

Modern Slavery Statement

FY21

WESTPAC BANKING CORPORATION
ABN 33 007 457 141

Simpler, stronger bank

 **estpac** GROUP

Welcome to Westpac Banking Corporation's Modern Slavery Statement

1. Disclosure notes	2
2. Message from the Chief Executive Officer	3
3. Our structure, operations and supply chains	5
4. Identifying risks of modern slavery practice in operations and supply chains	9
5. Our actions to assess and address modern slavery risk	16
6. Assessing effectiveness	32
7. Progress and future focus	36
8. Consultation	37
9. Overview of reporting entities	38
Appendix 1 - Australian Modern Slavery Act mandatory criteria	44
Appendix 2 - Policies and frameworks	45

1. Disclosure notes

This Modern Slavery Statement (Statement) is the Westpac Group's¹ and the BT reporting entities (defined below) response to the Australian *Modern Slavery Act 2018* (Cth) (Australian Modern Slavery Act)² and *Modern Slavery Act 2015* (UK) (UK Modern Slavery Act) for the period 1 October 2020 to 30 September 2021, our financial year (FY21)³.

This is a joint Statement made on behalf of:

- Westpac Banking Corporation (ABN 33 007 457 141) and a number of its owned and controlled entities which are reporting entities under the Australian Modern Slavery Act (listed in Section 9); and
- Asgard Capital Management Limited (ABN 92 009 279 592) (ACML), BT Portfolio Services Limited (ABN 73 095 055 208) (BTPS), Advance Asset Management Limited (ABN 98 002 538 329) (AAML), and BT Funds Management Limited (ABN 63 002 916 458) (BTFM) and the trusts for which they are trustees which are reporting entities under the Australian Modern Slavery Act and the trusts for which Westpac Financial Services Limited (ABN 20 000 241 127) (WFSL) and BT Funds Management No. 2 Limited (ABN 22 000 727 659) (BTFM2) are trustees which are reporting entities under the Australian Modern Slavery Act (listed in Section 9), (collectively the BT reporting entities).

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, unless it clearly means Westpac Banking Corporation. All figures quoted in this Statement are for the 12 months ended 30 September 2021 unless otherwise indicated. All dollar amounts are in Australian Dollars.

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 FY21 (1 October 2020 to 30 September 2021) unless otherwise specified.

2. Message from the Chief Executive Officer

SUMMARY OF OUR MODERN SLAVERY RISKS

This year we sought to refine our risk assessments in both our operations and supply chain by further considering how we may typically be involved in modern slavery risk and therefore how we might best respond to that potential impact. In summary:

- **As a financial services provider**, there is potential for us to *contribute* or be *directly linked* to modern slavery risk through our relationships with individuals who are vulnerable to exploitation, or exposed to modern slavery risk. We could also be involved in modern slavery if our customers use our products or services for activities that involve modern slavery.
- **As a lender**, there is potential for us to *contribute* or be *directly linked* to modern slavery risk through our relationships with customers who perpetrate, rely on, or benefit from modern slavery in their operations and supply chains.
- **As an investor** and specifically in our wealth management activities, there are instances where we may be *directly linked* to the risks and impacts of the companies or assets we invest in.
- **As an employer**, there is potential to *cause* modern slavery if our own activity directly results in a modern slavery impact.
- **As a supporter of communities**, there is potential to *contribute* or be *directly linked* to organisations involved in modern slavery through our donations.
- **As a purchaser of goods and services**, there is potential to *contribute* or be *directly linked* to modern slavery risk through our relationships with suppliers who perpetrate, rely on, or benefit from, modern slavery in their operations and supply chains.

See [section 4: Identifying risks of modern slavery practices in operations and supply chains](#) for more information, including how this understanding of risks may inform our actions to address modern slavery risks.



Modern slavery continues to be a challenge that requires a combined focus from government, civil society and businesses including the Westpac Group. The issue of modern slavery is deeply concerning and needs to be managed across operations and supply chain.

We recognise that we have a responsibility to respect human rights, and identify opportunities to positively impact human rights, across our operations and supply chain. Our third [Human Rights Position Statement and 2023 Action Plan](#) (Human Rights Action Plan) sets out our commitment to respect human rights, and a number of actions we are taking so that human rights are more widely and effectively respected throughout our organisation, including through our lending, supplier and other relationships.

We value this opportunity to share our approach and what we have learned during the year about managing modern slavery risk, as part of our broader focus on human rights and environmental, social and governance (ESG) risk. Managing ESG risk well is one of our priorities and what our shareholders, community and other stakeholders expect of us.

Our first [Modern Slavery Statement](#) under the Australian Modern Slavery Act for the 2020 financial year built on the slavery and human trafficking reporting we've been undertaking since 2016 in accordance with the UK Modern Slavery Act.

This year's Statement aims to provide further insight into the risk of modern slavery in our operations and supply chain and how we're taking action to address modern slavery as a financial services provider, lender, investor, employer, supporter of communities and purchaser of goods and services.

During the 2021 financial year our actions included:

1. **Steps to enhance our ESG risk assessment processes** as part of the credit assessment and approval processes for our business, corporate and institutional customers. This included a

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.

Message from the Chief Executive Officer (continued)

- focus on building capability through training and tools to lift our capacity to assess and manage human rights and modern slavery risks.
2. **Continued focus on strengthening modern slavery risk management in our supply chain.** We updated our Responsible Sourcing Program to take a greater risk-based approach and include stronger management and monitoring processes. This included undertaking third party validation of industry risk profiles, implementing a refreshed Supplier Assessment tool and development of action plans for selected suppliers.
 3. **Conducted a deeper dive into the risk of forced labour arising out of a specific high-risk region.** We undertook targeted due diligence and proactively engaged with clients and suppliers to investigate links to allegations of forced labour.
 4. **Continued to mature our management of sustainability risk,** including modern slavery risk, across the Group, including the establishment of a dedicated second line of defence Reputation and Sustainability Risk team and inclusion of sustainability risk in the Group's Customer Outcomes and Risk Excellence (CORE) program that is designed to strengthen risk frameworks and processes, further clarify accountability, and improve the Group's risk culture.
 5. **Continued focus on embedding human rights considerations into our financial crime processes.** We strengthened our approach to identifying, assessing, mitigating and reporting financial crime risks overall, and also took specific action to support management of modern slavery risk, including enhancing our child sexual exploitation detection scenarios and developing new detection scenarios focused on identifying modern slavery risk.
 6. **Raised awareness in the Group on how to identify and manage suspicions of modern slavery.** We conducted modern slavery training targeted at more than 5,500 staff across our branch, specialist vulnerability and procurement teams.
 7. **Continued engagement in a number of initiatives and partnerships with financial services industry participants, industry experts and community partners,** to explore ways that we can address modern slavery risks. This included finalising a \$25 million (AUD) grant to fund innovative cross-industry data sharing projects with the International Centre for Missing and Exploited Children (ICMEC) to better detect, monitor, report on, and seek to prevent Australian payments platforms being used to process payments that relate to Child Sexual Exploitation (CSE), following scoping and discovery work in 2020.

I trust this Statement helps to demonstrate our actions to assess and manage modern slavery risks in our operations and supply chain as part of our ongoing work in this area.

Peter King

Managing Director and Chief Executive Officer

3. Our structure, operations and supply chains

Structure and Operations¹












Founded in 1817, Westpac is Australia's first bank and oldest company. Westpac is one of four major banking organisations in Australia and one of the five major banks in New Zealand. On 23 August 2002, the Westpac Banking Corporation was registered as a public company limited by shares under the *Australian Corporations Act 2001* (Cth). The Group includes a number of subsidiaries including the reporting entities described in Section 9. More information about our business is set out in our 2021 Annual Report and our 2021 Sustainability Supplement.

Westpac's purpose is to help Australians and New Zealanders succeed. In 2021, after resetting our purpose and strategic priorities, we began to simplify our operations to refocus on banking in Australia and New Zealand. This year we exited several businesses, closed some international operations and worked to simplify our banking business through our lines of business operating model. Further simplification is expected in the year ahead.

We employ over 40,000 people across the Group. As at 30 September 2021, we reported a headcount of 34,975 permanent employees and 5,168 temporary staff. A more detailed breakdown of this information can be found in the 2021 Sustainability Datasheet.

With our portfolio of brands we support over 13.9 million customers. We have branches, affiliates and controlled entities throughout Australia, New Zealand, Asia and in the Pacific region, and maintain branches and offices in some of the key financial centres around the world.

Westpac comprises six major divisions:

DIVISION	OVERVIEW	BRANDS
Consumer	Serving consumers in Australia with a range of banking products under the brands of Westpac, St.George, BankSA, Bank of Melbourne and RAMS.	    
Business	Serving the needs of small to medium businesses and commercial and agribusiness customers across Australia. This division also includes Private Wealth, supporting the needs of high-net-worth individuals.	   
Westpac Institutional Bank (WIB)	Delivering a broad range of financial services to commercial, corporate, institutional and government customers operating in, and with connections to, Australia and New Zealand.	
New Zealand	Delivering banking, wealth and insurance services to consumer, business and institutional customers across New Zealand.	
Group Businesses	Comprising our head office and Australian corporate and support functions including treasury, technology, operations, property services, strategy, finance, risk, compliance, legal, human resources, and customer and corporate relations.	
Specialist Businesses	Bringing together the Group's non-core businesses that we ultimately plan to divest. These include superannuation, wealth platforms and investments, Auto finance, along with our operations in Fiji and Papua New Guinea. For part of the year, the division included our Vendor Finance and Australian insurance operations (General and Lenders Mortgage Insurance) which were sold during the year. The sale of Life Insurance and Auto finance is expected to be completed in 2022.	  

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*.

Structure and Operations (continued)

As a financial services institution we recognise that there are risks of involvement in modern slavery across our operations and supply chain.

Below we provide context on two material areas of our operations, as a lender and investor.

We play an important role in supporting the economy through Westpac's core lending businesses. Our Consumer and Business Banking, WIB and New Zealand divisions support the efficient flow of funds to our retail, small to medium business, corporate and institutional customers. The diagrams opposite outline the composition of lending as at 30 September 2021.

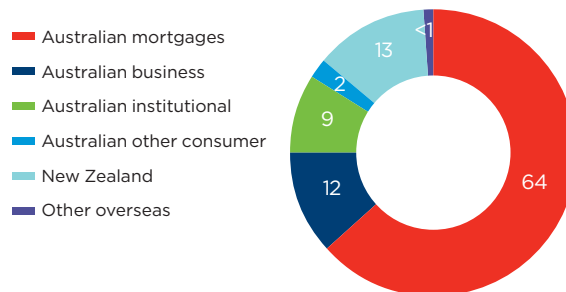
The majority of investment activity occurs with our wealth management business¹. In this Statement wealth management entities are referred to collectively as BT².

BT invests in assets on behalf of investors and superannuation members (customers). Customers have access to a wide range of investments through our investment platforms and superannuation and investment funds, including those not managed by BT.

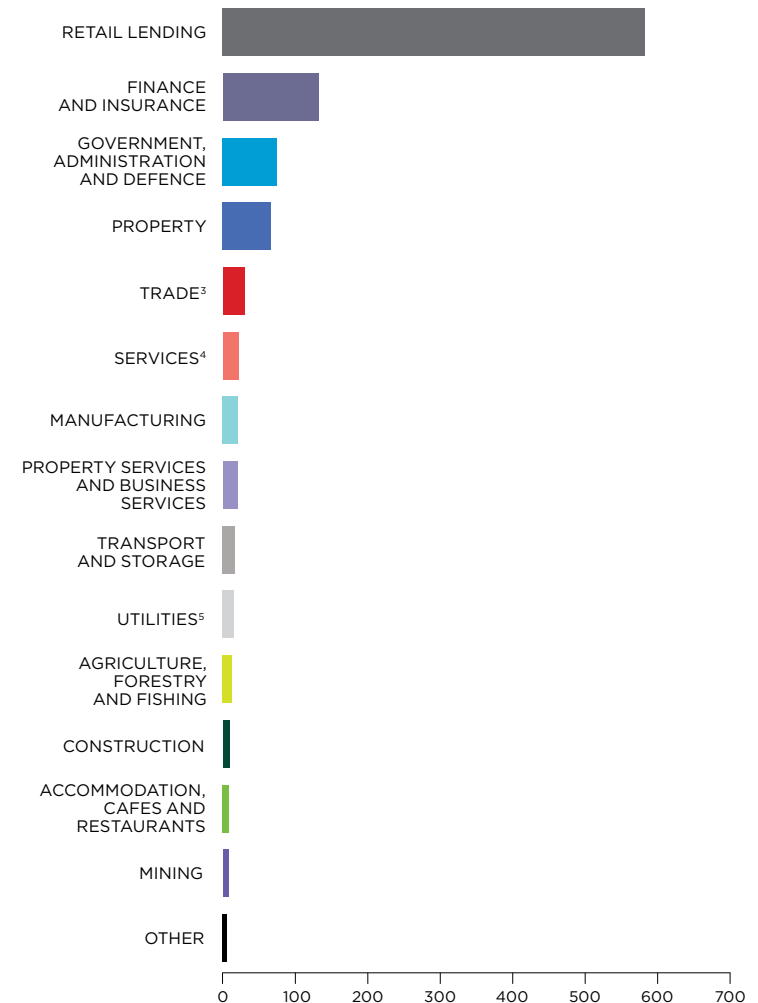
BT offers a range of products and services, and the ability of BT to influence underlying investments across each of these varies greatly. At a high level these include:

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, we appoint underlying investment managers who invest on our 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).

