

# Sustainability in practice:

Developing, embedding and measuring a sustainability strategy

## Case example: Westpac

The Sustainability Society

**Wednesday 24 July**

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7/29/13



# Agenda

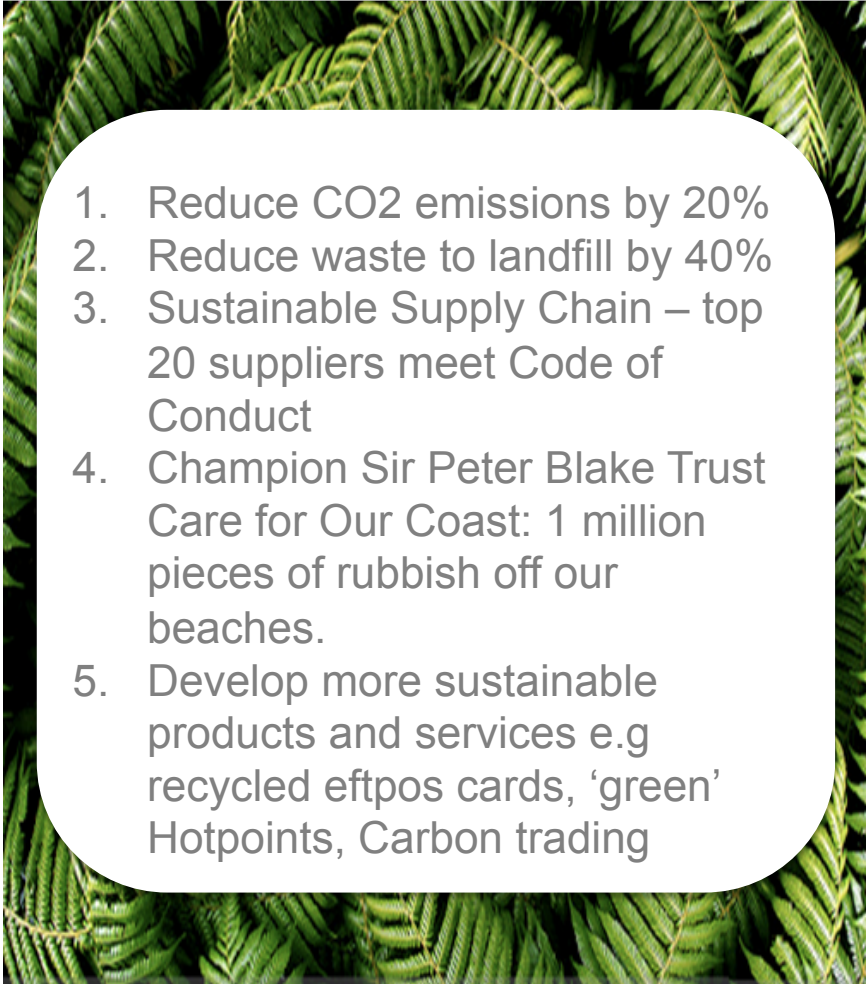
- Intro Westpac
- Our sustainability journey 2009-12
- 2013-15 Sustainable Business Strategy
- Measuring our performance
- What will success look like

