

# Bankwest

# Sustainability Report 2012

## Who we are

Since our establishment in 1895, Bankwest has provided 117 years of quality banking services through our Western Australia focus, physical presence and strong community relationships. More recently, we have also achieved success on the East Coast as a challenger brand that offers a real alternative to the dominant big four.

In 2011-2012, we have continued to grow our presence across Australia, with a highly differentiated brand, award-winning range of products, distinctive distribution, and a customer proposition that delivers real value. Today, we are proud to claim more than 1.26 million retail and business customers, use of the Commonwealth Bank Group's network of 4,000 ATMs, 139 Stores, 72 Business Centres and 79 Home Loan specialists.

As well as receiving multiple industry awards for our products, diversity approach, banking innovations and ecommerce solutions, we are proud to have received the Australian Financial Review (AFR) Smart Investor Bank of the Year award (for the third year running), the 2012 AFR SMILES award for outstanding customer service as well as Money Magazine's Money Minder of the Year award for 2012. These awards reflect the strength of our customer proposition.



**1.26 million**  
retail and business customers



Access to  
**4,000**  
ATMs



**79**  
Home Loan  
specialists



**139**  
Stores



## Industry awards

**In the 2011-2012 financial year, these industry awards have recognised the outstanding work we've been doing for our customers:**

- › AFR Smart Investor 2012 "Bank of the Year" for the third year running.
- › AFR Smart Investor Best Home Loan Provider.
- › AFR Smart Investor Best Day-to-Day Banking.
- › Money Magazine Money Minder of the Year 2012.
- › Money Magazine Best of the Best Awards for 2011 in six product categories.
- › Money Magazine Credit Card Issuer of the Year.
- › Money Magazine Business Awards – Cheapest Business Transaction Account.
- › 2011 Canstar Cannex Best Value Everyday Banking Award.

## Sustainable Business Practices

Across our operations, we embed sustainable business practices through strong governance, established management systems, responsible procurement and transparent reporting.

In 2011-2012, we created the office of the Chief Executive, Strategy and Reputation – designed to take our focus on corporate sustainability to the next level.

One significant achievement is new state legislation that allows us to operate under a single Group ADI licence. This provides enhanced access to funding and increased capital efficiencies, helping us deliver a more competitive offering for Australian customers, supporting the long-term sustainability of our business.

In alignment with the Commonwealth Bank of Australia, we have also continued to enhance our risk and control framework, ensuring we can meet rising regulatory and customer expectations with confidence.



# Responsible Financial Services

We take a responsible approach to providing financial products and services, with an absolute commitment to ethical and responsible banking practices.

To support this, all colleagues must sign a contract detailing ethical and professional standards. We also provide extensive training and education to help our colleagues understand their responsibilities to the customer, organisation, shareholders and other stakeholders.

Before taking on a new colleague, we conduct thorough, multi-layered checks to make sure they have the skills, experience and professional integrity we require. Where appropriate, our colleagues operate under an accreditation framework, with their competency tested and confirmed annually through detailed training and testing.



## Lending responsibly

We take a conservative and responsible approach to credit lending. In the past financial year, we've taken steps to ensure that our practices meet the new regulatory requirements set out in the National Consumer Credit Protection Act. These include greater customer disclosure at the point of sale, and greater protection for customers in the sale and servicing of new Home Loan, Credit Card and Personal Loan products.