COMPOSITION OF LENDING (% of total)



GROUP LENDING PROFILE (EXPOSURE AT DEFAULT) (\$M)



¹ By value of funds invested.

² This encompasses Asgard Capital Management Limited (ABN 92 009 279 592), BT Portfolio Services Limited (ABN 73 095 055 208) and Advance Asset Management Limited (ABN 98 002 538 329), Westpac Financial Services Limited (ABN 20 000 241 127), BT Funds Management Limited (ABN 63 002 916 458) and BT Funds Management No. 2 Limited (ABN 22 000 727 659) and the trusts for which they are trustees.

³ Includes wholesale trade and retail trade.

⁴ Includes education, health and community services, cultural and recreational services, and personal and other services.

⁵ Includes electricity, gas and water, and communication services.

Supply chain

We procure a range of goods and services from a diverse 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 three functions:

1. Group Procurement manages most non-technology sourcing and procurement activity over \$250,000 (AUD) per annum and any high-risk suppliers¹ below this threshold.
2. Group Technology Sourcing manages all technology sourcing and procurement.
3. Commercial Services New Zealand manages sourcing and procurement for the New Zealand business, for both technology and non-technology activity.

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

8,700+

DIRECT (TIER 1²) SUPPLIERS

105

CATEGORIES ACROSS GOODS AND SERVICES

80%

SPEND WITH 195 SUPPLIERS

\$7.98bn³

TOTAL SPEND

Our spend is managed in the following categories:

CATEGORY	DESCRIPTION OF SPEND	% OF SPEND
Technology	Includes professional IT services, business process outsourcing (offshore), telecommunications, application services and infrastructure.	33%
Corporate Services	Includes consulting, human resources, legal services, office fit-out, facilities management, 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.	31%
Other Third Parties	Includes mortgage brokers and agents, fees for ATMs, point of sale and other payment schemes, bank charges, charitable donations and grants.	12%
Regulatory Fees and Taxation	Includes GST recoupment, regulatory fees and taxation.	8%
Customer Interactions	Includes commercial print, post, mail-house, marketing, digital and creative services, events, uniforms, promotional merchandise, contact centres, corporate insurance (staff and business) and customer relations.	6%
Customer Solutions	Includes customer loyalty, card manufacturing, card payment processing, general insurance, card insurance, reinsurance, custodial services, shareholder administration, investments and superannuation.	5%
Operations Enablement	Includes freight and couriers, debt collection, settlement agents, valuation services, title searches, cheque and voucher processing, mail room and ATMs.	5%

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, operating in or providing goods or services from higher risk countries or from industries considered high-risk of modern slavery.

² 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.

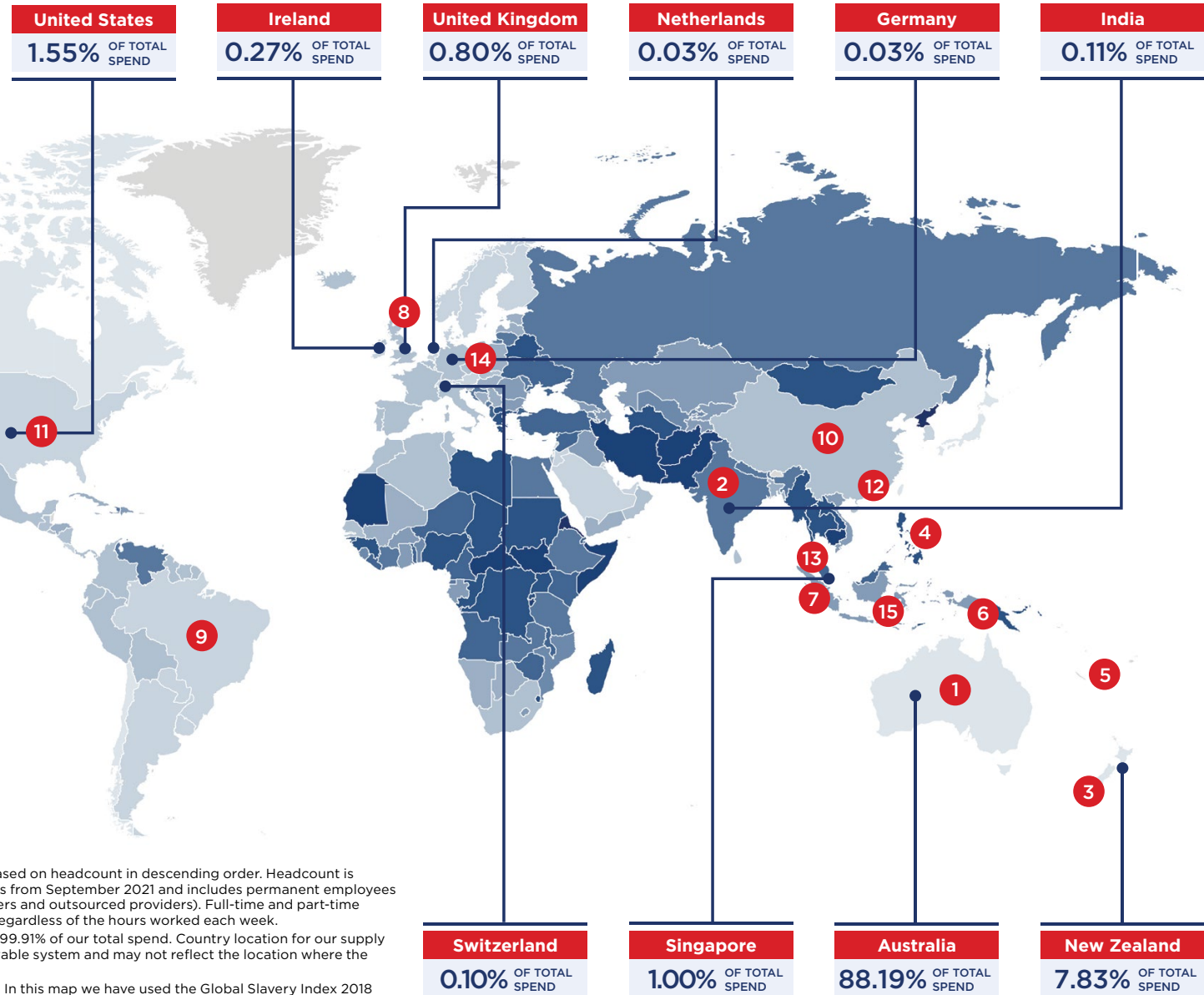
³ FY21 spend is comprised of \$7.98 billion (AUD), inclusive of GST, that is captured for our Tier 1 suppliers through Group reporting systems. Spend excludes Purchasing Card (corporate-issued credit cards) transactions, staff reimbursements and intercompany payments.

Our operations¹ and supply chain² can be mapped as follows:

Location of Operations (by headcount for permanent and augmented workforce)¹

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

Global Slavery Index 2018³: Prevalence of Modern Slavery



1 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 September 2021 and includes permanent employees and our augmented workforce (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.

2 Represents the top 10 countries by spend, which comprises 99.91% of our total spend. 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.

3 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 time of risk assessment activities, to provide an indication of each country's modern slavery risk.

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

Modern slavery risks

As a financial services institution we recognise that there are risks of involvement in modern slavery across our operations and supply chain.

In identifying our modern slavery risks, we recognise a continuum of 'involvement', as set out in the UN Guiding Principles on Business and Human Rights (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 chains¹. Potential action will vary according to the level of involvement in adverse human rights impacts (see diagram opposite).

Our understanding of the UNGPs continuum of involvement

Cause	Contribute	Directly linked	No involvement
A company may cause modern slavery if its own activities directly result in a modern slavery impact.	A company may contribute 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 directly linked 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; provide for or cooperate in remediation.

Seek to prevent or stop contribution; use leverage to mitigate any remaining impact, as far as possible; 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; potentially take a role in remediation.

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.

Modern slavery risks (continued)

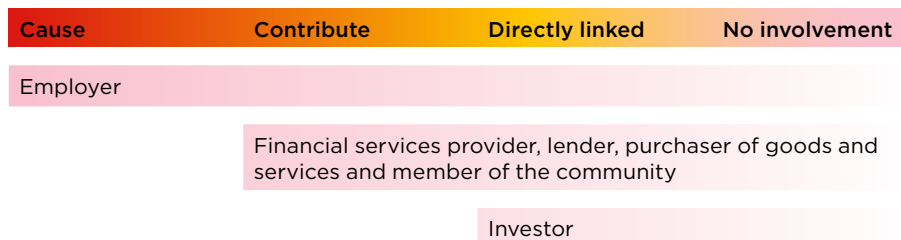
These risks can arise due to the following factors:

SECTOR OR CATEGORIES RISKS	COUNTRY RISKS	VULNERABLE GROUPS	BUSINESS MODEL RISK
Products and services regarded as having more significant inherent modern slavery risk.	Countries or regions which are known to have higher human rights (including modern slavery) risks.	Groups more likely to be exposed to harm, or unable to advocate for themselves in exploitative situations.	Business models that have higher human rights risk.
Examples <ul style="list-style-type: none"> IT supply chains Merchandise Raw materials Manufacturing Agriculture Construction Cleaning Hospitality Food Services. 	Prevalence of modern slavery is highest in Africa and Asia Pacific, followed by Europe and Arab States ¹ . However it exists in every country, including Australia.	Examples <ul style="list-style-type: none"> Migrant workers Low skilled work Temporary and seasonal work <p>The risk is compounded by factors such as cultural and language barriers, visa status, sex, isolation.</p>	Examples² <ul style="list-style-type: none"> Labour hire and outsourcing with high use of precarious labour Franchising Complex supply chains with limited visibility Low-cost goods and services Sourcing in countries with contested land use.

The ongoing impacts of COVID-19 are widely recognised as having exacerbated these risks, often as a result of factors such as financial insecurity, job loss and reduced access to funds and high levels of psychological distress. These impacts can also increase vulnerability to modern slavery, particularly amongst women, young people and others already at risk or vulnerable groups at particular risk.

During the year we sought to further refine our risk assessments in both our operations and supply chain by considering a number of scenarios involving modern slavery risks, and how we may be involved in these risks. The diagram below shows the ways we may *typically* be involved in these risks, based on our analysis of specific scenarios we considered³.

UNGPs continuum of involvement: our roles*



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

These scenarios will be used to inform our responses to impact as appropriate and expected in line with our commitment to the UNGPs. Section 5 addresses how we take action in line with the UNGPs with the aim of preventing and addressing modern slavery risk given our understanding of how we may be involved in these impacts.

1 The Global Slavery Index 2018.

2 <https://shiftproject.org/resource/business-model-red-flags>

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

Potential modern slavery risks in our operations

Financial services provider

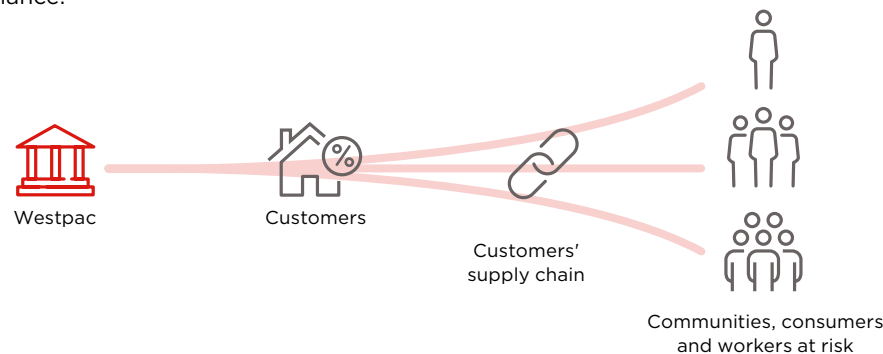
We recognise we may have individual customers who are vulnerable to exploitation, or exposed to modern slavery risk, through their personal or work circumstances. We may not be involved in the risk itself. Although not directly related to our relationship with such customers, we acknowledge that we may identify such risks 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 that involve modern slavery. We recognise that this risk may be higher where our customers are involved in activities, industries or countries that are high-risk for modern slavery; for example transacting to and from countries with a higher risk for modern slavery. Modern slavery may be linked to other financial crimes such as money laundering, corruption and sanctions.