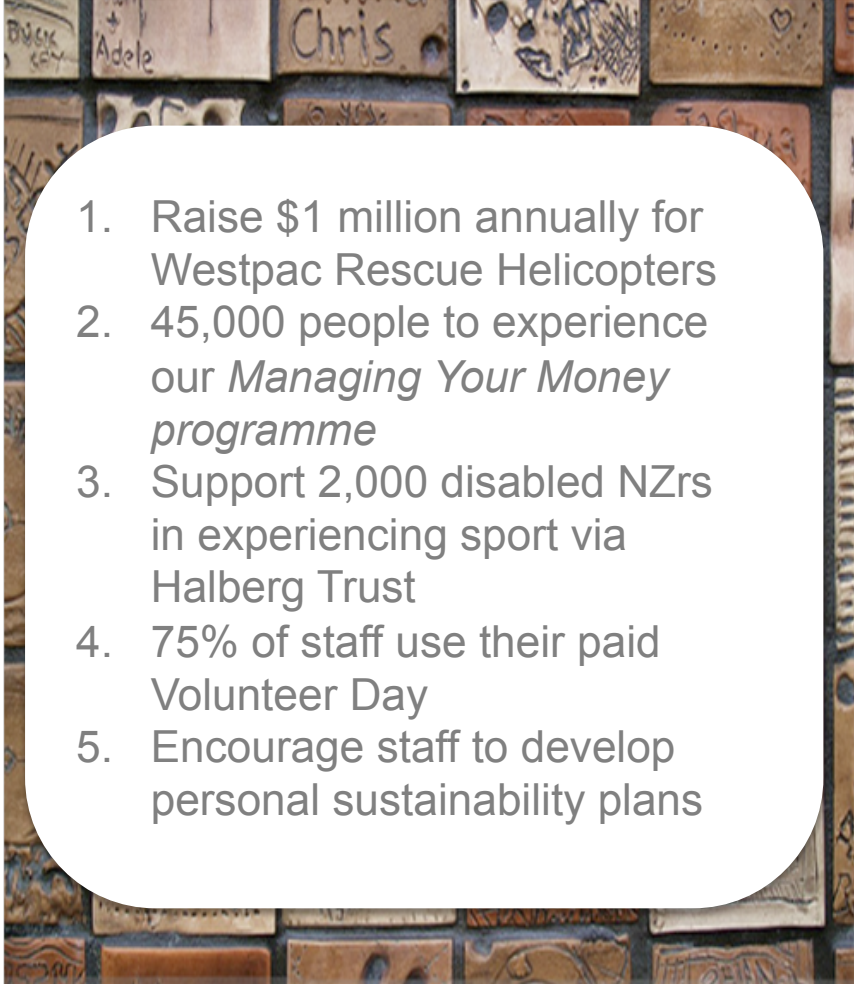
# About Westpac

- A subsidiary of Westpac Banking Corporation
- Been around for more than 150 years in NZ
- 5,000 people in New Zealand
- 1.2 million personal, business and agribusiness customers
- 205 branches and over 550 ATMs
- 20% market share
- CEO – Peter Clare



# Our 4 year sustainability plan (2009 – 2012)

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1. Reduce CO2 emissions by 20%
  2. Reduce waste to landfill by 40%
  3. Sustainable Supply Chain – top 20 suppliers meet Code of Conduct
  4. Champion Sir Peter Blake Trust Care for Our Coast: 1 million pieces of rubbish off our beaches.
  5. Develop more sustainable products and services e.g recycled eftpos cards, 'green' Hotpoints, Carbon trading

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1. Raise \$1 million annually for Westpac Rescue Helicopters
  2. 45,000 people to experience our *Managing Your Money* programme
  3. Support 2,000 disabled NZrs in experiencing sport via Halberg Trust
  4. 75% of staff use their paid Volunteer Day
  5. Encourage staff to develop personal sustainability plans

# Sustainability at Westpac

## 2009 – 12 Sustainability Scorecard

Our Tomorrow Project Goal	4 Yr Target	Detailed status	Current status
<b>Managing your Money</b> – People experiencing workshops tutorials	45,000	63,349 (141%)	✓
<b>Chopper Appeal</b> – Money raised (\$)	4,000,000	\$5,913,656 (148%)	✓
<b>Total carbon emissions*</b> – 20% reduction in CO2-e (baseline 14,059)	20% reduction	21%	✓
<b>Halberg</b> – Disabled people participating in sport	2,000	2,496 (125%)	✓
<b>Care for Our Coast</b> – Pieces of rubbish picked up	1,000,000	1,020,021(102%)	✓
<b>Our Tomorrow Project membership</b> – number of internal champions	1,000	1,072	✓
<b>Volunteer Leave</b> – % of staff (FTE at 4,812) taking their volunteer day	75%	46%	⇒
<b>Waste to Landfill**</b> – 40% reduction on baseline	40%	19% (pilot only)	⇒
<b>Sustainable supply chain management^</b> – Completion survey by top 20 suppliers	20	20	✓
<b>Sustainable products &amp; Services</b> – for customers	4	5	✓

