however, none were rejected solely due to modern slavery risk.</li> </ul>
	Total value of new grants made during the year to address child sexual exploitation and online sexual exploitation of children.	<p>We committed \$2.5 million over two years in new grants to seven of our existing SCSC grant recipients, with a view to further support and scale the efforts of existing programs and services designed to tackle child protection challenges. This included:</p> <ul style="list-style-type: none"> <li>Five new scale grants, valued at \$100,000 per year for two years. Scale grants are aimed at supporting the efforts of our existing partners to tackle child protection challenges across Australia.</li> <li>Two new international grants, valued at \$375,000 per year for two years. International grants are aimed at supporting Australian organisations working to address online child sexual exploitation in high risk Asia Pacific countries.</li> </ul>
	Number of underlying investment managers that have completed annual risk assessment of their modern slavery approach.	<ul style="list-style-type: none"> <li>BT's annual risk assessment was conducted, covering 34 investment managers. Each investment manager is able to update responses but not required to, if no new information is available.</li> </ul>

OUR ACTIONS	HOW WE MEASURE	HOW WE ASSESSED IN FY22
	Regular reporting from specialist investment engagement providers on the effectiveness of our engagement activities and areas of current and emerging risk.	<ul style="list-style-type: none"> <li>BT received reporting on current and emerging risks from EOS and Regnan in FY22 and will continue to receive reporting from EOS in FY23. A summary of EOS engagement is provided annually which helps to inform how modern slavery is addressed across BT's portfolio and identify areas requiring uplift. For more information on engagement by Regnan and EOS on modern slavery, refer to quarterly and annual reporting available via <a href="http://bt.com.au/sustainableinvestment">bt.com.au/sustainableinvestment</a>.</li> <li>IAST APAC tracks outcomes from engagements with investors on a quarterly basis, and regularly reports results to members, which helps to inform BT's ongoing engagement and expectations of investment managers, as well as areas that may require additional focus or cross industry collaboration. See 'Engagement and advocacy' above.</li> </ul>
<b>Identification and assessment of risk - supply chain</b>	Percentage of suppliers in high risk categories with completed responsible sourcing assessments.	<ul style="list-style-type: none"> <li>We assessed 93% of our supplier spend in high risk categories for modern slavery under the Responsible Sourcing Program.</li> <li>We assessed all of our top 100 suppliers by spend under the Responsible Sourcing Program.</li> </ul>
	Number of suppliers with action plans and status of action plans.	<ul style="list-style-type: none"> <li>We assigned at least one modern slavery related action plan to 110 of our suppliers.</li> </ul>
	Number of suppliers that have undergone additional due diligence.	<ul style="list-style-type: none"> <li>We monitored 50 suppliers as part of our adverse media screening program.</li> <li>We completed additional supplier due diligence on 30 construction suppliers.</li> </ul>
	Build role-specific awareness and capability to identify, mitigate, manage and report modern slavery risk, by number of employees that participate in modern slavery training.	<ul style="list-style-type: none"> <li>202 employees involved in sourcing, procurement and supplier management have a current course accreditation for our responsible sourcing online learning module.</li> </ul> <p>See 'Training and awareness' above.</p>
<b>Training and awareness</b>	Employees receive targeted capability building and training if working in areas where modern slavery is likely to arise.	<ul style="list-style-type: none"> <li>Over 4,000 employees were offered targeted capability training who work in areas with potentially high exposure to modern slavery risk in our Business bank, WIB and Procurement teams. Of the over 4,000 employees offered targeted capability training, over 1,100 participated in the ESG Professional Development module and of those who provided feedback, 81% agreed or strongly agreed that they had a better understanding of which modern slavery risk indicators to identify in their role.</li> <li>153 employees attended the Financial Crime learning program session with IJM on the human implications of modern slavery.</li> </ul> <p>See 'Training and awareness' above.</p>
	Employees complete mandatory training which includes references to our obligations relating to modern slavery.	<ul style="list-style-type: none"> <li>12,700 employees completed the 'Helping you Succeed - Working at Westpac' training module, which includes references to modern slavery.</li> <li>98% of all Group employees completed the 'Financial Crime Risk Awareness' training module, which included modern slavery risk.</li> </ul> <p>See 'Training and awareness' above.</p>