Lender

We understand that there is a risk of involvement in modern slavery through providing financial services to institutional, business and retail customers that may perpetrate, rely on, or benefit from, modern slavery in their operations and supply chains. For example, we may lend to a project where forced labour exists in its supply chain (simplified example shown below - noting that 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 risk through our customers' supply chains or through projects we may finance.



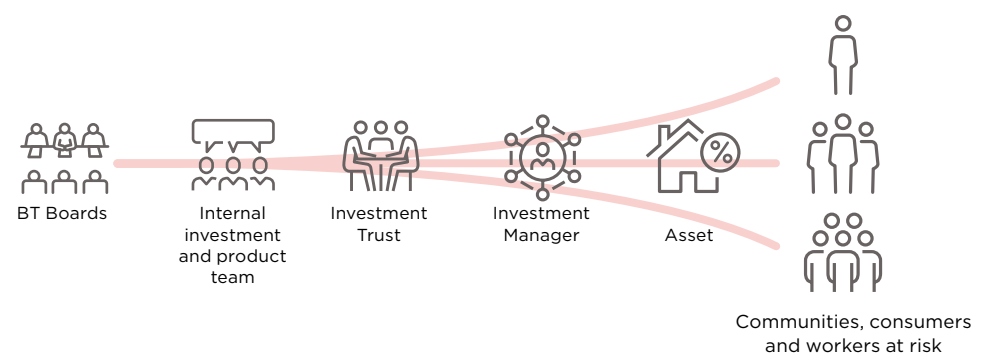
Investor

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 our investment portfolio spans multiple asset classes, industries and countries. We also work with a number of business partners (see example below) which means our involvement with those who may be impacted may be several steps removed. This can make assessing the portfolio for modern slavery risk more complex.

The likelihood of exposure to modern slavery risk through investments is highest where assets are associated with industries and countries where the risk of modern slavery is greatest; however we know that modern slavery can and does occur in industries and countries not considered 'high-risk'.

We also acknowledge 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 by our approach to assessing and addressing modern slavery in our portfolio.

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



Note: How BT could be involved in the risk of modern slavery through investments developed internally.

1. DISCLOSURE NOTES	2. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	3. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	4. RISKS OF MODERN SLAVERY PRACTICES AND SUPPLY CHAINS	5. OUR ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISK	6. ASSESSING EFFECTIVENESS	7. PROGRESS AND FUTURE FOCUS	8. CONSULTATION	9. OVERVIEW OF REPORTING ENTITIES	APPENDIX 1 - AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	APPENDIX 2 - POLICIES AND FRAMEWORKS
---------------------	---	--	---	--	----------------------------	------------------------------	-----------------	-----------------------------------	---	--------------------------------------

Potential modern slavery risks in our operations (continued)

Employer

There may be a risk of exploited labour within our workforce. This risk tends to be higher in relation to low-skilled, indirect employment arrangements and in countries that are higher risk for modern slavery.

Supporter of communities

There may be a level of risk that we could support organisations involved in modern slavery through donations, particularly where the organisations operate in industries or countries that are higher risk for modern slavery.

For example, a charity may be found to have modern slavery in its operations or supply chain, or our donations to charities may not be used as intended and instead be used to support activities involving modern slavery, or activities within higher risk industries or countries.

LONG SERVICE LEAVE REMEDIATION

In July 2020, we informed the Fair Work Ombudsman (FWO) about errors in the way some employees' Long Service Leave (LSL) had been calculated resulting in over or under payments. Since then, we have written to all employees, both past and present, who received an incorrect LSL payment. We fixed this error in our payroll systems and made up any underpayments with interest. In November 2021, we entered into an Enforceable Undertaking with the FWO to make sure our LSL obligations are properly met.

While we do not consider these errors to constitute modern slavery in this instance, we will continue to consider employment arrangements including pay as part of our next phase of work (see *Our actions to assess and address modern slavery risk – as an employer*).

Potential modern slavery risks in our supply chain

As a purchaser of goods and services, there is a risk that we could be involved in modern slavery if it is present in our supply chain. Our level of involvement may be influenced by our sourcing practices, engaging in one-off purchases and/or the use of non-contracted suppliers. We also recognise that the risks in our supply chain may be 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.

Westpac's Responsible Sourcing Program uses a combination of industry and country risk profiles and data sources to establish a supplier's inherent risk profile. We have mapped our direct suppliers for our Australian and New Zealand operations against these risk profiles to help us identify and assess our modern slavery risks.

We have identified and prioritised 10 high-risk categories (in the table opposite) which comprised \$1.7 billion of spend¹, equating to 21.25% of total spend (FY21 \$7.98 billion²).

PRIORITISED HIGH-RISK CATEGORIES	OUR RELATED PRODUCTS AND SERVICES	% OF HIGH-RISK SPEND	% OF TOTAL SPEND
Labour Hire	Contingent labour/contractors	37.95%	8.06%
IT Hardware	IT and telco hardware and consumables	26.49%	5.63%
Cleaning and Facilities Maintenance³	Services in our corporate buildings and branches, including outgoings paid to landlords for activities on our behalf	11.47%	2.44%
Construction	Construction and fit-out projects in our corporate buildings and branches	6.94%	1.47%
Business Process Outsourcing (Offshore)	Mortgage and data processing, call centres and IT systems support	5.73%	1.22%
Business Process Outsourcing (Onshore)	Mail sorting, document scanning and call centres	5.54%	1.18%
Manufactured Products	Merchandise, stationery, security equipment, ATMs and commercial print	3.48%	0.74%
Security Services	Security, guarding services and mobile patrols for our corporate buildings and branches	1.73%	0.37%
Apparel	Uniforms for our branch staff	0.36%	0.08%
Hospitality and Accommodation⁴	Catering and hospitality services in our corporate buildings and corporate travel hotels	0.31%	0.06%
		100%	21.25%

1 High-risk spend is comprised of \$1.7 billion (AUD), exclusive of applicable local and international jurisdictional taxes e.g. GST. High-risk categories have been identified and assessed irrespective of taxes.

2 FY21 spend is comprised of \$7.98 billion (AUD), inclusive of GST, that is captured for our Tier 1 suppliers through Group reporting systems. Spend excludes Purchasing Card transactions, staff reimbursements and intercompany payments.

3 In FY21 with access to new data from our facilities management agent, we have combined facilities maintenance and outgoings into our 'Cleaning and Facilities Maintenance' high-risk category, subsequently removing the FY20 high-risk category 'Property Leasing', which included rent payments, from this year onwards.

4 FY20 high-risk categories for 'Food and Beverage and Hospitality' and 'Accommodation' have been combined into 'Hospitality and Accommodation' in FY21.

Potential modern slavery risks in our supply chain (continued)

In FY21, we investigated our IT Hardware category and identified that some suppliers required more granular classification to confirm the hardware and equipment provided as part of their contracts. We commenced work to identify specific IT hardware contracts and sub-agreements across technology suppliers and to date have identified 23 suppliers providing IT hardware and equipment, comprising \$200M of contract value in FY21. The remaining suppliers will continue to be confirmed in FY22. This will allow us to more accurately determine which suppliers are within this high-risk category.

Last year we identified spend with Tier 2 suppliers in other high-risk categories, such as property leasing and facilities maintenance, and payments to building and construction suppliers for insurance claims¹. Property leasing and facilities maintenance are managed through a facilities management agent, this year we have access to the data and have made progress to reclassify these suppliers and their spend between Tier 1 and Tier 2 from this year onwards.

SUPPLY CHAIN TRANSPARENCY AND TRACEABILITY

Supply chain mapping beyond our Tier 1 suppliers commenced in FY21 with a focus on three of our high-risk categories including uniforms, cleaning and construction. This mapping exercise, in collaboration with our supplier partners, highlighted the difficulty of gaining visibility throughout the supply chain. This challenge led us to consider how we could improve transparency and traceability in our supply chain and resulted in an evaluation of several external third-party solutions, of which we are now testing one to better understand how it may support us. Through this work we are seeking to gain greater visibility of modern slavery risks beyond Tier 1 with the objective to implement a solution in FY22.

Our country risk profiles are informed by international indices, including the Global Slavery Index, Worldwide Governance Indicators (WGI) project and Trafficking in Persons Report. Country location for our supply chain is based on the supplier's address in our Accounts Payable system and may not reflect the location from which products and/or services are delivered. In FY22 we will seek to identify where products and services are delivered from if different from the supplier's corporate location.

Responsible Sourcing contract clause

In FY20, we updated the Responsible Sourcing clause in our standard supply contracts to strengthen supplier obligations in relation to modern slavery. This included a sub-clause for suppliers to notify Westpac if any instances of modern slavery, forced labour or human trafficking are identified within their business operations or supply chain. In FY21, we developed an internal playbook to allow for more efficient and consistent negotiation of Responsible Sourcing and modern slavery sub-clauses. As a result of our contract clause requirements, in FY21 we had a supplier come forward when allegations of forced labour in their supply chain were brought to their attention. See [Case Study: Forced Labour](#).

SPEND IN HIGHER RISK COUNTRIES²

RISK	NO. OF COUNTRIES	SPEND	NO. OF SUPPLIERS
High	4	\$8.9M	12
Medium	3	\$1.5M	21

1 During the period Westpac sold its general insurance and lenders mortgage insurance businesses and ceased to provide these services once the transactions were completed. This removed a number of Tier 1 and Tier 2 supplier that we were planning to review in more detail this year. For example, Tier 2 spend relating to customer insurance claims for building and construction works is no longer in scope of our review. The remaining Life Insurance business continues to screen the remaining suppliers.

2 Spend excludes Purchasing Card transactions, staff reimbursements and intercompany payments.

Potential modern slavery risks in our supply chain (continued)

CASE STUDY: FORCED LABOUR

During the year, we were made aware of two separate alleged instances of forced labour arising out of the same high-risk region – one through our role as a project financier (i.e. as a lender) and one in our supply chain (i.e. as a purchaser of goods and services). The alleged instances were unrelated, but both involved complex projects with a number of other parties, with one including other financiers and the other, suppliers.

We were made aware of the supply chain allegations by a Tier 1 supplier as a result of the modern slavery sub-clause in their agreement.

We were made aware of the allegations of one of the downstream suppliers in the project relating to our financing through our involvement in a project syndicate. In this instance, we sought to better understand best practices and developed a strategic plan with the aim of leveraging change within the project. However, we faced a number of challenges including in relation to obtaining substantiated evidence and limitations in relation to our leverage in the project, particularly in respect to our relationship to the relevant supplier and sponsors of the project.

In both situations, we took steps to assess the risk of our involvement in forced labour in line with our human rights principles and in line with available industry guidance.

We assessed the information that was available to us, although limited, and took steps to openly engage with our customers, our Tier 1 supplier and other related parties (as relevant) to raise our concerns, understand the state of investigations and request independent verification reports to determine if the allegations could be substantiated. In both situations, the lack of verifiable information impacted our ability to understand the alleged forced labour impacts, any involvement we might have and if so, the type of leverage we may have to help to mitigate the alleged impacts.

These allegations, and associated challenges, highlight the risks of modern slavery arising in sub-tiers of the supply chains of our customers and suppliers. There are numerous complexities and constraints, particularly due to limited or unreliable information and significant challenges with verification. At this stage, we continue to monitor and assess the ongoing risk and seek to collaborate with our customers and suppliers to influence change where these opportunities arise, before considering responsible disengagement.

Any decision on disengagement would be taken on a case-by-case basis. We use human rights and industry guidance on factors that would inform this – including further substantiation of the allegations; consideration of the impact this may have on outcomes for people, and the effect this may have on our leverage.

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

To strengthen our approach to this and other human rights concerns, we have also made a number of changes to our sourcing processes to prioritise higher risk areas of our supply chain. We have developed additional targeted supplier due diligence for tender processes and are embedding expectations on management of this issue in contractual arrangements. We are also working in partnership with some suppliers to explore opportunities for greater transparency in supply chains.

Similarly, in relation to our financings, we are taking action to further embed upfront consideration and guidance on assessment and management of social and human rights risks in higher risk industries as part of the implementation of our refreshed ESG Credit Risk Policy. We will support this with training for staff in areas at higher risk for modern slavery, including our Business Lending, Institutional Lending and Transactions teams.

5. Our actions to assess and address modern slavery risk

Our focus in FY21 was to build on our actions reported in FY20 based on an increased understanding of how we are connected to modern slavery risks and impacts.

Identification and assessment of risks: operations

As a financial services provider

We recognise the importance of integrating consideration of human rights within our financial crime processes. Our approach to preventing financial crime focuses on prevention, detection, reporting and mitigation 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 (see diagram below).

There are a range of ways we may identify possible modern slavery activity 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 provides us with information about modern slavery risk factors from a range of perspectives, including behavioural, demographic and transactional activity perspective. When considered together or in combination, these can help to inform us of where a risk of modern slavery may exist.