### Local recognition:

- 2011 – SBN Sustainable Business of the Year
- 2012 – Sustainable 60 Overall Large Business

## Critical success factors

- Metrics driven reporting
- Shared ownership with Properties and Facilities
- Focused first on 'getting house in order'
- Built on momentum - existing community partnerships
- Identified leadership opportunities
- Good opportunities for employee engagement

# Drivers behind the next strategy

## The landscape has changed

- Increased scrutiny on FS sector
- Changing priorities for our stakeholders
- Changing perceptions of what constitutes leadership on this agenda

## Our focus

- Materiality: what impacts largest number of stakeholders
- Emergence: what are the emerging issues, not those already in strategy
- Relevance: how is this relevant to our role as a financial institution
- Impact: can we have a meaningful impact and influence effective change
- Organisational skills: can we use our skills as a major financial institution.

# Strategic Process

Understand mega trends and assess materiality

Define strategy, work programme and set metrics

Obtain approval from Board

Establish governance structure (executive sponsor)

On-going stakeholder consultation



OUR  
tomorrow  
smarter sustainability





# Commercial outcomes – the five 'R's



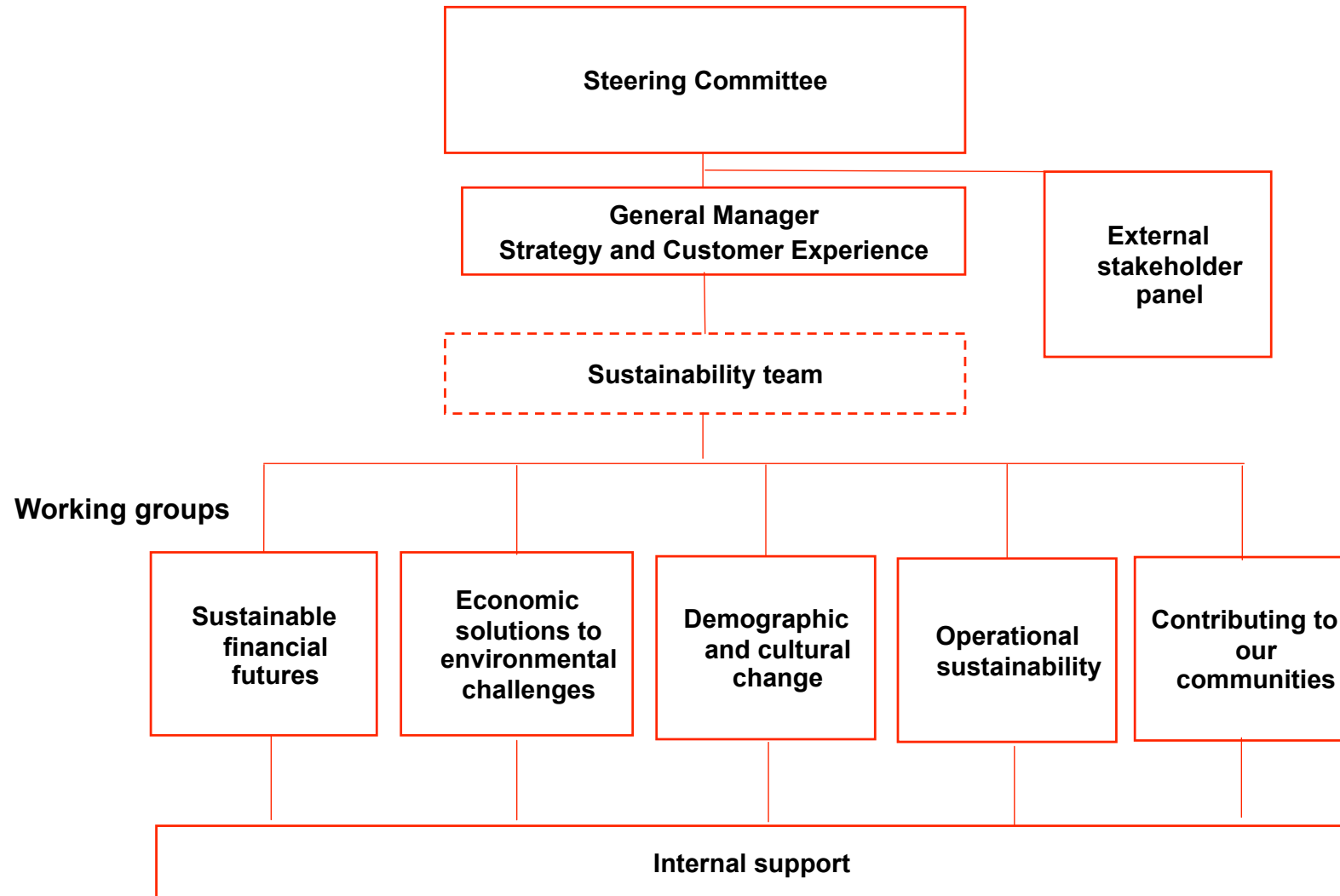
# Our Tomorrow – Westpac's 2013-15 Sustainable Business Strategy Framework



