

# RESPONSIBLE SOURCING PRINCIPLES

Westpac New Zealand  
Limited



# 1. OUR RESPONSIBLE SOURCING PRINCIPLES

At Westpac New Zealand (Westpac) we are committed to sustainable business practices across our operations and supply chain. We recognise that the actions of our suppliers, and our interactions with them support Westpac in its efforts to drive positive social, environmental, and economic outcomes for the communities we serve.

Ensuring sustainable outcomes for our communities, customers and suppliers underpins the way Westpac approaches purchasing decisions. Our sourcing process embeds important risk management principles to ensure supplier relationships mitigate the environment, social and governance (ESG or 'sustainability') risks in our supply chain, including issues such as climate change, human rights and modern slavery.

The Responsible Sourcing Principles (the principles) form part of the sourcing process and are applied over the time that businesses provide products and/or services to Westpac.

The principles' purpose are to:

- share our key sustainability goals and aspirations for doing business with our suppliers;
- support our suppliers to identify, mitigate and manage their sustainability (including environmental, social human rights, modern slavery, and governance) risks; and
- outline our expectations of suppliers and their supply chain engagements in providing products and/or services to Westpac.

Westpac seeks to conduct business with organisations that share our values and help support our commitments to operate in an ethical, socially, and environmentally responsible manner.

Our goal is to build relationships and collaborate openly with suppliers to maximise the positive, and mitigate the negative, impacts of our purchasing decisions.

Suppliers should inform Westpac if they are unable to meet these expectations and we will endeavour to work alongside and collaborate with you to improve your ability to meet these requirements.

# 2. OUR PRINCIPLES & OBJECTIVES

## 2.1 CORPORATE GOVERNANCE

PRINCIPLES	OBJECTIVES
<p>Corporate governance is the framework of systems, policies, and processes by which we operate, make decisions, and hold our people to account.</p> <p>Our approach to corporate governance is based on a set of values and behaviours that underpin our day-to-day activities, and work to promote transparency, fair dealing, and the protection of stakeholder interests.</p> <p>A robust corporate governance structure is critical to managing and mitigating sustainability impacts.</p>	<p><b>Essential Supplier Obligations:</b></p> <ul style="list-style-type: none"><li>- comply with all applicable local, national, and international laws and regulations, including in relation to bribery and corruption, modern slavery, payment of the living wage and ethical conduct.</li><li>- act ethically and transparently, avoid actual, potential, or perceived conflicts of interest with Westpac in their dealings, and have a policy or statement which commits employees to ethical conduct, standards, and behaviours.</li><li>- have a zero-tolerance approach to bribery and corruption with supporting mechanisms in place for reporting of unethical behaviour.</li><li>- have systems in place to measure, manage and mitigate material sustainability impacts and risks.</li></ul> <p><b>Encouraged Supplier Objectives:</b></p> <ul style="list-style-type: none"><li>- establish and maintain a channel for employees and stakeholders to raise complaints confidentially and anonymously.</li><li>- have a process in place, that allows for the investigation and remediation of complaints which ensures no retaliation.</li><li>- take an industry leadership role by adhering to all relevant industry, product, and service standards.</li></ul>

## 2.2 SUSTAINABILITY RISK MANAGEMENT

PRINCIPLES	OBJECTIVES
<p>Sustainability risk management is underpinned by designated frameworks, policies, and standards, addressing;</p> <ul style="list-style-type: none"> <li>- Environmental Risk;</li> <li>- Human Rights;</li> <li>- Climate Change; as well as</li> <li>- Position Statements on sensitive sectors.</li> </ul> <p>At Westpac, our approach to sourcing is to take a risk-based approach. Our engagements with suppliers throughout the lifetime of our partnerships may include activities that seek to identify, assess, mitigate, and monitor the sustainability impacts of our purchasing decisions.</p> <p>We track and report sustainability risk metrics and seek to work with suppliers to improve their performance during the partnership.</p>	<p><b>Essential Supplier Obligations:</b></p> <ul style="list-style-type: none"> <li>- identify, mitigate, and manage their risks, vulnerabilities, and compliance obligations, including risks that the supplier's actions may pose to people and the environment.</li> <li>- have a business continuity plan, to minimise disruption to the business and its employees, customers, stakeholders and impacts on the community.</li> <li>- protect our business and customer information and handle any information shared with their business in accordance with contractual and regulatory requirements.</li> <li>- share information as requested on material sustainability impacts and risks. This may include internal and/or public targets, measuring performance and communicating performance to key stakeholders.</li> </ul> <p><b>Encouraged Supplier Objectives:</b></p> <ul style="list-style-type: none"> <li>- continuously improve their performance in relation to management of sustainability risks and issues.</li> <li>- validate financial and sustainability performance using credible and independent third parties.</li> </ul>