		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
Examples of how we identify and manage modern slavery risks through financial crime risk management	Prevention	Detection	Reporting	Mitigation	
	Customer due diligence and risk assessments (e.g. country risk)	Transaction monitoring, customer and payment screening	Regulatory reporting	Anti-bribery and corruption	

For example, identification of modern slavery risk can occur through transaction monitoring for financial crime. This is primarily undertaken through detection scenarios comprised of a range of indicators. Modern slavery can be linked to money laundering, as well as other forms of financial crime such as bribery, corruption and sanctions. Therefore indicators used for financial crime more broadly can help to detect suspected instances of modern slavery.

This year we took action to strengthen our approach to identifying, assessing, mitigating and reporting financial crime risks overall. Highlights included:

- Increased specialist resources by around one-third from 2019
- Delivered over 40,000 hours of financial crime awareness training
- 60 transaction monitoring rules updated or implemented
- Upgraded transaction screening software and settings to better detect reportable customer activity
- Addressed all matters referenced in AUSTRAC's Statement of Claim and remediated over 350 issues¹.

¹ In respect of the civil proceedings commenced by AUSTRAC against Westpac on 20 November 2019 in relation to alleged contraventions of the Anti-Money Laundering and Counter Terrorism Financing Act.

Identification and assessment of risks: operations (continued)

Other actions to support our management of modern slavery risk included:

- Enhanced child sexual exploitation detection scenarios designed to strengthen our identification of suspicious or unusual activity linked to child exploitation
- Developed new detection scenarios focused on identifying modern slavery risk, including in a high-risk sector for modern slavery
- Conducted regular media monitoring and environmental scans for using key words related to modern slavery
- Developed a Financial Crime Human Rights Integration Plan that identifies a range of initiatives for delivery within our financial crime function
- 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
- Conducted customer due diligence at onboarding and on an ongoing basis, for the duration of our relationship
- Established a specialist team to undertake enhanced due diligence where customers present heightened risk or concern across our financial crime risk classes.

Identifying modern slavery risks that present to customer facing staff

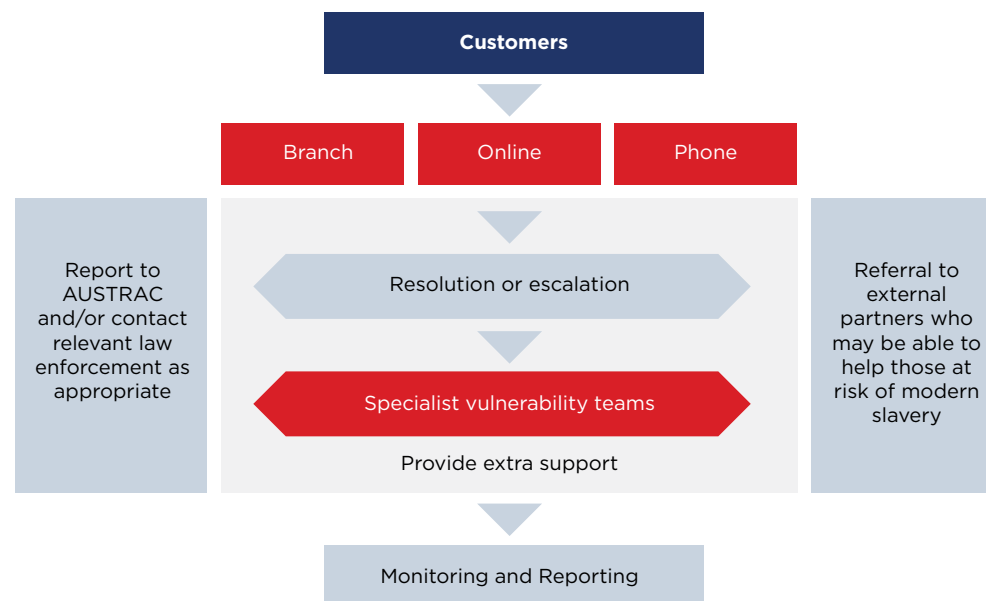
This year we launched a pilot model for supporting customers at risk or exposed to modern slavery. The escalation model builds on existing vulnerable customer processes to provide a clear escalation pathway for customer facing staff to raise concerns of suspected modern slavery identified through engagement with customers. Refer to ‘Our grievance mechanisms’ under *Remediation and grievance mechanisms* for details on channels available for customers to raise concerns.

Under the escalation model, suspicions or disclosures of modern slavery are escalated to Priority Assist, one of our specialist vulnerability teams, to better assist vulnerable customers access support systems.

To support this approach, we:

- Built in indicators to help us identify customers through branch, social media, chat and call centre channels who may be at risk of experiencing modern slavery
- Identified, and included reference in supporting documentation to, external partners who may be able to help those at risk of modern slavery - including the Freedom Hub and The Salvation Army Trafficking and Slavery Safe House.

This was supported by training (see *Training and awareness raising*) and updates to key support documents. External chatbots/robots available for customers to ask questions or raise queries online were updated (trained) to recognise key words which may indicate suspicions or disclosures of modern slavery. Text responses were mapped to these indicators to assist in recognising and providing support to vulnerable customers via these online channels.



Identification and assessment of risks: operations (continued)

As a lender

Our Group ESG Credit Risk Policy (including WNZL's ESG Credit Risk Policy) helps us to identify and manage ESG risk, including human rights and modern slavery risk, in the credit process and is aligned with our Sustainability Risk Management Framework. The policy requires consideration of ESG risks at a customer, transaction, country and sector level across each stage of our credit cycle.

Our focus this year was on identifying opportunities to enhance our ESG risk assessment process to enable us to better identify, measure, monitor, manage and report on our exposure to ESG risks as part of the credit assessment and approval processes for our business, corporate and institutional customers. Actions to strengthen this assessment process included scoping and designing requirements for ESG risk assessment tools to screen business, commercial and institutional banking customers. This included social and human rights aspects, including specific reference to modern slavery risks. We also built a central resource site of ESG risk indicators and resources to support assessments.

To complement this work, we developed an enhanced human rights due diligence guidance note to support stronger upfront consideration of social and human rights risks in lending.

Our efforts were supported by training – see [Training and awareness raising](#).

CASE STUDY: CUSTOMER DUE DILIGENCE

During the year, a customer was accused of being associated with severe human rights impacts (including child labour) and environmental impacts through its extended supply chain. Third party information suggested that this company had an insufficient risk management regime, and potential non-compliance with industry responsible sourcing guidelines and other ethical accreditation programs.

The matter was escalated to a divisional ESG team, which worked closely with the relationship manager and our financial crime team, to engage the customer and consider whether the customer had sufficient plans and policies in place to mitigate and manage the risk identified, including:

- Independent third party review of the customer's audit processes (reviewer engaged by the customer)
- A Corrective Action Plan, audited by an independent third party
- Modern Slavery Statement
- Updated Human Rights Policy.

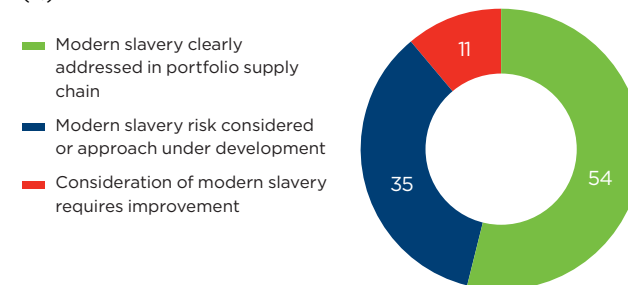
As part of this process the relationship manager sought updates on the customer's progress against the Corrective Action Plan and follow-up actions identified, and continued to engage the customer and keep the divisional ESG team updated on progress.

As an investor

Where BT makes investment decisions on behalf of our superannuation members and investors through internally developed and managed investment options, BT appoints external investment managers to invest funds in assets and companies on behalf of BT. In these investment options, ESG factors are incorporated in the selection, appointment and/or ongoing monitoring of external investment managers, as relevant to the investment strategy.

During the reporting period, BT undertook a modern slavery risk assessment of these external investment managers. The intention of this assessment was to help us better understand how appointed external investment managers consider modern slavery, including through the supply chains and labour markets of the companies and assets they invest in on BT's behalf. The results of this assessment are shown in the chart below.

MODERN SLAVERY RISK ASSESSMENT - INVESTMENT MANAGERS' (%)



1 Assessment completed during FY21 of managers appointed across Equities, Fixed Interest and Real Assets for internally managed and developed investment options only.

1. DISCLOSURE NOTES	2. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	3. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	4. RISKS OF MODERN SLAVERY PRACTICES AND SUPPLY CHAINS	5. OUR ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISK	6. ASSESSING EFFECTIVENESS	7. PROGRESS AND FUTURE FOCUS	8. CONSULTATION	9. OVERVIEW OF REPORTING ENTITIES	APPENDIX 1 - AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	APPENDIX 2 - POLICIES AND FRAMEWORKS
---------------------	---	--	--	---	----------------------------	------------------------------	-----------------	-----------------------------------	---	--------------------------------------

Identification and assessment of risks: operations (continued)

The results of this risk assessment have driven our focus in FY21 on areas of higher modern slavery risk within our internally developed and managed portfolios and have been used to assess the maturity of each external investment manager's approach to modern slavery risk. External managers assessed as less mature, and with exposure to areas of greater risk, have been prioritised for engagement. Engagement with these investment managers has focused on development of knowledge and understanding of modern slavery risk and reporting, in line with BT's expectations, and identifying key steps they can take to improve their approach.

In FY21, BT incorporated a specific modern slavery assessment into our ongoing investment manager engagement and monitoring program. As part of this program, BT held monitoring meetings with managers who invest in emerging markets and discussed examples of modern slavery risk and how this is assessed and addressed in the underlying portfolios.

Different asset classes and investment strategies influenced how investment managers chose to approach 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 improve labour rights practices and reporting.

In addition to engagement by appointed external investment managers, BT employs the services of specialist engagement providers Regnan Governance Research & Engagement (Regnan) and EOS at Federated Hermes (EOS), who discuss key ESG issues with Directors and senior management of invested companies with the goal of improving long-term shareholder value. EOS and Regnan report regularly on their 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

We undertook a detailed inherent risk assessment of how modern slavery risk may arise in our human resources function which included an assessment of geographic risk and the risk associated with certain business activities with a higher degree of connection to modern slavery. These included recruitment practices, employment arrangements and working conditions. The assessment concluded that there was a low inherent modern slavery risk in the human resources function.

This assessment will inform our next phase of work on the effectiveness of our current controls to manage this risk.

As a supporter of our communities

One way that we support the community is through making charitable donations. This year we updated our Charitable Donations Policy (Global) and Standard (Australia) to integrate modern slavery risk into existing due diligence completed before charitable donations are made.

CASE STUDY: SAFER CHILDREN, SAFER COMMUNITIES

The Safer Children, Safer Communities program involves a series of actions and investments in Australia and across Asia-Pacific over three years to help make a meaningful impact on child safety and protection. The program was a commitment in our Response Plan to the AUSTRAC proceedings. During the year, we:

- Provided funding for \$12.1 million in the overall Safer Children, Safer Communities work program¹
- Committed \$9.2 million over three years to 26 organisations in Australia through our grants programs
- Undertook a due diligence exercise to assess the existing and emerging risks to children and young people who access our products and services, both in physical and online environments
- Supported a three-year impact campaign in association with 'The Children in the Pictures' documentary. The campaign aims to increase public awareness, empower parents and caregivers, remove barriers to identify perpetrators, and help the Australian media to report on this crime appropriately
- Finalised a \$25 million grant to fund innovative cross-industry data sharing projects that builds on scoping and discovery work conducted in FY20 (see [Case Study: Cross industry collaboration to help address sexual exploitation of children](#)).

¹ As part of our commitment to invest up to \$10 million per year for three years (2020-2023).

1. DISCLOSURE NOTES	2. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	3. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	4. RISKS OF MODERN SLAVERY PRACTICES AND SUPPLY CHAINS	5. OUR ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISK	6. ASSESSING EFFECTIVENESS	7. PROGRESS AND FUTURE FOCUS	8. CONSULTATION	9. OVERVIEW OF REPORTING ENTITIES	APPENDIX 1 - AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	APPENDIX 2 - POLICIES AND FRAMEWORKS
---------------------	---	--	--	---	----------------------------	------------------------------	-----------------	-----------------------------------	---	--------------------------------------

Identification and assessment of risks: operations (continued)

CASE STUDY: CROSS INDUSTRY COLLABORATION TO HELP ADDRESS SEXUAL EXPLOITATION OF CHILDREN

Modern slavery is a challenge that no one organisation can solve alone. Cross industry collaboration through sharing of information, knowledge and resources can help to drive effective change and reduce instances of modern slavery across industries.

As part of our Safer Children, Safer Communities program, this year we partnered with the International Centre for Missing and Exploited Children (ICMEC). ICMEC's work focuses on the development of capability and technology tools across and within jurisdictions, working with diverse stakeholders across the area of child protection - law enforcement and regulatory partners, private industry, the education community, primary healthcare and the medical profession and civil society partners.