OUR ACTIONS	HOW WE MEASURE	HOW WE ASSESSED IN FY22
<b>Remediation and grievance mechanisms</b>	Grievance mechanisms available across all our roles through which suspicions or disclosure of human rights issues can be raised.	See 'Our <i>Grievance Mechanisms</i> ' above.
	Grievance mechanisms assessed against UNGP effectiveness criteria with actions identified for improvement.	<ul style="list-style-type: none"> <li>– Speaking Up Policy and related mechanism assessed for effectiveness.</li> <li>– Based on our assessment we updated the Speaking Up Policy and progressed initiatives aimed at improving awareness and accessibility of this channel in our supply chain.</li> <li>– We also formalised the use of our feedback and complaints channel to receive sustainability related matters, including human rights issues linked to our operations, products or services.</li> </ul> See 'Remediation and grievance mechanisms' above.
	Number of suspicions or disclosures of modern slavery issues investigated and addressed. <sup>1</sup>	<ul style="list-style-type: none"> <li>– Seven transactions with high modern slavery risk were assessed by WIB's ESG team, of which three required escalation to CT-REC.</li> <li>– CT-REC also performed a deep dive into potential modern slavery risk exposure in a specific high risk region, which resulted in direct engagement with three customers.</li> <li>– One disclosure of potential modern slavery not connected to Westpac's operations was raised through our Speaking Up channel. This was referred to the Australian Federal Police (AFP). We do not have visibility of the AFP's investigation of these matters.</li> <li>– 44 matters were identified and escalated through our transaction monitoring processes to our major investigations team due to suspicions which included modern slavery. Of these, six matters were referred to AUSTRAC due to modern slavery concerns. We do not have visibility of AUSTRAC's investigation of these matters.</li> <li>– One transaction was escalated to WNZL's Sustainability team for investigation due to high modern slavery risk, which resulted in direct engagement with the customer.</li> </ul>
	Partnerships with remediation partner/s.	<ul style="list-style-type: none"> <li>– Identified, and included reference in supporting documentation to, external partners who may be able to help those at risk of modern slavery including maintaining our relationship with the Freedom Hub and The Salvation Army Trafficking and Slavery Safe House.</li> </ul>

1. By 'address', we mean responding to the suspicion or disclosure of a potential impact in a way that is aligned to our commitments in our Human Rights Action Plan, including our commitment to the UNGPs. It might involve a range of actions. For example, following investigation, it might be determined that no further action is required, we may engage with a business partner that is involved in the impact, or we may provide for or cooperate in remedy, or play a role in remediation.

## 7. Future focus

Over the coming year we will continue to work on our areas of focus as identified in *Section 2 - Progress against our areas of focus*. We will also launch a refreshed Human Rights Position Statement and Action Plan; and as part of this, we will seek to align our actions to assess and address modern slavery risk with our strategic human rights priorities.

Our next Human Rights Position Statement and Action Plan will include a strategic focus on:

1. Deepening our understanding of our salient human rights issues, which may include modern slavery, and our potential and actual impacts on people. This will help to inform and better target our approach to human rights due diligence and risk management, so we can seek to better prevent and address harm and advocate for positive social outcomes.
2. Strengthening our grievance mechanisms where appropriate and necessary so they are effective and fit-for-purpose and inform the role we play in remedy.
3. Considering and addressing impacts on people (both adverse and positive) associated with climate change and the transition to a net-zero economy<sup>1</sup>.
4. Integrating our child safeguarding commitments across critical areas of the bank.
5. Continuing to strengthen the foundations of our human rights approach to drive improved progress, performance and risk management.

1. See also our [Climate Change Position Statement and Action Plan](#)

## 8. Consultation with owned or controlled entities

Through FY22, ongoing engagement and consultation on the Group's response to modern slavery has been held between our Sustainability team, relevant divisions and ESG Risk team. This engagement and consultation facilitated collaboration between divisional representatives (which covered entities owned or controlled by Westpac) and subject matter experts on the requirements and preparation of this Statement, as well as identification, assessment and management of modern slavery risk across our business, including supporting tools and resources.