## Delivering Happy Banking

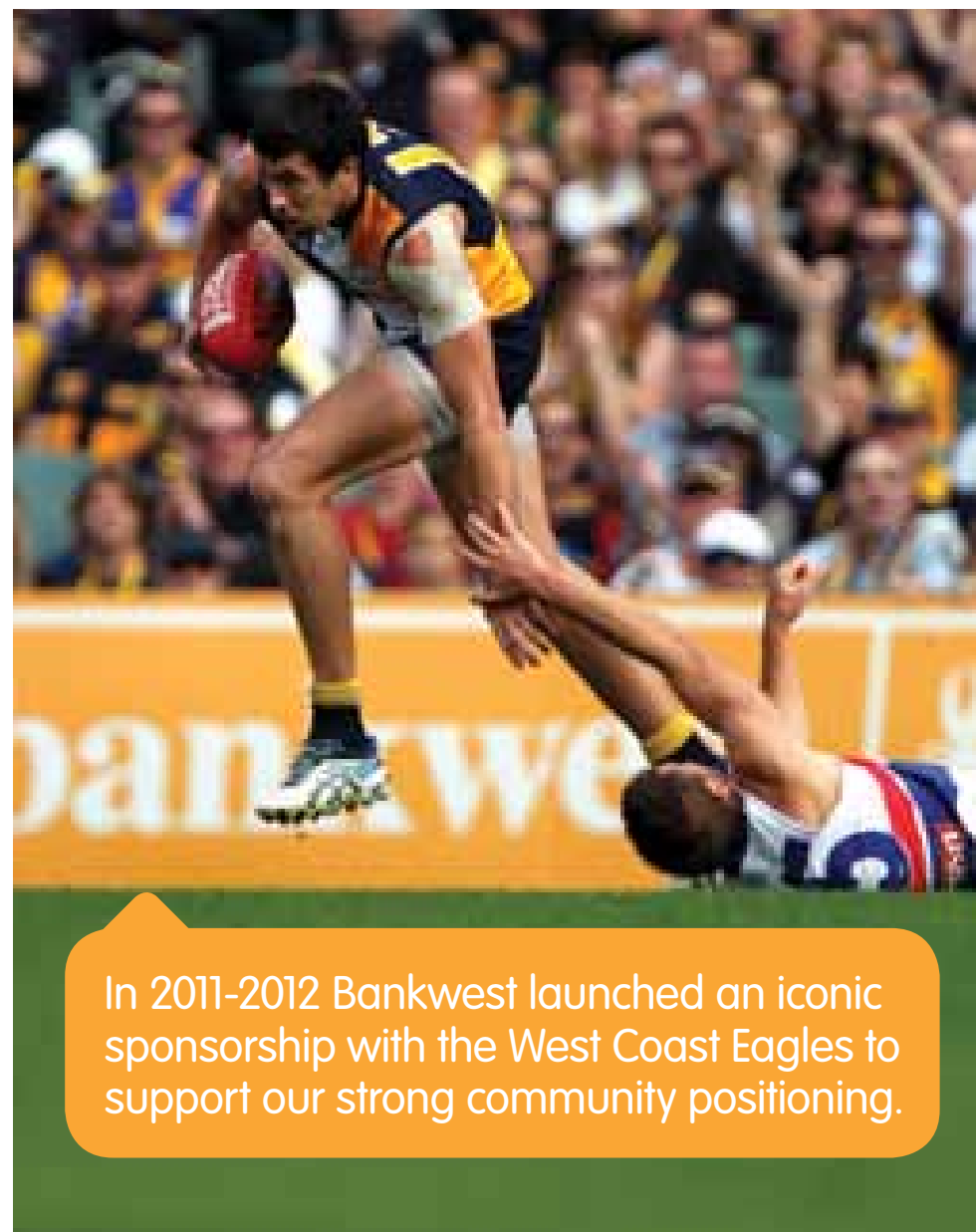
We continue to focus strongly on customer satisfaction and providing a Happy Banking experience. Here are just some of the initiatives from 2011-2012 that helped differentiate and enhance our customer experience:

- Launching market-leading products such as Australia's first high interest business transaction account and the Breeze MasterCard®, Australia's first credit card that offered 5% cashback on everyday purchases for 12 months;
- Launch of new flagship Stores in Perth and Sydney central business districts offering many industry leading features aimed at increasing customer convenience;
- Making Stores more accessible for East Coast customers by opening a new Store in Victoria and four innovative low-cost Express Stores along the East and West Coasts;
- Launching new mobile, tablet and Twitter offerings designed to improve the service and meet the changing needs of customers on the go. Bankwest now has 3,000 Twitter followers making it the most followed of the regional banks in Australia;
- Improvements that give business customers the convenience of applying online for eight different credit and lending products, and the ability to apply for three retail transaction products through all channels;
- Launching a new Happy Chats service to route calls to experienced Store colleagues, introducing a new complaints hotline to better identify and address areas of customer concern and launching the Business division's "We're listening" customer satisfaction framework, all having a positive effect on customer satisfaction;
- Launching *Backed by Bankwest* and *Agri Focus* (business extensions of our successful *WA4EVER* campaign) showcasing our expertise and long-term commitment to the West Australian community; and
- Launching an iconic sponsorship with the West Coast Eagles to support our strong community positioning.