Our partnership, which builds on scoping and discovery work conducted in FY20, aims to drive cross-industry data and knowledge sharing to better detect, monitor, report on, and seek to prevent, Australian payments platforms being used to process payments that relate to Child Sexual Exploitation. The three-year \$25 million data-sharing and innovation grant, managed by ICMEC, will be used to design, build, deploy and maintain a platform and analytic tools to aggregate insights and data from multiple industry participants to help identify perpetrators of Online Sexual Exploitation of Children. ICMEC works across more than 120 countries worldwide to empower local communities to create a safer world for children through the use of tools, training and technology.

This is one way that we may provide for or cooperate in remedy following the matters raised in the AUSTRAC Statement of Claim in 2019. Access to 'remedy' is one of the key principles guiding our approach and commitment to respecting human rights. Our Human Rights Action Plan notes that remedy may take many forms, depending on how we identify our role in causing or contributing to human rights harm.

Identification and assessment of risks: supply chain

Westpac's Responsible Sourcing Program guides our purchasing decisions and embeds risk management principles to assist in mitigating ESG risks in our supply chain, including human rights and modern slavery risks.

During FY21 we finalised and launched the redesign of our Responsible Sourcing Program to build and strengthen capability in identifying and managing our ESG risks. In addition to Group Procurement and Group Technology Sourcing, in Australia the Responsible Sourcing Program was rolled out to our Group Property, Group Protective Services and Commercial Banking Transactions teams, who are involved in managing suppliers in high-risk categories such as construction and facilities management, security guarding and point of sale terminals.

Improving our ability to identify modern slavery risks

In FY21, we engaged a third party to review our industry risk profiles so that we could validate our Responsible Sourcing risk assessment methodology and high-risk categories and gain a deeper understanding of our exposure to modern slavery in those high-risk categories.

In addition to our risk profiles, an impact analysis was conducted to evaluate the likelihood and severity of human rights impacts in our supply chain, including modern slavery. In determining the severity of an impact, we considered:

- Scale: magnitude of impact to life or access to basic life necessities
- Scope: area of impact or size of population impacted
- Irremediability: ability to remediate the impact.

This analysis revealed that underpayment and wage theft is a significant area of concern in three of our high-risk categories and provided insight into different industries' good practice controls for suppliers in managing their own operations and supply chains. For our next phase of work, we plan to use these insights to inform our due diligence procedures and continue to educate our procurement team in identifying and addressing modern slavery risks.

Identification and assessment of risks: supply chain (continued)

Assessing modern slavery risks

FY21 RESPONSIBLE SOURCING ASSESSMENT

Of our top 100 suppliers by spend, which have already been screened under the Responsible Sourcing Assessment, 38 suppliers were within our 10 high-risk categories. We then identified and screened a further 93 suppliers in our 10 high-risk categories, outside of the top 100 by spend. In total, these 131 suppliers comprised \$1.6 billion of spend¹, which equates to 93% of high-risk category spend.

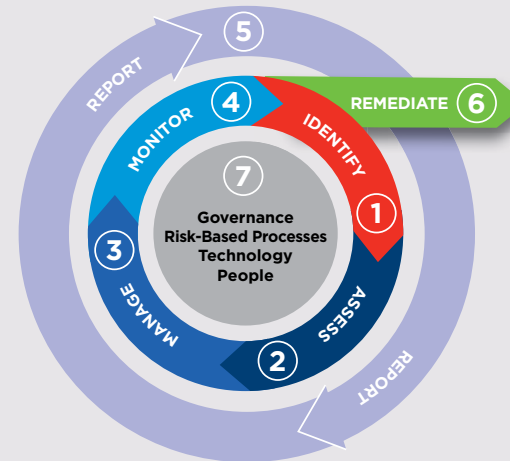
As part of the Responsible Sourcing Program redesign, we refreshed our assessment tool, including our supplier questionnaire, to ask further targeted questions that aim to better identify risks and opportunities relevant to the category across our supply chain. The new questionnaire has been designed so that each question has a recommended action or set of actions should the supplier not meet our minimum expectations. This refresh reflects our transition towards risk-based processes and action-oriented assessment that drives outcomes. Assessments are conducted as part of the supplier onboarding process as well as throughout the supplier engagement lifecycle. These supplier reassessments allow us to track progress over time.

Assessments are tailored to reflect the inherent risk factors determined by screening suppliers against our pre-defined risk profiles for industry and country of operations. Previously, a low inherent risk supplier would not require a questionnaire for detailed assessment; however under the redesigned Responsible Sourcing Program all suppliers with whom we have an annual spend greater than \$50,000 (AUD) are required to be assessed in addition to suppliers in higher risk categories which are already assessed. Low inherent risk suppliers are now required to respond to a shorter questionnaire that captures key information against our salient issues, including child labour and select indicators for modern slavery risks such as outsourcing and recruitment practices. In addition to these fundamental questions, suppliers with medium or high inherent risks receive a more detailed questionnaire, tailored to their inherent risk factors. These questionnaires deep dive into the supplier’s operational and supply chain modern slavery risk management, workplace practices, environmental management and governance. Evaluation of supplier assessments, including their questionnaire responses and inherent risk values, determines overall risk and informs our supplier management approach.

In FY21, 105 suppliers completed the new questionnaire. In FY22 we will continue to monitor completion of supplier questionnaires and roll out the new assessment.

Responsible Sourcing

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



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

¹ High-risk spend of these 131 suppliers is comprised of \$1.6 billion (AUD), exclusive of GST. GST is captured as its own commodity which has not been categorised as high-risk.

Identification and assessment of risks: supply chain (continued)

Managing modern slavery risks

By asking specific questions tied to actions and having clear expectations against them, in FY21 we developed supplier 'action plans' that are directly related to the risks Westpac and our suppliers are exposed to. This enables consistency in how we address supplier sustainability gaps and strengthened our supplier management capability.

Taking a risk-based approach, expectations are tailored to a supplier's inherent risk and business structure: what we expect of a small business with lower risks varies to our expectations of a large business with higher risks.

In evaluating assessments, how a supplier meets these expectations determines their overall risk rating and the management practices we employ. Suppliers who meet expectations generally require fewer management actions and are reassessed less often. For suppliers who have gaps against our expectations, an action plan may be developed. This could include actions such as uplifting policies or procedures, providing evidence of processes and/or having regular governance meetings to monitor progress. Improvements to a supplier's risk rating should be reflected at their next reassessment. By monitoring supplier risk over time, we can measure the effectiveness of our Responsible Sourcing Program and make informed decisions regarding our long-term management approach in engaging a supplier and supporting them in their sustainability efforts.

Of the 105 suppliers that completed the new questionnaire in FY21, 22 were assigned actions. Execution of these actions will continue to be monitored. Support will be provided to suppliers where required.

We have formed a new Sustainability Partnerships team to share our knowledge and directly support suppliers and our procurement teams in managing sustainability risks and opportunities in our supply chain. This year, one supplier has been recommended to the Sustainability Partnerships team for further collaboration due to:

- Being identified as requiring a more in-depth action plan to strengthen their policies and processes
- Providing higher risk products with offshore Tier 2+ supply chains
- Having opportunities to deliver other initiatives, such as environmental benefits.

Monitoring modern slavery risks

This year we ran a pilot adverse media screening process that seeks to proactively identify any environmental and social sustainability concerns, including human rights and modern slavery. Fifty key suppliers were selected for the pilot based on several factors, including spend, criticality and risk profile. A direct outcome of this pilot was the identification of one supplier with allegations of forced resignations for its employees. This triggered a due diligence procedure and as a result, the supplier was assessed against the updated Responsible Sourcing questionnaire and had specific supplier management actions set. These actions will be monitored alongside the Responsible Sourcing status of this supplier.

CASE STUDY: PARTNERING WITH SUPPLIERS FOR BETTER OUTCOMES

A pilot Sustainability Partnerships program was established in FY20 and continued in FY21 with two suppliers in high-risk industries of modern slavery. Westpac and our supplier partners acknowledge the importance of working collaboratively to identify, address and mitigate the risks of modern slavery in our supply chain.

The pilot achieved greater supply chain transparency across some targeted high-risk categories, with visibility down to some of our Tier 3 suppliers. However, the pilot also confirmed the complexity of our supply chain and led to investigation of supply chain mapping tools to support our current processes.

Sharing supplier assessment processes and our Responsible Sourcing Code of Conduct allowed for greater alignment with our partners around our expectations for managing modern slavery risks and saw the uplift of some of our partners' processes and policies.

Lessons learnt from the pilot partnerships program allowed us to better define the parameters for partnerships moving forward, and the need to clearly articulate the value proposition and acknowledge that the focus of the partnership may evolve as greater transparency of the supply chain emerges. Westpac has provided additional resources to support this program expand across more of our high-risk categories.

1. DISCLOSURE NOTES	2. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	3. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	4. RISKS OF MODERN SLAVERY PRACTICES AND SUPPLY CHAINS	5. OUR ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISK	6. ASSESSING EFFECTIVENESS	7. PROGRESS AND FUTURE FOCUS	8. CONSULTATION	9. OVERVIEW OF REPORTING ENTITIES	APPENDIX 1 - AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	APPENDIX 2 - POLICIES AND FRAMEWORKS
---------------------	---	--	--	---	----------------------------	------------------------------	-----------------	-----------------------------------	---	--------------------------------------

Identification and assessment of risks: supply chain (continued)

During FY21, we also conducted additional due diligence on the 17 suppliers flagged in FY20 as having higher overall risks for labour standards and human rights. This included conducting targeted adverse media screens, engaging third parties for sustainability reports on each of these suppliers and reviewing relevant policies or reports that were publicly available or provided during onboarding. Some suppliers were also requested to complete the updated Responsible Sourcing Assessment. From this, one supplier was identified as continuing to fall below expectations for modern slavery risk management and has subsequently had an action plan developed. Findings also revealed opportunities for some suppliers to improve accessibility to grievance channels for their employees. These will be explored in FY22.

Supporting our remediation of modern slavery impacts

To support identification of modern slavery impacts in our supply chain that may require remediation (by either Westpac or a supplier), this year we commenced development of risk indicators that may present in our supply chains or be presented by supply chain workers. These were informed by published case studies and red flags. Indicators were grouped into example scenarios and analysed against connection to impact, applying the 'cause/contribute/directly linked' framework under the UNGPs.

These indicators and scenarios will continue to be refined in FY22 and rolled out to support our procurement functions in understanding and identifying these supply chain modern slavery risks. We will use the scenario analysis to inform our remediation approach and embed findings into our due diligence procedures.

WESTPAC NEW ZEALAND LTD (WNZL)

Westpac New Zealand Ltd (WNZL) incorporates Responsible Sourcing Principles into several policies and processes, including the Supplier Management Framework, Supplier Health Assessment process and Business Continuity Management. The Responsible Sourcing Principles include commentary regarding WNZL's commitment to respecting human rights and addressing modern slavery. WNZL has also embedded the Responsible Sourcing Assessment into sourcing processes, including Supplier Health Assessments.

In 2019, WNZL became New Zealand's first Living Wage accredited bank and maintained this accreditation for the third successive year.

OUR RESPONSE PLAN FOR ALLEGATIONS OF MODERN SLAVERY IN OUR SUPPLY CHAIN

In response to being notified by a supplier of allegations in their own supply chain of modern slavery (see *Case study: Forced labour*), Westpac has developed a response plan for addressing allegations of modern slavery in our supply chain. The response plan includes:

- Key internal stakeholder review of allegations and senior leader briefing
- Investigation of allegation through additional targeted due diligence, including adverse media screening, ESG Risk Ratings and Controversy Reports, adding to ongoing monitoring
- Direct engagement with supplier, raising concerns and requesting further information on their due diligence process and plans for remediation.

If responses do not meet our expectations, further information/clarifications may be requested. Westpac may also request to work more collaboratively with the supplier on the issue.