## 2.3 HEALTH, SAFETY & WELLBEING

PRINCIPLES	OBJECTIVES
<p>Westpac seeks to provide an environment that will enrich the health, safety, and wellbeing of our people. We seek to embed a culture of care which spans across the five key areas of Family &amp; Community, Finances, Health, Values and Work.</p>	<p><b>Essential Supplier Obligations:</b></p> <ul style="list-style-type: none"> <li>- comply with all relevant local and national laws and regulations on work, health and safety management and reporting.</li> <li>- have a documented health and safety statement or policy in place and a system to record, monitor and manage health and safety incidents.</li> </ul> <p><b>Encouraged Supplier Objectives:</b></p> <ul style="list-style-type: none"> <li>- build wellbeing practices into their work, health, and safety programs.</li> </ul>

## 2.4 HUMAN RIGHTS

PRINCIPLES	OBJECTIVES
<p>Westpac recognises that we have a responsibility to respect human rights, and the opportunity to positively impact human rights through our value chain. Our approach is underpinned by a commitment to respect human rights as set out in the:</p> <ul style="list-style-type: none"> <li>- International Bill of Human Rights (comprising the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights);</li> <li>- UN Convention on the Rights of the Child; and</li> <li>- ILO Declaration on Fundamental Principles and Rights at Work.</li> </ul> <p>And to support the;</p> <ul style="list-style-type: none"> <li>- UN Guiding Principles on Business and Human Rights; and</li> <li>- New Zealand Bill of Rights Act</li> </ul> <p>Where issues of concern are identified, we will seek to better understand suppliers' processes and practices and work with them to resolve and improve these.</p>	<p><b>Essential Supplier Obligations:</b></p> <ul style="list-style-type: none"> <li>- respect all recognised human rights through their operations and business relationships, including their supply chain, and address any adverse human rights impacts.</li> <li>- ensure all direct and indirect employees are legally entitled to work, are provided with legally required wages and entitlements, fair working conditions, and their rights to freedom of association and collective bargaining are respected.</li> <li>- ensure they have policies and/or processes in place to identify, mitigate and address any form of modern slavery within their operations and supply chain, including human trafficking, slavery, servitude, forced labour, bonded labour, deceptive recruitment, forced marriage and the worst forms of child labour. If these policies or processes are not in place, suppliers must be willing to engage with Westpac to address risks.</li> <li>- comply with all applicable laws, regulations and international standards relating to the direct or indirect employment of children and ensure these are abided by in subcontracting relationships. It is recommended suppliers set clear expectations of their supply chains regarding the prohibition of child/underage labour and children performing hazardous work.</li> </ul>

