

SUPPLIER INCLUSION & DIVERSITY PRINCIPLES

Westpac New Zealand
Limited



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Version control.

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1. Purpose

At Westpac New Zealand we are committed to delivering positive impact through our supply chain. The Supplier Inclusion & Diversity Principles outline how Westpac engages, contracts, governs, and manages our Suppliers in order to meet a key objective of using inclusivity to strengthen our supply chain. These Principles apply to Westpac New Zealand Limited (WNZL) and related entities in New Zealand including BT Funds Management (NZ) Limited (BTNZ), Westpac Life-NZ-Limited (WLL) and Westpac Banking Corporation NZ Branch (WBC NZ Branch) (together Westpac New Zealand).¹

Our supply chain is made up of nearly 3,000 suppliers, predominately based in the New Zealand main centres, with an annual spend of over \$600 million. We recognise the opportunities our supply chain creates to influence society as well as the ability to support and grow our local communities by utilising inclusive and diverse sourcing decisions. We think of diversity in broad terms including gender, gender identity, age, ethnicity, cultural background, sexual orientation, and religious belief as well as diversity of thought and experience.

¹ WBC NZ Branch is the responsibility of WBC Group. Accordingly, WBC Group personnel retain responsibility in respect of the procurement obligations of WBC NZ Branch, notwithstanding the role that WNZL Commercial Services performs in discharging their undertaking and oversight of procurement activities.

2. Objectives

The objectives of these Principles are to help Westpac New Zealand:

- Increase opportunities for a diverse range of suppliers who have traditionally been underrepresented in our economy and supply chain.
- Encourage current suppliers to value inclusion and diversity within their own operations.
- Support Westpac Group's vision to be a global leader in relation to workplace inclusion and diversity.

3. Desired Outcomes

Our desired business and social outcomes include:

- Improved financial inclusion and economic participation by diverse suppliers, particularly small to medium sized enterprises (SMEs), to stimulate job growth and support local economic development.
- Delivering improved social equality by utilising suppliers who have traditionally been underrepresented in our economy or have a social mission.
- Influencing our suppliers and contractors to increase their ability to drive inclusion and growth in their organisations and communities.

4. Our Focus on Diversity

To deliver our desired outcomes, in addition to our focus on SMEs we will look for inclusion opportunities in the following key areas:

- Businesses owned by Māori / Pasifika
- Businesses owned by women
- Businesses owned by members of the LGBTQIA+ community
- New Zealand Disability Enterprises
- Social Enterprises
- B Corporations

Appendix One outlines how we will identify the above diverse suppliers. We believe that using consistent definitions will help us to monitor our progress in this area.

5. Approach

To achieve our objectives, Westpac New Zealand will:

- Embed inclusion and diversity strategies into our procurement processes.
- Actively seek opportunities to purchase goods and services from diverse suppliers. In the first instance, priority will be given to SMEs located in the region where the contract will be delivered. Where a contract delivers services nationally, preference will be given to a supplier who provides opportunities in the region where the work is undertaken.
- Support diverse suppliers to build their capability and capacity to supply to Westpac New Zealand at the right time.
- Educate and drive awareness across Westpac New Zealand regarding the importance of informed purchasing decisions and the social benefits of partnering with diverse suppliers.
- Provide guidance to our suppliers on how to embed inclusion and diversity into their own operations and supply chain.

6. Implementation & Governance

We recognise that supplier inclusion and diversity requires ongoing commitment to delivering and governing our strategy. We do this through:

- Utilizing our Responsible Sourcing Program.
- Incorporating inclusion and diversity targets as a key Commercial Services team deliverable.
- Providing learning and development opportunities across procurement and the broader enterprise.
- Tracking opportunities, contracts and spend with diverse suppliers.

7. Appendix

Appendix One: Defining an Inclusive and Diverse Supply Chain

Small to Medium sized Enterprises (SMEs)	<ul style="list-style-type: none"> ▪ Businesses owned, managed, and controlled by New Zealand citizens or permanent residents with 100% of full-time employees located in New Zealand. ▪ Will have fewer than 50 full-time employees and up to \$10 million revenue.
Businesses owned by Māori or Pasifika	<p>Māori are defined as people with Māori whakapapa and who identify as Māori.</p> <p>Pasifika includes people descended from the indigenous Pacific ethnic groups of Samoa, Cook Islands, Tonga, Niue, Fiji, Tokelau, Tuvalu, Kiribati, Papua New Guinea, Vanuatu, Solomon Islands and the small island states of Micronesia and who identify as Pasifika.</p> <ul style="list-style-type: none"> ▪ Sole proprietorship/trader: 100% ownership by a Māori and/or Pasifika person. ▪ Partnerships: at least 50% of each class of partnership interest is owned by Māori and/or Pasifika person(s); or ▪ Corporations/companies: Māori and/or Pasifika person(s) own at least 50% of each class of ordinary voting shares issued and at least 50% of each class of all other shares issued; or ▪ Trusts: at least 50% of owner(s) of securities or assets held in trust are Māori and/or Pasifika person(s).
Businesses owned by Women	<p>Woman / women includes an individual who identifies as a woman</p> <ul style="list-style-type: none"> ▪ Sole proprietorship/trader: 100% ownership by a woman ▪ Partnerships: at least 50% of each class of partnership interest is owned by a woman / women; or ▪ Corporations/companies: a woman / women own at least 50% of each class of ordinary voting shares issued and at least 50% of each class of all other shares issued; or ▪ Trusts: at least 50% of owner(s) of securities or assets held in trust are women

Businesses owned by members of the LGBTQIA+ community	<p>A member of the LGBTQIA+ community includes an individual who identifies as lesbian, gay, bisexual, and transgender, queer, intersex or asexual</p> <ul style="list-style-type: none"> ▪ Sole proprietorship/trader: 100% ownership by a member of the LGBTQIA+ community ▪ Partnerships: at least 50% of each class of partnership interest by a member(s) of the LGBTQIA+ community; or ▪ Corporations/companies: a member(s) of the LGBTQIA+ community own at least 50% of each class of ordinary voting shares issued and at least 50% of each class of all other shares issued; or ▪ Trusts: at least 50% of owner(s) of securities or assets held in trust are for a member(s) of the LGBTQIA+ community
Social enterprises	<p>A social enterprise is an organisation that has the key purpose to provide a social, environmental, or local economic benefit:</p> <ul style="list-style-type: none"> ▪ They trade to fulfil their social purpose; ▪ They derive a substantial portion of their income from trade (50% or more for ventures that are more than five years from start-up, 25% or more for ventures that are three to five years from start-up, and demonstrable intention to trade for ventures that are less than two years from start-up); ▪ They reinvest at least 50% of profit into furthering their social purpose. <p>A social enterprise may be a certified member of the Akina FWD initiative.</p>
NZ Disability Enterprises	<p>New Zealand Disability Enterprises are generally not for profit organisations providing supported employment opportunities to people with a disability.</p>
B Corporations	<p>B Corporations meet specified standards of social and environmental performance, accountability and transparency as determined by a B Impact Assessment.</p> <p>Must be certified by the Not for Profit organisation B Lab and listed on the New Zealand B Corporation directory</p>



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