Business customers have the convenience of applying for

eight

different products online



In 2011-2012 Bankwest launched an iconic sponsorship with the West Coast Eagles to support our strong community positioning.

# Engaged and Talented People

People and culture are at the heart of our success strategy. We attract, foster and retain a diverse, engaged and talented workforce, and aim to maximise the potential of our people, through our can-do and innovative culture.

## Increasing engagement

Over 2011-2012, we continued to raise colleague engagement, a key enabler for our customer and corporate objectives, scoring 74 per cent on the Kenexa Engagement Index.

Although engagement improved over 2011-2012, we are continuing to focus on improving engagement and performance to achieve our objective of a Finance Sector Best in Class ranking of 81 per cent.

In 2011-2012 we also achieved Best in Class status on Kenexa's Performance Enablement Index – a predictive measure of corporate success.



## Embracing diversity

We are firmly committed to diversity in the workplace and have made significant progress towards achieving our targets. Under the guidance of an executive-led Diversity and Inclusion Council, we have:

### EXCEEDED OUR TARGET FOR WOMEN IN SENIOR LEADERSHIP

In 2011-2012, we exceeded our 2012 target for women in senior leadership (level four and above). We also launched a range of initiatives designed to foster and grow our female talent, including:

- Executive sponsored Women in Leadership forums.
- Dedicated mentoring programmes.

In light of our progress, we have increased our 2014 target to 35 per cent.

### INCREASED WORKPLACE FLEXIBILITY

We have increased our flexible work practices, with over 37 per cent of colleagues now identified as working flexibly. This includes working from home and flexible work patterns.

We expect that the new activity based working (ABW) environment at Bankwest Place, Perth will further enable flexible work practices in 2013.

### BEEN RECOGNISED AS AN EMPLOYER OF CHOICE FOR WOMEN

We were one of only five employers based in Western Australia to receive an EOWA Employer of Choice for Women citation, reflecting our commitment to women in the workplace.

# Community Contribution and Action



Our Community Engagement strategy focuses on giving back in an innovative and sustainable manner that builds the image and reputation of Bankwest and its colleagues. We do this by taking part in grass roots community activities such as general and skills based volunteering, forming strong long-term relationships with charity partners that our colleagues have chosen and giving colleagues ways to support our charitable partners at work.

We partner with organisations whose values and culture align with ours and add value to the existing work being undertaken (as opposed to replicating or starting new initiatives). This approach supports the work of the community organisation by building their capacity and sustainability over the longer term.

Here are some of the ways we contribute to our community:

## Employee volunteering

Our Community Engagement program gives Bankwest colleagues the chance to get involved in volunteering, workplace giving and community based events. Now in its third year, it offers a minimum of eight hours volunteering leave for each employee.

In the reporting period, we gave our colleagues the chance to use their professional skills in a different context, volunteering on short-term projects with a community organisation.

In the 10 months since the program launched, 144 colleagues, in 20 individual and team-based projects, have contributed skills including marketing research, IT consultancy, staff mentoring and outbound telemarketing campaign support. This has delivered cost savings for a number of community organisations and helped them improve their capacity to focus on their core programs and clients.

Sustainability and organic growth are the cornerstones of our Community Engagement program. We partner with agencies that provide volunteering opportunities, as well as work directly with community organisations to understand their skilled volunteer needs.

Demand from within Bankwest for the program continues to grow, demonstrating strong buy-in from our colleagues, stakeholders and leadership. Through the program, we are aiming to build an increased sustainability and capacity of volunteering. This is being done through thought leadership, and support of professional development events within the industry and the Corporate Volunteering Council.

See [The Bankwest Community Projects Google map](#) for more on how Bankwest colleagues are spreading the happiness through volunteering.

## Friends among Bankwest

Bankwest colleagues also contribute at a grassroots level, through the Friends among Bankwest (FaB) fundraising group. This small group of dedicated volunteers give their time and skills to run a number of internal events to raise extra funds for Bankwest's charity partners.

In the reporting period, they raised \$15,000 – an amount that was then matched by Bankwest.