## 2.5 INCLUSION & DIVERSITY

PRINCIPLES	OBJECTIVES
<p>Westpac seeks to foster inclusive workplaces where every individual can participate and develop regardless of their gender, gender identity, age, ethnicity, cultural background, religious belief, sexual orientation, marital or family status, disability, socio economic background, perspective or experience.</p> <p>We are committed to setting and embedding practices in our workplace that value and promote equality. Additionally, we have systems in place to report grievances that seek to protect our employees, customers, and suppliers from harassment, bullying and victimisation.</p> <p>We are also committed to increasing opportunities in our supply chain for businesses that are owned by or employ traditionally financially excluded and/or underrepresented groups or have a social mission. Westpac is committed to sourcing 25% of its supplier spend from local businesses by 2025, including local SME's. This is a key commitment to foster partnerships with the following types of businesses:</p> <ul style="list-style-type: none"><li>- Maori and/or Pasifika-owned;</li><li>- Women-owned;</li><li>- LGBTQI+ owned;</li><li>- Social Enterprises;</li><li>- Disability Enterprises and;</li><li>- Charity/Not for profit organisations.</li></ul>	<p><b>Essential Supplier Obligations:</b></p> <ul style="list-style-type: none"><li>- foster an inclusive workforce that reflects gender, gender identity, age, ethnicity, cultural background, religious belief, sexual orientation, marital or family status, disability, socio economic background and perspective or experience.</li><li>- treat all employees fairly, ethically, respectfully and with dignity and have protections against direct and indirect discrimination, bullying and harassment.</li><li>- create a workplace environment that promotes accessibility, flexibility, and wellbeing.</li></ul> <p><b>Encouraged Supplier Objectives:</b></p> <ul style="list-style-type: none"><li>- develop measurable action plans where appropriate to improve inclusion and diversity in both operations and supply chain.</li><li>- build partnerships within the communities in which they operate to support their local economy.</li></ul>

## 2.6 ENVIRONMENTAL MANAGEMENT & CLIMATE RISK

PRINCIPLES	OBJECTIVES
<p>At Westpac, we are committed to managing our direct and indirect environmental impacts, risks, and opportunities. Westpac recognises its ability to influence positive environmental change, to help find solutions to environmental challenges and minimise our direct and indirect footprint.</p> <p>Westpac recognises that climate change is one of the most significant issues that will impact the long-term prosperity of the global economy and our way of life. Addressing climate change requires collective action, engagement, and collaboration with a range of stakeholders, including our supply chain.</p>	<p><b>Essential Supplier Obligations:</b></p> <ul style="list-style-type: none"><li>- comply with all applicable laws and regulations on environmental management and reporting, including disclosure of any breach of licence requirements.</li><li>- source and supply credible third-party certified products where contractually required</li></ul> <p><b>Encouraged Supplier Objectives:</b></p> <ul style="list-style-type: none"><li>- measure, monitor, minimise and report material environmental impacts associated with their products and services, and from their operational footprint where relevant, including greenhouse gas emissions, air quality, energy efficiency, water and wastewater, waste and hazardous materials, biodiversity impacts, lifecycle impacts of products and services, and packaging.</li><li>- collaborate with us in managing climate risk and support our goals to reduce supply chain emissions. This may include having appropriate governance and oversight in place, developing a strategy to guide action, and accessing for climate change risk, and measuring and disclosing any material climate related impacts.</li><li>- take a leadership role in environmental issues faced by the business and its industry sector.</li><li>- drive sustainability innovation, practise circular economy principles and promote product stewardship for their goods and services.</li></ul>

### **3. IMPLEMENTATION**

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

Suppliers are required to comply with Westpac's screening and due diligence processes and are expected to respond with transparency and honesty, providing reasonable access to relevant documentation and supplier premises, and acting promptly on issues identified.

Suppliers must promptly notify Westpac of any actual or suspected instances of non-compliance with these principles within their operations or supply chain. Notification needs to include the steps the supplier is taking to investigate and address the issue and the proposed timeframe.

Our goal is to collaborate and partner with our suppliers to help them to meet these requirements of these principles.

## 4. SPEAKING UP

Westpac is committed to conducting our business with honesty, fairness, and integrity. Westpac encourages our suppliers and sub-contractors to speak up where they suspect wrongdoing within any relationship with Westpac or have a concern about the conduct of any of our representatives in our operations or supply chain.

Westpac is committed to protecting anyone reporting wrongdoing. If suppliers, including their current or former employees, have knowledge of, or reason to suspect any reportable conduct which involves Westpac, we encourage them to report it as soon as possible through our dedicated whistleblowing channels.

Our Speaking Up reporting system can be accessed via [westpac.whisppli.com/whistleblowing](https://westpac.whisppli.com/whistleblowing) or by calling a dedicated 24-hour independent Whistleblower Hotline: 0800 650 116 (a New Zealand free-call number),



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