Divisions engaged the Directors of all identified reporting entities (or where the entity was a trust, of the relevant trustee) to inform them of their obligations under the Australian Modern Slavery Act and offered guidance on the reporting obligations where required. All of those entities endorsed participation in this joint Statement prepared on their behalf by Westpac Banking Corporation (in accordance with the joint reporting requirement of section 14 of the Australian Modern Slavery Act). A final draft statement was made available to the reporting entities' nominated representatives before its publication.

For reporting entities which are trusts with a trustee external to Westpac, Westpac consulted with the trustee through correspondence regarding the joint Statement and the Australian Modern Slavery Act. Our approach to consultation has been formalised in guidance documents which outline the obligations of reporting entities and the role of divisions in supporting the preparation of the Statement and consultation with reporting entities.

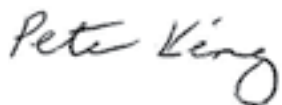
The Boards of the BT reporting entities have approved the inclusion of these entities in the joint Statement during the reporting year. Management representatives of these entities have been involved in the Group-wide consultation process and participated in the drafting of this Statement.

## 9. Overview of reporting entities

The following tables provide an overview of each reporting entity (including investment trusts) covered by this Statement including approving Boards<sup>1</sup>.

REPORTING ENTITY	PRINCIPAL ACTIVITIES DURING REPORTING PERIOD
1. Westpac Banking Corporation (ABN 33 007 457 141)	Westpac Banking Corporation (WBC) is the parent entity of the Westpac Group. The principal activities of the Group were the provision of financial services including lending, deposit taking, payments services, investment platforms, superannuation and funds management, leasing finance, general finance, interest rate risk management and foreign exchange services.
2. Crusade Trust No.2P of 2008 (ABN 54 656 327 299) <sup>2</sup>	The Trust is used for the purpose of securitising St.George, Bank of Melbourne and BankSA brand home loans.
3. Series 2008-1M WST Trust (ABN 55 776 534 334) <sup>2</sup>	The Trust is used for the purpose of securitising Westpac brand home loans.
4. Westpac Covered Bond Trust (ABN 41 372 138 093) <sup>2</sup>	The Trust is used to provide a financial guarantee in respect of all interest and principal payable under the terms of the covered bonds issued, from time to time, by Westpac.
5. Westpac Equity Holdings Pty Limited (ABN 77 003 018 559)	The principal activities of the company consisted of holding of investments in various entities in the Westpac Group and providing lending to related entities.
6. Westpac Financial Services Group Limited (ABN 50 000 326 312)	The principal activity of the company was that of a holding company for its controlled wealth entities. The wealth business includes the design and manufacture of financial products for sale to retail and wholesale customers in Australia. The company also provides administration and support services to its controlled and related entities.
7. Westpac Overseas Holdings No. 2 Pty Limited (ABN 90 121 257 510)	The principal activities of the company consisted of holding of investments.
8. Westpac Securitisation Holdings Pty Limited (ABN 95 112 457 762)	The principal activities of the company consist of managing investments in a Westpac Securitisation Trust.
9. RAMS Financial Group Pty Limited (ABN 30 105 207 538)	The principal activities of the company consisted of acting as agent for WBC to provide and distribute residential home loans and deposit products within Australia and acting as franchisor of the RAMS franchisees who distribute RAMS branded products.

This Statement was approved on 23 March 2023 by the Board of Westpac Banking Corporation on behalf of the reporting entities listed above.



**Peter King**

Managing Director and Chief Executive Officer

- There are 13 reporting entities for the purpose of the Australian Modern Slavery Act. It was not practicable to seek approval from the Board of a higher entity only or each of the Boards of these reporting entities due to complexities around both the timing and requirements of Board meetings and the governance structure and decision of the BT reporting entities.
- Trust with a trustee external to Westpac.