## UWA Indigenous Business Conference

In 2012, we were the key sponsor of the inaugural UWA Indigenous Business Conference, a sponsorship we will continue in 2013.

We will also continue to support BHP Billiton's induction to work program for their young indigenous workforce in the North West, providing a Bankwest trainer for a session on financial and banking literacy, incorporating the local Bankwest Store.

## Supporting financial counsellors

We have strengthened our relationship with the Financial Counsellors Association, by:

- › Sharing insights on how customers in financial hardship are supported.
- › Sponsoring Financial Counsellors from regional and remote areas of Western Australia to attend the Financial Counsellors Association of WA 2012 Conference. We've also extended this sponsorship to the 2013 conference.

For more on how Bankwest supports and contributes to the community, visit [bankwest.com.au/about-us/in-the-community/community-overview](http://bankwest.com.au/about-us/in-the-community/community-overview)

# Environmental Stewardship

We are proactive in measuring and reducing our environmental footprint, and in providing smart solutions to help our customers and colleagues reduce their own.

Our commitment to sustainability can be seen in our new, purpose-built corporate headquarters in Bankwest Place, Perth. This building is the first of its kind in Western Australia, combining environmentally conscious design features with an activity based working (ABW) approach.

The move to Bankwest Place, which began in April 2012, marks a new standard in environmental sustainability for Bankwest. The building will house about 3,000 colleagues, targeting a five star Green Star rating for internal fit-out from the ground floor to level 14, and a four and a half star National Australian Built Environment Rating System (NABERS).

The ABW design encourages our people to choose the best space for the work they are doing at the time, and includes a variety of break-out spaces and collaboration areas. Team meeting and workspaces feature LCD collaboration screens and smart boards.

This approach reduces the amount of office space required, which is expected to reduce our carbon footprint into the future. Sensor lighting and sensor air conditioning on every floor, and a reduction of standby power from new laptop technology will also contribute to energy saving goals. Based on other organisations' ABW results, we aim to reduce our paper usage by 50 per cent in the next 12 to 24 months.



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# Our sustainability scorecard

METRIC <sup>1</sup>	2012	2011	2010	2009
<b>Customer Satisfaction</b>				
Roy Morgan Research MFI retail customer satisfaction	83.3%	83.6%	78.9%	76.2%
Rank	5th	4th	5th	-
DBM Business Financial Services Monitor MFI Customer Satisfaction	6.4	6.8	-	-
Rank	6th	6th	-	-
<b>People</b>				
Engagement				
Employee Engagement Index Score	74	-	-	-
Employee Turnover (voluntary)	17.2%	17.9%	16.1%	-
<b>Diversity</b>				
Proportion of women in Level 4 and above positions	32%	29%	-	-
Age diversity				
<25 years	10.22%	11.40%	12.70%	13.30%
25-34 years	36.48%	35.80%	35.90%	35.20%
35-44 years	27.61%	27.80%	28.60%	28.70%
45-54 years	18.21%	18.10%	16.90%	16.90%
55-64 years	7.04%	6.70%	5.70%	5.40%
65+ years	0.44%	0.30%	0.20%	0.20%
Staff working part-time	19.32%	18.03%	-	-
<b>Safety and Well-being</b>				
Lost Time Injury Frequency Rate (LTIFR)	1.2	1.7	1.4	-
Absenteeism (Average days per FTE)	7.50	6.97	6.94	-
<b>Environment - Greenhouse Gas Emissions (tCO<sub>2</sub>-e)</b>				
Scope 1 emissions	1,859	400	391	2,126
Scope 2 emissions	23,441	25,397	29,037	24,586
Scope 3 emissions	3,916	3,306	3,659	3,366
Total emissions	29,216	29,103	33,087	30,078
Emissions per FTE	6.42	6.02	6.80	6.24
Scope 3 emissions (Business flights and taxi)	3,340	8,285	-	-