Governance and oversight

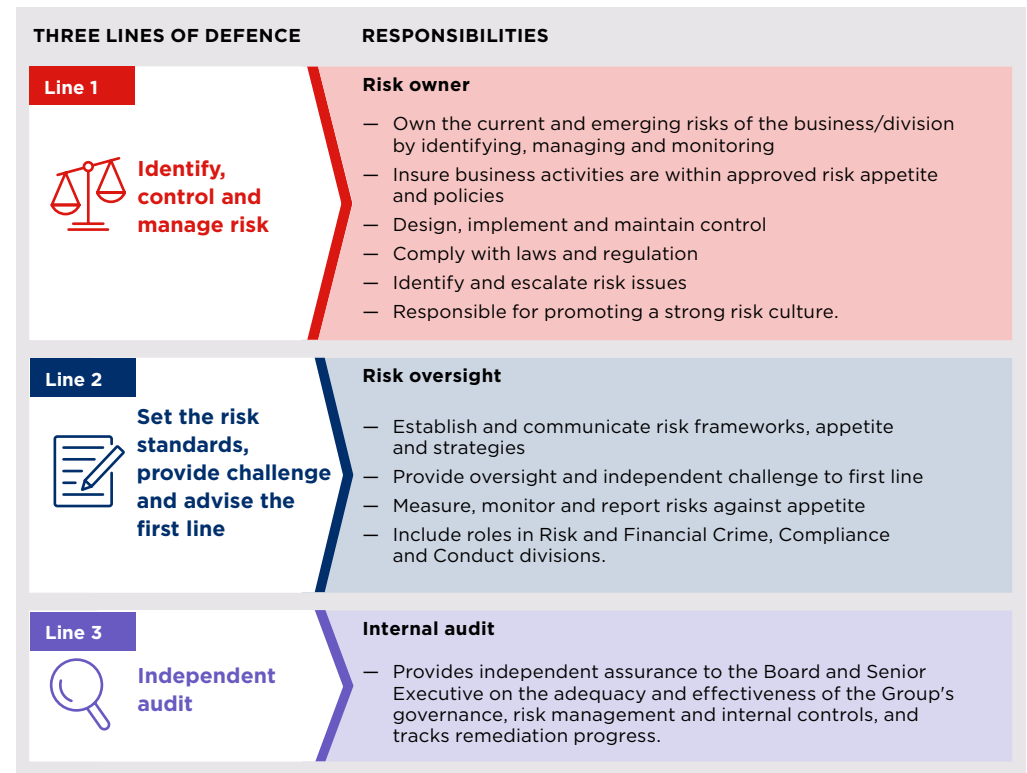
The following Board and management arrangements are in place to oversee Westpac's management of human rights risks.



Risk Management

At Westpac, we view risk as everyone's business. Each division and team have a defined role to play under the Three Lines of Defence model. The model outlines the active roles that all employees play in the end-to-end management of risk. The first line is responsible for identifying and owning the risks arising from all aspects of their activity. The second line provides expertise, advice and oversight in how risks are managed. The third line is Internal Audit who provide independent testing and assurance.

In line with the Three Lines of Defence standard, Divisional Risk and Compliance committees consider the human rights dimensions of business activities as required, including the remediation of any incidents or issues.



Risk Management (continued)

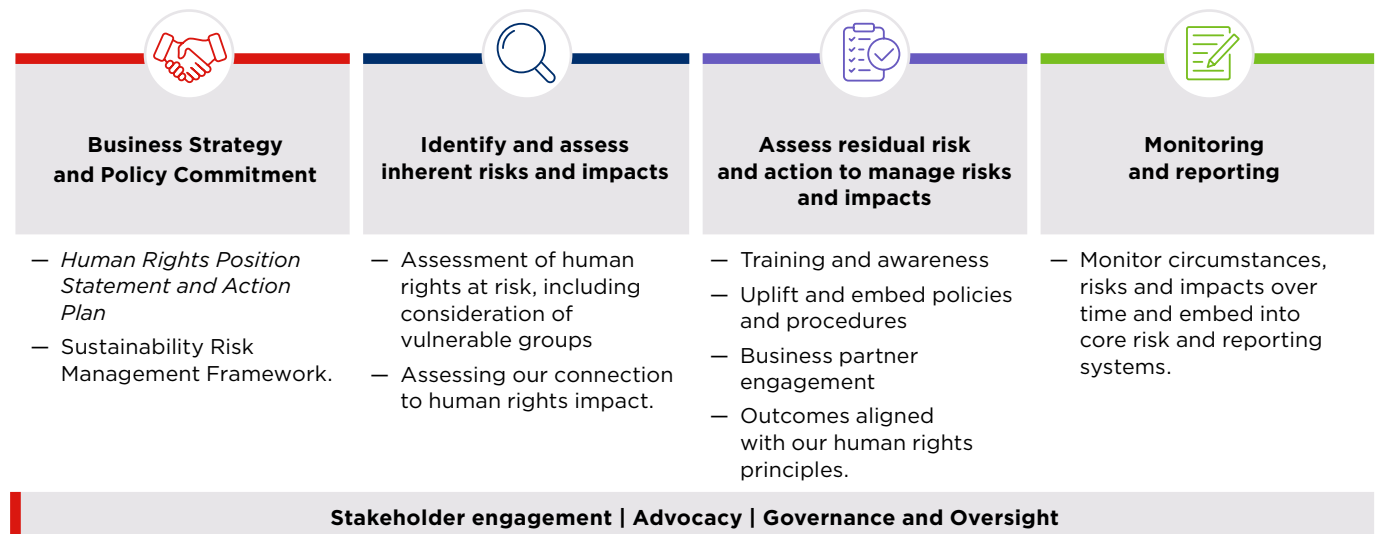
As a bank, the management of risk is an inherent part of our business and central to our approach is our Risk Management Framework that outlines the steps we take to manage our risks. Social and human rights risks are managed in accordance with the Group's Risk Management Framework, which requires divisions to identify controls to manage modern slavery risk. The Group's Risk Management Framework is supported by the Sustainability Risk Management Framework and other risk frameworks including those in the diagram opposite.

RISK MANAGEMENT FRAMEWORK

Our approach to measuring and monitoring risk against risk appetite.

<p>Sustainability risk management framework</p> <p>Our approach to managing sustainability risk. This is relevant to the provision of products and services, lending and investment decisions, supply chain management, operations and employees.</p>	<p>Reputation risk management framework</p> <p>Our approach to managing reputation risk. It recognises the significant interlinkage between reputation and sustainability risk.</p>	<p>Group financial crime risk management framework</p> <p>Our approach to managing anti-money laundering and counter-terrorism financing, bribery and corruption, tax transparency and economic and trade sanctions risks.</p>	<p>Credit risk management framework</p> <p>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) issues.</p>
--	--	---	--

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.



Risk Management (continued)

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

- Establishment of a dedicated second line of defence Reputation and Sustainability Risk team. The team reviews and challenges the management of sustainability risk, including modern slavery risk, across the Group.
- Inclusion of sustainability risk in the Customer Outcomes and Risk Excellence (CORE) program. The Board is responsible for governance of the CORE program, which is designed to strengthen risk frameworks and processes, further clarify accountability, and improve the Group's risk culture. Target outcomes for sustainability risk, including modern slavery risk, include developing strengthened capabilities, uplifting reporting and governance, and updating frameworks, policies and processes. The CORE program is a multi-year program and is expected to conclude in mid-2023.
- Planning for a Risk Assurance review of controls relating to modern slavery in FY22. The review will support continuous improvement of controls across the Group.
- Further embedment of modern slavery risk management across the business through stronger divisional accountability. This included transitioning from a Group response led by a project team, to supporting our divisions with integrating the management and disclosure of modern slavery risks.

Westpac New Zealand Ltd (WNZL)

Westpac New Zealand Ltd 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 Sustainability Risk Management Framework in areas including lending and supply chain management.

BT

Where BT is acting as the trustee or Responsible Entity (RE) and making an investment decision on behalf of our investors and superannuation members, the governance of strategies for managing ESG risks (including modern slavery) in BT's investment and superannuation portfolios is the responsibility of the BT Boards and associated committees of the trustee or RE entities (together the 'BT Boards').

During the reporting periods the BT Boards comprised a majority Independent Non-executive Directors¹. The BT Boards have approved a set of investment beliefs that shape the way that the BT Boards expect investments to be managed and the way investment decisions are made.

The BT Sustainability Principles² 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 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.

¹ As of 4 October 2021 the BT Boards comprise only Independent Non-executive Directors.

² <http://bt.com.au/sustainability>

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.

OUR 'SHOULD WE?' TEST

This year we 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?



To operationalise our approach and commitments, a number of policies and frameworks are key to assessing and addressing modern slavery risk across our operations and supply chain (refer to [Appendix 2](#) for a list of relevant policies and frameworks across our business). These apply across the Group unless otherwise stated.

1. DISCLOSURE NOTES	2. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	3. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	4. RISKS OF MODERN SLAVERY PRACTICES AND SUPPLY CHAINS	5. OUR ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISK	6. ASSESSING EFFECTIVENESS	7. PROGRESS AND FUTURE FOCUS	8. CONSULTATION	9. OVERVIEW OF REPORTING ENTITIES	APPENDIX 1 - AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	APPENDIX 2 - POLICIES AND FRAMEWORKS
---------------------	---	--	--	---	----------------------------	------------------------------	-----------------	-----------------------------------	---	--------------------------------------

Policy commitment (continued)

During the year, we continued to apply, strengthen and simplify a number of these policies and frameworks that support management of modern slavery risk across our business:

ROLE	EXAMPLES OF POLICIES THAT SUPPORT MANAGEMENT OF MODERN SLAVERY RISK
As a financial services provider	<ul style="list-style-type: none"> 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. For example, the <i>Westpac Group Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Policy</i> sets out our approach for managing AML/CTF risk including compliance with legislative obligations. This includes systems and processes to identify, mitigate and manage money laundering and terrorism financing risk (including potential links to modern slavery) presented by our customers, products and services, channels and jurisdictions.
As a lender	<ul style="list-style-type: none"> 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.
As an investor	<ul style="list-style-type: none"> The approach to addressing ESG impacts, including modern slavery risks across BT's products and services is summarised in the BT Sustainability Principles. The <i>BT Sustainable Investment Policy</i> sets out how BT approaches sustainable investment across internally developed and managed investment options. The policy aims to help drive better financial outcomes, positively influence risk-adjusted returns, and promote sustainable investment including considering social factors such as human rights including modern slavery.
As an employer	<ul style="list-style-type: none"> Our <i>Code of Conduct</i> sets out the standards and expectations of our company and our people to do the right thing, including compliance with laws and policies. Key policies 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 (see below). The <i>Speaking Up Policy</i> 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, it may have significant implications for Westpac. This may include modern slavery.
As a supporter of our communities	<ul style="list-style-type: none"> The Charitable Donations Policy reflects our commitment to ensuring integrity, accountability and ethical conduct in our charitable donations, including managing risks in our charitable donations such as modern slavery risk.
As a purchaser of goods and services	<ul style="list-style-type: none"> The <i>Responsible Sourcing Code of Conduct</i> outlines our key sustainability principles for doing business with our suppliers. It supports suppliers to identify, mitigate and manage their sustainability risks, sets Westpac's expectations of our suppliers and their supply chain engagements in providing goods and services to Westpac, and intends to drive sustainable outcomes for our business, customers and communities. 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 chains. In FY21 we established a Procurement Policy (global) and Supplier Risk Management Standard (Australia only) which describes mandatory requirements, key controls and procurement processes for sourcing and purchasing activities across the Group. Under this new framework, the requirement to perform a supplier risk assessment, which includes assessing modern slavery risks, has been extended to suppliers with annual spend greater than \$50,000 (AUD) in addition to suppliers in high-risk categories which are already assessed. The business will work to implement this framework during FY22, enabled by a new digital procurement solution, which is expected to capture more suppliers and further improve the assessment, management and monitoring of our supply chain. Embedding this policy and related controls will continue in FY22. The <i>Speaking Up Policy</i> (noted above) supports current and former suppliers and their workers to raise concerns about suspected or actual unethical or unlawful behaviour, where it has significant implications for Westpac. This may include modern slavery. The Third Party Financial Crime Management 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).

1. DISCLOSURE NOTES	2. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	3. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	4. RISKS OF MODERN SLAVERY PRACTICES AND SUPPLY CHAINS	5. OUR ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISK	6. ASSESSING EFFECTIVENESS	7. PROGRESS AND FUTURE FOCUS	8. CONSULTATION	9. OVERVIEW OF REPORTING ENTITIES	APPENDIX 1 - AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	APPENDIX 2 - POLICIES AND FRAMEWORKS
---------------------	---	--	--	---	----------------------------	------------------------------	-----------------	-----------------------------------	---	--------------------------------------

Engagement and advocacy

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

INITIATIVE	FY21 UPDATE
Australian Banking Association's (ABA) Modern Slavery Working Group	Continued to share and contribute to the development of best practice approaches to managing modern slavery risks, including progressing development of modern slavery red flags and typologies in certain high-risk industries.
Principles for Responsible Banking	Founding bank and signatory to the Principles for Responsible Banking (the Principles). The Principles reinforce Westpac's commitment to align to the United Nations Sustainable Development Goals (SDGs) that inform our 2023 Sustainability Strategy, targets, governance mechanisms and commitments relating to ESG generally, and human rights.
UN Global Compact	Maintained membership of the Global Compact Network Australia's Modern Slavery Community of Practice, a forum through which we share our experiences and learn from other Australian companies in relation to modern slavery approaches. We also report on our continued progress to implement the UN Global Compact Principles.
Principles for Responsible Investment	Continued status as signatory to the Principles for Responsible Investment, a UN supported network, which works to support investor signatories to incorporate ESG factors, including human rights, into investment and ownership decisions.
Fintel Alliance	Continued active membership of the Fintel Alliance. 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.
Safer Children, Safer Communities Roundtable, Advisory Group and other associated stakeholders	See <i>Case Study: Safer Children, Safer Communities work program</i> and <i>Case Study: Cross industry collaboration to help address sexual exploitation of children</i>
Shift Financial Institutions Practitioners Circle	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 to date have included use of leverage with clients and remedy, which have helped us to navigate how we might approach customer engagement in challenging and high-risk industries.
Equator Principles Association Social Risk Working Group	Working group focused on enhancements to grievance mechanisms and remedy in the context of the Equator Principles.
Financial Services Council (FSC) and Responsible Investment Association of Australasia (RIAA)	Continued BT membership of a number of industry working groups including through the FSC and RIAA. Through this involvement, BT has access to tools, resources and knowledge regarding approaches to modern slavery within the Australian investment community.
Investors Against Slavery and Trafficking (IAST) Asia Pacific (APAC)	Continued BT membership of this investor-led initiative, convened 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.
Calls for New Zealand government inquiry into a Modern Slavery Act for New Zealand	WNZL has publicly supported and urged the Government to instigate inquiry into New Zealand's need for modern slavery legislation, and was one of 85 New Zealand companies to sign and submit a joint open letter to this effect to the Minister for New Zealand Workplace Relations and Safety in March 2021.