REPORTING ENTITY	PRINCIPAL ACTIVITIES DURING REPORTING PERIOD
10. BT Funds Management Limited (ABN 63 002 916 458)	The company is both a Registrable Superannuation Entity (RSE) Licensee and Responsible Entity. The principal activities of the company were the provision of trustee and funds management services.
11. BT Portfolio Services Limited (ABN 73 095 055 208)	The principal activities of the company were the provision of the client investment administration services and back office administration services to the Wealth Group companies.
12. Advance Asset Management Limited (ABN 98 002 538 329)	The company is a Responsible Entity. The principal activities of the company were the provision of trustee and funds management services.
13. Westpac Financial Services Limited (ABN 20 000 241 127)	The company is a Responsible Entity. The principal activities of the company were the provision of trustee and funds management services.

The Statement was approved by the Board of BT Funds Management Limited on 22 December 2022 and the Boards of BT Portfolio Services Limited, Advance Asset Management Limited and Westpac Financial Services Limited on 23 December 2022 on behalf of the reporting entities listed above.



**Gai Marie McGrath**

Chair, BT Funds Management Limited



**Vicki Lee Allen**

Chair, BT Portfolio Services Limited, Advance Asset Management Limited and Westpac Financial Services Limited

# Appendix 1 – Australian Modern Slavery Act mandatory criteria

This Statement was prepared to meet the mandatory reporting criteria set out under the Australian Modern Slavery Act. The table below identifies where each criterion is addressed within this Statement.

AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	FY22 MODERN SLAVERY STATEMENT
Identify the reporting entity	Disclosure notes (p. 2) Overview of reporting entities (pp. 38 - 39)
Describe the structure, operations and supply chain of the reporting entity	Our structure, operations and supply chain (pp. 5 - 9)
Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity, and any entities that the reporting entity owns or controls	Identifying risks of modern slavery practices in operations and supply chain (pp. 10 - 15)
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Our actions to assess and address modern slavery risk (pp. 16 - 31)
Describe how the reporting entity assesses the effectiveness of such actions	Assessing effectiveness (pp. 32 - 35)
Describe the process of consultation with any entities that the reporting entity owns or controls	Consultation with owned or controlled entities (p. 37)
Any other information that the reporting entity considers relevant	Message from the Chief Executive Officer (p. 3) Engagement and advocacy (p. 28 - 29) Future focus (p. 36)



## Appendix 2 – Policies and frameworks

Additional policies and frameworks that support our broader approach to managing ESG and modern slavery across our operations and supply chain include:

ACTIVITY	POLICY/PROCESS DOCUMENT	PURPOSE	UPDATED IN FY22 <sup>1</sup>
As a financial services provider	Group Sanctions Policy	Establishes the minimum expectations for us to comply with our relevant economic and trade sanctions obligations.	N
	<b>Group Anti-Bribery and Corruption Policy</b>	Establishes the minimum expectations for us to comply with our anti-bribery and corruption obligations.	Y
	Group Complaints Management Policy	Sets out our approach to appropriately and consistently managing complaints across the Group.	N
As a lender	WNZL ESG Credit Risk Policy	Describes how WNZL incorporates ESG risk analysis into the credit assessment and approval process for business, corporate and institutional customers.	Y
As an employer	Group Remuneration Policy	Outlines our approach to remuneration including our commitment to providing market competitive and fair remuneration.	N
	Group Recruitment Policy	Outlines our approach to recruitment, including our commitment to fair and ethical recruitment.	Y
	Australian Enterprise Agreement	Outlines terms for employees relating to pay, leave, working hours, flexibility, staffing, development, speaking up and leaving the Company.	Y
As a purchaser of goods and services	Group Outsourcing Policy	Sets the minimum standards required to manage third party and prudential compliance risks associated with outsourcing business activities.	N
	WNZL Supplier Management Policy (SMP)	Sets out the principles underlying WNZL's approach to Supplier Management. It establishes the structure for managing supplier relationships and risk.	Y
	WNZL Procurement Policies (Related Party and Independent Third-Party Policies)	The Procurement Policies related to the SMP are the 'Related Party' and 'Independent Third Party' Outsourcing Policies. These provide clear guidance on either market-based engagements or when WNZL engages the services of an affiliate or subsidiary of another Westpac entity.	N
	WNZL Responsible Sourcing Principles	Principles that underpin the way WNZL approaches purchasing decisions to ensure sustainable outcomes for our communities, customers and suppliers.	N

1. Updates may not have been specifically aimed at addressing modern slavery risk.