Definition:	
Roy Morgan Research MFI retail customer satisfaction	The proportion of each financial institution's MFI retail customers surveyed by Roy Morgan Research that are either 'Very Satisfied' or 'Fairly Satisfied' with their relationship with that financial institution on a scale of 1 to 5 where 1 is 'Very Dissatisfied' and 5 is 'Very Satisfied'. The metric is reported as a 6 month rolling average as at 30 June, based on the Australian population aged 14 and over. The ranking refers to Bankwest's position relative to CBA, NAB, ANZ, Westpac, St George Bank, Bank of Queensland, Suncorp, Bendigo Bank and Bank of South Australia. Bankwest competitor set changed in October 2010 to include the regional banks, and the 2010 ranking has been adjusted historically. KPMG has not provided assurance over the adjusted figure for 2009.
DBM Business Financial Services Monitor Main Financial Institution (MFI) Customer Satisfaction	The average satisfaction of each financial institution's MFI business customers surveyed by DBM Business Financial Services monitor. Respondent rate their overall relationship with that institution on a scale from 0 to 10 where 0 is 'Extremely Dissatisfied' and 10 is 'Extremely Satisfied'. The metric is reported as a 6 month rolling average as at 30 June. The ranking refers to Bankwest's position relative to the regional Australian banks including St George, Bank of Queensland, Suncorp, Bendigo Bank and Adelaide Bank. The Bank began reporting Business customer satisfaction using the new industry currency, DBM Business Financial Services Monitor in August 2010.
People Engagement Index Score	In 2012 Bankwest moved the people and culture survey administration to a new provider. The index shows the proportion of employees replying 4 or 5 to questions relating to satisfaction, retention, advocacy and pride on a scale of 1-5 (5 is "strongly agree", 1 is "strongly disagree"). No prior year data is available.
Employee Turnover (voluntary)	Employee turnover refers to all voluntary exits of Bankwest employees as a percentage of the average permanent headcount (full-time, part-time, job-share as at 30 June). Metric excludes employees on unpaid extended leave.
Proportion of women in Level 4 and above positions	The number of roles held by female colleagues at level 4 (senior professional) and above as a percentage of permanent employees (part-time and full-time, excluding casuals, contractors and those on extended leave) as at 30 June.
Lost Time Injury Frequency Rate (LTIFR)	LTIFR is the reported number of occurrences of lost time arising from injury or disease that have resulted in an accepted workers compensation claim for each million hours worked for the year ending 30 June. The number of hours worked is calculated using a working week of 40 hours per average FTE over the year and multiplied by 46 weeks. The metric captures claims relating to Bankwest employees only (permanent, casual and those contractors paid directly by Bankwest). Data is complete as at 30 September, however it may be updated in future reports due to post-publication reporting of incidents that occurred during the year, or the subsequent acceptance or rejection of claims made in the year.
Absenteeism (Average days per FTE)	Absenteeism is the rolling 12 month figure for the year ended 30 June, as at 31 July this year (31 August in 2011). Absenteeism refers to the average number of sick leave days per full-time equivalent (FTE), reported by domestic, permanent employees. FTE captures domestic, permanent employees (full-time, part-time, job share or on extended leave).
Age diversity	Breakdown of permanent employees (excludes casuals, contractors and those on extended leave) by their age as at 30 June of that year. KPMG has not provided assurance over 2009 and 2010 figures.
Staff working part-time	The number of employees who are employed on a part-time basis as a percentage of permanent employees (part-time and full-time, excluding casuals, contractors and those on extended leave) as at 30 June.
Scope 1 emissions	Scope 1 carbon emissions relate to the consumption of gas and fuel (gasoline and diesel) by domestic retail and commercial properties, business use of domestic tool-of-trade vehicle fleet, business use of private vehicles, and business use of hire cars. Due to Bankwest's adoption of more comprehensive reporting, the emissions for 2011-2012 now include business use of private vehicles and greater granularity over its use of tool-of-trade vehicle fleet, which were excluded in previous years' figures. KPMG has not provided assurance over the reallocation of 2009-2011 figures.
Scope 2 emissions	Scope 2 carbon emissions relate to the electricity by domestic retail and commercial properties and domestic ATMs. Due to the electricity billing cycle, 1.24% of 2011/12 electricity data was estimated to meet publication deadlines. KPMG has not provided assurance over the reallocation of 2009-2011 figures.
Scope 3 emissions	Scope 3 carbon emissions relate to the upstream emissions related to Scope 1 and 2 emission sources. KPMG has not provided assurance over the reallocation of the 2009-2011 figures.
Total emissions	Total Greenhouse Gas (GHG) emissions include Scope 1 emissions (fuel), Scope 2 emissions (electricity) and the upstream emissions related to Scopes 1 and 2 only. KPMG has not provided assurance over the reallocation of 2009-2011 figures.
Emissions per FTE	Emissions relate to Scopes 1-3 emissions as detailed above, excluding flights and taxis. FTE relates to full-time equivalent per employee (full-time, part-time, job sharing and employees on extended leave, including contractors). KPMG has not provided assurance over 2009 - 2011 resulted figures.
Scope 3 emissions (Business flights and taxis)	Emissions relate to employee business travel in aircraft and taxi travel. Only flights taken by Australian-based employees, and booked through the 'Cliqbook' booking system have been reported. It excludes paper, waste, water, HFCs and other related sources of Scope 3 emissions. KPMG has not provided assurance over the reallocation of 2011 figures.
Changes in emissions reporting	Previously Bankwest reported its emissions as: 1. Property and Fleet combined, (i.e. electricity and fuel), and 2. Travel emissions (i.e. flights and hire cars). Bankwest now reports its emissions as Scopes 1, 2 and 3 for increased transparency in disclosure. KPMG has not provided assurance over the reallocation of 2009-2011 figures.