Training and awareness raising

We provide training and support for employees to help them understand they all have a role in managing risk and to drive clearer accountability and decision making. During FY21, we continued to build the capability of over 5,500 employees working in targeted risk, supplier facing and customer facing roles, to identify and manage suspicions of modern slavery including delivering:

- Capability training for branch and specialist vulnerability teams participating in our pilot vulnerable customer escalation process. This included workshopping example modern slavery cases, sharing red flag indicators, and guidance on how to support customers requiring extra care, including further escalation pathways, grievance channels and referral partners.
- Responsible Sourcing online learning module 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 the environment and the rights of workers in our supply chain.
- Responsible Sourcing virtual training to address specific risks to the various procurement teams across the Group and provide an overview of the Responsible Sourcing process, including identification and assessment of risks, and supplier management and monitoring.

We also provided general modern slavery awareness training to employees across the Group. This explained 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. The training included an online animation, divisional and Group-wide sessions and masterclasses.

We also developed training for employees in areas with potentially high exposure to modern slavery risk in our Business Bank and Institutional Bank. This training will be launched in FY22, covering fundamentals of managing ESG risk in provision of products and services. It includes case studies featuring modern slavery.

Remediation and grievance mechanisms

As set out in our Human Rights Action Plan, we seek to identify, prevent, mitigate and account for our adverse human rights impacts. We are also committed to providing for or cooperating in remedy where appropriate¹. We also provide mechanisms through which grievances can be raised, including in relation to modern slavery.

In our Human Rights Action Plan we committed to seeking to improve the effectiveness of these mechanisms specifically in relation to remediating human rights issues, with reference to the effectiveness criteria set out in the UNGPs².

This year, we assessed the effectiveness of our Speaking Up channels. This was prioritised given that it helps serve those who may be more vulnerable or at risk of modern slavery- such as those who may be adversely impacted through those in our supply chain. The assessment identified opportunities for strengthening this channel as human rights grievance mechanisms.

As a result, we took action to improve awareness and accessibility of these mechanisms and reportable conduct in our supply chain:

- Updated our *Supplier Advocate* hub to include additional information regarding accessibility to our grievance mechanisms, including the details for our Whistleblower Hotline number. On this page we describe ‘reportable conduct’ under our policy as including any conduct which is dishonest, corrupt, fraudulent or illegal, including any suspected modern slavery or human rights violations, involving Westpac’s operations or supply chain.
- Incorporated information regarding our grievance mechanisms and the availability of these for our suppliers and their workers in training for our procurement teams. This has assisted in equipping employees that engage suppliers with the knowledge of supply chain accessibility to Westpac’s grievance mechanisms.
- Included questions in relation to whether a supplier has documented policies or processes for grievance management or whistleblowing in our updated Responsible Sourcing assessment.

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. 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 most directly caused or contributed to the harm. However our customers and business partners might not always have these mechanisms in place.

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.

1. DISCLOSURE NOTES	2. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	3. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	4. RISKS OF MODERN SLAVERY PRACTICES AND SUPPLY CHAINS	5. OUR ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISK	6. ASSESSING EFFECTIVENESS	7. PROGRESS AND FUTURE FOCUS	8. CONSULTATION	9. OVERVIEW OF REPORTING ENTITIES	APPENDIX 1 - AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	APPENDIX 2 - POLICIES AND FRAMEWORKS
---------------------	---	--	--	---	----------------------------	------------------------------	-----------------	-----------------------------------	---	--------------------------------------

Remediation and grievance mechanisms (continued)

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.

Our next phase of work will assess how we might take further action to make the feedback and complaints channel more accessible and effective for vulnerable populations. This will include consideration of how we work with targeted corporate customers to build their own approaches to grievance mechanisms and remedy.

OUR GRIEVANCE MECHANISMS

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

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 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 staff*).

For our community, any member of the public is able to raise a concern that may relate to human rights issues, including modern slavery by contacting the Group Sustainability team via email sustainability@westpac.com.au or by post at 275 Kent Street, Sydney NSW 2000 Australia.

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 to assessing the effectiveness of 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. However, we continue to develop more specific effectiveness measures that align to our approach to management of human rights risks. These will help to inform improvements to our current approach and areas of future focus. Specific measures of effectiveness are described in the table below.

OUR ACTIONS	WHAT WE AIM TO MEASURE	HOW WE MEASURE	RESULTS IN FY21
Governance and Oversight, Risk Management and Policies	Oversight of our management of human rights risks	Relevant divisions have established governance and oversight of human rights and modern slavery.	<ul style="list-style-type: none"> – The Sustainability Risk Management Framework sets an expectation that Divisional Risk and Compliance committees consider the human rights dimensions of business activities as required, including the remediation of any potential modern slavery incidents or issues at a portfolio, customer or transaction level. Increased maturity in oversight across relevant divisions will continue to be a focus into FY22 (see <i>Risk Management</i>). – The Institutional Bank ESG Risk Committee considers transactions requiring enhanced ESG due diligence, including for human rights and modern slavery risk.
		Oversight forums and working groups regularly address sustainability risk matters including modern slavery.	<ul style="list-style-type: none"> – Established the Group ESG and Reputation Committee (see <i>Governance and oversight</i>). – Divisional representatives attended a monthly cross-divisional Sustainability Risk Working Group.
	Management of human rights risks	Level of assessed maturity in management of human rights risk as part of the Reputation and Sustainability Risk Class, as against the Group's Risk Management Framework.	<ul style="list-style-type: none"> – Each division assessed sustainability risk including the impact of modern slavery risk to their business. – Second line Reputation and Sustainability Risk team reviewed the maturity of sustainability risk (including modern slavery) submitted by divisions and provided recommendations to improve outcomes across the Group. – These measures were further supported through stronger divisional accountability, moving to business-as-usual settings for management of modern slavery risk and transitioning from a Group response led by a project team.
		Planned reviews of modern slavery risk by Assurance and Audit teams.	<ul style="list-style-type: none"> – Planned assurance review of modern slavery controls by Risk Assurance in FY22. – Planned Group Audit review in FY22 that aims to review the results of the above Risk Assurance review.

6. Assessing effectiveness (continued)

OUR ACTIONS	WHAT WE AIM TO MEASURE	HOW WE MEASURE	RESULTS IN FY21
		Frameworks, policies, procedures and standards in place to manage sustainability risk, including human rights and modern slavery risks.	23 relevant policies and frameworks in place with five updated in FY21 (Appendix 2).
Identification and assessment of risk - operations	Identification of modern slavery risks in our customer base	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 the Institutional Bank.	Three transactions involving potential modern slavery risk were subject to additional human rights due diligence and escalation to the Institutional Bank ESG Risk Committee.
		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"> — New detection scenarios added focused on identifying modern slavery risk. — New key words in relation to modern slavery added to media monitoring which is performed daily.
	Identification of modern slavery risks in our investments	<ul style="list-style-type: none"> — Investment manager compliance with ESG criteria contained within mandates and side letters, as appropriate, including adherence to modern slavery reporting legislation. — Annual risk assessment of underlying investment manager approaches to modern slavery. 	Results of annual assessment shown in <i>Identification and assessment of risks - operations</i> .
Regular reporting on the effectiveness of our engagement activities and areas of current or emerging risk by specialist engagement providers.		Insights from specialist engagement providers used to help prioritise further action.	

1. DISCLOSURE NOTES	2. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	3. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	4. RISKS OF MODERN SLAVERY PRACTICES AND SUPPLY CHAINS	5. OUR ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISK	6. ASSESSING EFFECTIVENESS	7. PROGRESS AND FUTURE FOCUS	8. CONSULTATION	9. OVERVIEW OF REPORTING ENTITIES	APPENDIX 1 - AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	APPENDIX 2 - POLICIES AND FRAMEWORKS
---------------------	---	--	--	--	-----------------------------------	------------------------------	-----------------	-----------------------------------	---	--------------------------------------

6. Assessing effectiveness (continued)

OUR ACTIONS	WHAT WE AIM TO MEASURE	HOW WE MEASURE	RESULTS IN FY21
Identification and assessment of risk – supply chain	Identification of modern slavery risks in our supply chain	% spend assessed under the Westpac Responsible Sourcing Program (%) (top spend and high-risk).	<ul style="list-style-type: none"> – 100% of Top 100 suppliers by spend assessed under the Westpac Responsible Sourcing Program. See Section 5 - <i>Identification and assessment of risks (supply chain)</i>. – 93% of spend in high-risk categories for modern slavery assessed under the Westpac Responsible Sourcing Program. See Section 5 - <i>Identification and assessment of risks (supply chain)</i>.
	Action to address modern slavery risks in our supply chain	Number of suppliers with action plans and status of action plans.	Of the 105 suppliers that completed the new questionnaire in FY21, 22 were assigned actions. Execution of these actions will continue to be monitored.
		Number of suppliers that have undergone additional due diligence.	<ul style="list-style-type: none"> – Under our pilot adverse media screening process, 50 suppliers were selected for active monitoring against multiple sustainability media flags. – Adverse media screening and third-party reviews were conducted for the 17 suppliers selected for further due diligence in FY20.
		Number of suppliers in high-risk categories that have improved their risk rating.	As we shifted to the new Responsible Sourcing Assessment this year, we have begun to establish a consistent baseline for supplier inherent risks. Monitoring of changes to supplier risk ratings will commence in FY22.
		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"> – 214 employees involved in sourcing, procurement or supplier management activities completed the Responsible Sourcing online learning module. – 15 Responsible Sourcing virtual training sessions were conducted with over 340 attendees across procurement teams and other business areas involved in managing suppliers in high-risk categories.
		Suppliers improve their capacity to respond to modern slavery risks by participating in Sustainability Partnership Plans.	<ul style="list-style-type: none"> – Two suppliers in higher risk categories of modern slavery participated in our pilot Sustainability Partnerships program during FY21. – Three suppliers in higher risk categories for modern slavery to participate in partnerships in FY22, identified through our due diligence processes.

6. Assessing effectiveness (continued)

OUR ACTIONS	WHAT WE AIM TO MEASURE	HOW WE MEASURE	RESULTS IN FY21
Training and awareness	Build role-specific awareness and capability to identify, mitigate, manage and report modern slavery risk	Employees receive targeted capability building and training if working in areas where modern slavery is likely to arise.	Over 5,500 employees were offered targeted capability training across branch, specialist vulnerability and procurement teams.
	Continue to foster a culture of accountability recognising 'risk is everyone's business'	<ul style="list-style-type: none"> – Employees complete mandatory training¹ which includes references to our obligations relating to modern slavery. – Employees view General Awareness animation and evaluation of increased awareness. 	<ul style="list-style-type: none"> – 4,040 employees completed the 'Helping you Succeed - Working at Westpac' training module. – Over 1,100 employees participated in general awareness training during FY21. This included 434 employees who completed the Modern Slavery Awareness animation aimed at increasing their awareness of modern slavery, how it relates to their role and what to do if they identify suspicions.
Remediation and grievance mechanisms	Grievance mechanisms are in place for those who may be impacted by modern slavery through our varied roles	Grievance mechanisms available across all our roles through which suspicions or disclosure of human rights issues can be raised.	See Our Grievance Mechanisms above.
	Our grievance mechanisms are effective to manage human rights	Grievance mechanisms assessed against UNGP effectiveness criteria with actions identified for improvement.	Assessed our Speaking Up channel. This identified opportunities for strengthening this channel as a human rights grievance mechanism. See Remediation and grievance mechanisms .
	We investigate and address suspicions or disclosures of modern slavery	Number of suspicions or disclosures of modern slavery issues investigated and addressed ² .	<p>Five suspicions or disclosures of modern slavery issues addressed:</p> <ul style="list-style-type: none"> – One allegation of modern slavery was raised by a supplier during FY21 which triggered a range of due diligence activities to investigate these claims. See Case Study: Forced Labour. – Three transactions involving potential modern slavery risk were subject to additional human rights due diligence and escalation to the Institutional Bank ESG Risk Committee. See Case Study: Forced Labour and Case Study: Customer due diligence. – One disclosure of modern slavery raised through a grievance mechanism (Speaking Up channels). This was investigated and was not substantiated.
	Partnerships with remediation partner/s.	Established the Freedom Hub and Salvation Army as our referral partners.	