## 2013-15 Strategy objectives

WORKSTREAM	OBJECTIVE
Economic solutions to environmental challenges (ESEC)	1. Provide solutions to help our customers adapt to environmental challenges and resource constraints
	2. Lend and facilitate investment in the clean technology and environmental services sector
Sustainable Financial Futures (SFF)	3. Provide New Zealanders with access to programmes that strengthen their financial education and helps to meet their goals in life and retirement
	4. Help people gain access to social and affordable housing in New Zealand
Demographic and Cultural Change (DCC)	5. Ensure the makeup of our workforce enables us to respond to the changing gender, cultural and generational makeup of New Zealand
	6. Provide our people with the opportunity to extend the length and quality of their working lives with us
Operational sustainability	7. Demonstrate our leadership credentials by sustainably managing our operations
Contributing to our communities	8. Support our local communities through partnerships that help people when they need us most, and build capacity for the long term.

# Governance



# Measuring and reporting progress

- All objectives in the new strategy have at least one hard metric to measure its progress e.g. no. new products and services, \$X lending to clean tech sector
- Also measure and report on a range of social, environmental and economic performance indicators (GRI)
- Report monthly to CEO, quarterly to Steering Committee and WBC, Annually to external stakeholders

# More to measure

- Current strategy metrics consider outputs
- Need to also look at measuring social and environmental outcomes of strategy e.g.
  - Social impact/value of people taking up financial education;
  - Net benefit to NZ emissions through growing lending to clean tech sector

# Stakeholder engagement

- Provides an objective lens on strategy and challenge on what constitutes leadership
- Ensures we keep abreast of the material issues and how effective we are at addressing them
- Opens the door to collaborative linkages and partnerships
- Supports our agility to adapt

# Benchmarking our performance globally

Global leader for banks since 2002, in  
**Dow Jones Sustainability Index**



One of **World's Most Ethical Companies** by  
Ethisphere since 2008



**Carbon Disclosure Project** – Disclosure  
Leaders Index, since 2008



**Global 100 Most Sustainable Corporations**  
ranking no. 10





## What will success look like?

- Business led delivery, internal engagement
- 1-2 'legacy' pieces
- Commercial outcomes that achieve a good mix of the five 'R's
- Tangible leadership on mega issues we are seeking to address
- Collaborative partnerships that achieve shared objectives
- Metrics driven reporting that measures outcomes as well as outputs

## More info

- Westpac NZ Sustainable Business Strategy:
  - <http://www.westpac.co.nz/who-we-are/sustainability-and-community/>
- Westpac NZ – GRI indicator performance for 2012:
  - <http://www.westpac.com.au/about-westpac/sustainability-and-community/reporting-our-performance/stakeholder-impact-reports/>

# Questions?