# Independent Limited Assurance Report to the Bank of Western Australia (Bankwest)

## *Our limited assurance conclusion*

Based on the procedures performed, as described below, nothing has come to our attention to indicate that the Metrics for the year ended 30 June 2012 as presented in the “Our sustainability scorecard” section on page 8 of the Bankwest Sustainability Report 2012, have not been prepared and presented, in all material respects, in accordance with the Definitions established by management.

We have been engaged by the Bank of Western Australia (Bankwest) to provide limited assurance over the Sustainability Metrics (the Metrics) for the year ended 30 June 2012 as presented in the “Our sustainability scorecard” section on page 8 of the Bankwest Sustainability Report 2012 (the Scorecard).

## *Management responsibility*

The management of Bankwest are responsible for the preparation and presentation of the Metrics in accordance with the Definitions as described in the Scorecard. This responsibility includes establishing and maintaining internal control over the preparation of the Metrics that are free from material misstatement whether due to fraud or error. There are no mandatory requirements for the preparation, publication or review of sustainability performance metrics. As such Bankwest applies its own internal reporting guidelines and definitions for sustainability reporting (the Definitions) which can be found in the Scorecard.

## *Our Responsibility*

Our responsibility is to carry out an independent limited assurance engagement and to express a conclusion based on the work performed over the Metrics for the year ended 30 June 2012.

The Metrics in respect of the years ended 30 June 2008 and 30 June 2009 have not been included within the scope of our engagement and we therefore provide no assurance in respect of these Metrics. Our independent limited assurance reports in relation to the Metrics for the years ended 30 June 2010 and 30 June 2011 can be found in the CBA Sustainability Reports for the appropriate year.

Our limited assurance engagement was conducted in accordance with the Standard on Assurance Engagements ASAE 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information” and other relevant assurance standards issued by the Auditing and Assurance Standards Board.

ASAE 3000 requires that we comply with applicable ethical requirements, including independence, and plan and perform the engagement to obtain limited assurance about whether the Metrics are free from material misstatement.

A limited assurance engagement consists of making enquiries of persons responsible for the management, monitoring and preparation of the Metrics, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Inquiries of relevant staff responsible for preparing the Metrics;
- Inquiries about the design of the internal controls and systems used to collect and process the Metrics;
- Where applicable, inquiries of third parties responsible for the preparation of data that is included in the Metrics;
- Inquiries about the design of the systems used by third parties to collect and process the Metrics;
- Comparing the Metrics to relevant underlying sources on a sample basis; and



- Reading the Metrics presented in the Scorecard to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of Bankwest.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

We performed procedures in order to obtain all the information and explanations that we considered necessary to provide sufficient evidence for us to state whether anything has come to our attention that would indicate that the Metrics have not been prepared and presented, in all material respects, in accordance with the Definitions established by management.

Our limited assurance report is prepared solely for the use of Bankwest in accordance with the terms of our engagement. We disclaim any assumption of responsibility for any reliance on this review report to any person other than Bankwest or for any other purpose other than that for which it is prepared.

### ***Independence***

In conducting our limited assurance engagement, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

KPMG

Sydney, 4 October 2012