¹ 'Helping you Succeed - Working at Westpac' introduced in July 2021.

² 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, in line with our Human Rights Action Plan.

7. Progress and future focus

Our focus is aligned with the actions set out in our Human Rights Action Plan that applies over the 2020 to 2023 period. In FY22, we will be reviewing our positions and actions ahead of the next update of this Action Plan.

This Statement outlines our progress against the priorities identified in our FY20 Statement. Areas for continuous improvement in FY22 onwards will continue to build on these priorities:

ROLE	PROGRESS AGAINST FOCUS AREA FOR FY21	FUTURE FOCUS FOR FY22 ONWARDS
As a financial services provider	Refer <u><i>Our actions to assess and address modern slavery risk: As a financial services provider</i></u>	<ul style="list-style-type: none"> – Review human rights and modern slavery risk assessment criteria and red flag indicators for currency and consistency across functions. – Review and update training for customer facing staff as appropriate. – Continued integration of human rights considerations into our financial crime processes.
As a lender	Refer <u><i>Our actions to assess and address modern slavery risk: As a lender</i></u>	<ul style="list-style-type: none"> – Continued capability building and training for relevant staff enabling identification and management of human rights risks. This will include our ability to track and monitor human rights impacts through development of systems and tools as part of customer and transaction processes. – Refine our approach to grievance and remedy for those impacted through our customers. – Explore options to build collective industry awareness on high-risk human rights issues.
As an investor	Refer <u><i>Our actions to assess and address modern slavery risk: As an investor</i></u>	<ul style="list-style-type: none"> – Continue to develop our investment manager monitoring program to identify investment managers, markets and strategies through which exposure to modern slavery risk is greatest.
As an employer	Refer <u><i>Our actions to assess and address modern slavery risk: As an employer</i></u>	<ul style="list-style-type: none"> – Take action to address vulnerabilities across Group employees based on the risk assessment conducted in FY21.
As a supporter of communities	Refer <u><i>Our actions to assess and address modern slavery risk: As a supporter of communities</i></u>	<ul style="list-style-type: none"> – Continue uplift of our charitable donations due diligence by undertaking a more in-depth risk assessment using modern slavery risk factors. – Commence our Strategic Partnerships program to help enhance awareness and improve child protection outcomes in communities and drive action on child safeguarding across Australian businesses.
As a purchaser of goods and services	Refer <u><i>Our actions to assess and address modern slavery risk: As a purchaser of goods and services</i></u>	<ul style="list-style-type: none"> – 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. – Continue initiatives for supply chain transparency and mapping beyond our Tier 1 suppliers. – Operationalise and embed controls from the Procurement Policy and Supplier Risk Management standard across the Group.

8. Consultation

Westpac's divisions have been part of a consultation process to address the Group's response to modern slavery through the Sustainability Risk Working Group. This Group 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 (who are members of the Sustainability Risk Working Group) 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 a joint Statement prepared on their behalf by Westpac and the BT reporting entities (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. This year we took additional steps to formalise our approach to consultation including developing guidance on 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 on 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 on 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 Boards¹.

Westpac Banking Corporation (including owned and controlled entities)

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, insurance services, leasing finance, general finance, interest rate risk management and foreign exchange services.
2. Asgard Wealth Solutions Limited (ABN 28 009 143 597)	The principal activity of the company was that of a holding company for the Asgard Group which provides external financial adviser dealer group services, equity research on financial planners and administration services for investor directed portfolio services.
3. BT Financial Group Pty Limited (ABN 38 087 480 331)	The principal activity of the company was the provision of administration services to related entities.
4. Capital Finance Australia Limited (ABN 23 069 663 136)	The principal activities of the company were the provision of plant and equipment finance facilities, property and construction finance facilities and consumer finance facilities including leasing, commercial hire purchase, chattel mortgage and secured loans.
5. Crusade Trust No.2P of 2008 (ABN 54 656 327 299) ²	The Trust is used for the purpose of securitising St.George, Bank of Melbourne and BankSA brand home loans.
6. Series 2008-1M WST Trust (ABN 55 776 534 334) ²	The Trust is used for the purpose of securitising Westpac brand home loans.
7. Westpac Covered Bond Trust (ABN 41 372 138 093) ²	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.
8. 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.
9. 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.

¹ There are 56 reporting entities of which Westpac or the BT reporting entities were determined to be the higher entity for the purpose of the Australian Modern Slavery Act. It was not practicable to seek approval from each of the Boards of these reporting entities due to the high number of entities and complexities around both the timing and requirements of Board meetings. As such, approval was sought from the Boards of each higher entity.

² Trust with a trustee external to Westpac.

9. Overview of reporting entities (continued)

Westpac Banking Corporation (including owned and controlled entities) (continued)

REPORTING ENTITY	PRINCIPAL ACTIVITIES DURING REPORTING PERIOD
10. Westpac Life Insurance Services Limited (ABN 31 003 149 157)	The principal activities of the company were the provision of a range of life insurance products, including risk and investment policies.
11. Westpac Overseas Holdings No. 2 Pty Limited (ABN 90 121 257 510)	The principal activities of the company consisted of holding of investments.
12. 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.

This Statement was approved on 1 February 2022 by the Board of Westpac Banking Corporation on behalf of the reporting entities listed above.



Peter King
Managing Director and Chief Executive Officer

9. Overview of reporting entities (continued)

BT Funds Management Limited (including owned and controlled entities)

REPORTING ENTITY	PRINCIPAL ACTIVITIES DURING REPORTING PERIOD
13. BT Funds Management Limited (ABN 63 002 916 458)	The company is both a Registrable Superannuation Entity (RSE) Licensee and Responsible Entity (RE). The principal activities of the company were the provision of trustee and funds management services.
14. Asgard Independence Plan - Division (ABN 90 194 410 365)	Superannuation funds
15. BT Institutional Conservative Growth PST (ABN 87 612 819 950)	
16. Retirement Wrap (ABN 39 827 542 991)	
17. BT Multi-manager Accumulator Fund (ARSN 126 248 548)	Investment trusts
18. 1970's Lifestage Fund - A (ARSN 165 860 113)	
19. 1980's Lifestage Fund - A (ARSN 165 860 079)	
20. 1960's Lifestage Fund - A (ARSN 165 861 227)	
21. 1990's Lifestage Fund - A (ARSN 165 859 941)	
22. BT Multi-manager Protector Fund (ARSN 126 239 263)	
23. 1950's Lifestage Fund - A (ARSN 165 860 999)	
24. BT Australian Share Fund (ARSN 087 595 739)	

The Statement was approved on 28 February 2022 by the Board of BT Funds Management Limited on behalf of the reporting entities listed above.



Gai Marie McGrath
Chair, BT Funds Management Limited

9. Overview of reporting entities (continued)

Advance Asset Management Limited

REPORTING ENTITY	PRINCIPAL ACTIVITIES DURING REPORTING PERIOD
25. Advance Asset Management Limited (ABN 98 002 538 329)	The company is a Responsible Entity (RE). The principal activities of the company were the provision of trustee and funds management services.
26. WSSP Australian Equities Trust (Unregistered)	Investment trusts
27. WSSP International Equities Trust (Unregistered)	
28. BT International Shares Index Fund (ARSN 086 513 564)	
29. BT Australian Shares Index Fund (ARSN 086 512 834)	
30. Advance Australian Shares Multi-Blend Fund (ARSN 087 296 008)	
31. Advance International Shares Multi-Blend Fund (ARSN 087 295 501)	
32. Advance Property Securities Multi-Blend Fund (ARSN 094 112 580)	
33. Advance Balanced Multi-Blend Fund (ARSN 087 296 375)	
34. Advance Growth Multi-Blend Fund (ARSN 087 296 142)	
35. BT Property Securities Index Fund (ARSN 086 513 886)	
36. Advance High Growth Multi-Blend Fund (ARSN 108 946 809)	
37. WSSP International Property (Global REITs) Trust (Unregistered)	
38. Advance Moderate Multi-Blend Fund (ARSN 108 947 011)	
39. Advance Commodities Fund (Unregistered)	

9. Overview of reporting entities (continued)

Asgard Capital Management Limited

REPORTING ENTITY	PRINCIPAL ACTIVITIES DURING REPORTING PERIOD
40. Asgard Capital Management Limited (ABN 92 009 279 592)	The principal activity of the company was acting as the administrator for superannuation master trusts and investor directed portfolio services.

BT Funds Management No.2 Limited

REPORTING ENTITY	PRINCIPAL ACTIVITIES DURING REPORTING PERIOD
41. BT Split Growth Fund (ARSN 087 531 575)	Investment trusts

BT Portfolio Services Limited

REPORTING ENTITY	PRINCIPAL ACTIVITIES DURING REPORTING PERIOD
42. 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.

1. DISCLOSURE NOTES	2. MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	3. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	4. RISKS OF MODERN SLAVERY PRACTICES AND SUPPLY CHAINS	5. OUR ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISK	6. ASSESSING EFFECTIVENESS	7. PROGRESS AND FUTURE FOCUS	8. CONSULTATION	9. OVERVIEW OF REPORTING ENTITIES	APPENDIX 1 - AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	APPENDIX 2 - POLICIES AND FRAMEWORKS
---------------------	---	--	--	--	----------------------------	------------------------------	-----------------	--	---	--------------------------------------

9. Overview of reporting entities (continued)

Westpac Financial Services Limited

REPORTING ENTITY	PRINCIPAL ACTIVITIES DURING REPORTING PERIOD
43. BT Managed Portfolios (ARSN 604 066 686)	Investment trusts
44. Multi-manager Balanced Fund (ARSN 098 405 380)	
45. BT Wholesale Multi-manager International Share Fund (ARSN 124 773 628)	
46. Multi-manager Growth Fund (ARSN 098 405 308)	
47. Fidelity Wholesale Plus Australian Equities Fund (ARSN 601 829 636)	
48. BT Global Emerging Markets Fund (Unregistered)	
49. T. Rowe Price Wholesale Plus Global Equity Fund (ARSN 602 109 357)	
50. BT Property Securities Fund (ARSN 087 588 627)	
51. Westpac Australian Tax Effective Share Fund (ARSN 088 187 348)	
52. Magellan Wholesale Plus Global Fund (ARSN 602 652 737)	
53. Bennelong Wholesale Plus ex-20 Australian Equities Fund (ARSN 601 829 234)	
54. BT Index Balanced Fund (ARSN 611 896 621)	
55. BT Asian Share Fund (ARSN 087 595 131)	

The Statement was approved on 24 February 2022 by the Boards of Asgard Capital Management Limited, BT Portfolio Services Limited, Advance Asset Management Limited, Westpac Financial Services Limited, and BT Funds Management No.2 Limited on behalf of the reporting entities listed above.



Vicki Lee Allen

Chair, Asgard Capital Management Limited, BT Portfolio Services Limited, Advance Asset Management Limited, Westpac Financial Services Limited, and BT Funds Management No.2 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	2021 MODERN SLAVERY STATEMENT
Identify the reporting entity	Disclosure notes (p. 2) Overview of reporting entities (pp. 38 - 43)
Describe the structure, operations and supply chain of the reporting entity	Our structure, operations and supply chain (pp. 5 - 8)
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 practice in operations and supply chains (pp. 9 - 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 (p. 37)
Any other information that the reporting entity considers relevant	Message from the Chief Executive Officer (pp. 3 - 4) Engagement and advocacy (p. 29) Progress and future focus (p. 36)

Appendix 2 – Policies and frameworks

Additional policies and frameworks support the management of modern slavery risk in operations and supply chains across the Group, including:

ACTIVITY	POLICY/PROCESS DOCUMENT	PURPOSE	UPDATED IN FY21 ¹
As a financial services provider	Group Sanctions Policy	Establishes the minimum expectations for us to comply with our relevant economic and trade sanctions obligations.	Y
	<i>Group Anti-Bribery and Corruption Policy</i>	Establishes the minimum expectations for us to comply with our anti-bribery and corruption obligations.	Y
	Customer Vulnerability Policy	Sets out our commitment and approach to supporting vulnerable customers.	N
	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.	N
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.	N
	Australian Enterprise Agreement	Outlines terms for employees relating to pay, leave, working hours, flexibility, staffing, development, speaking up and leaving the company.	N
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.	Y
	WNZL Supplier Management Framework (SMF)	Sets out the principles underlying WNZL's approach to Supplier Management. It establishes the structure for managing supplier relationships and risk.	N
	WNZL Procurement Policies (Related Party and Independent Third-Party Policies)	The Procurement Policies related to the SMF 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 will underpin the way WNZL approaches purchasing decisions to ensure sustainable outcomes for our communities, customers and suppliers.	Y

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

westpac.com.au