

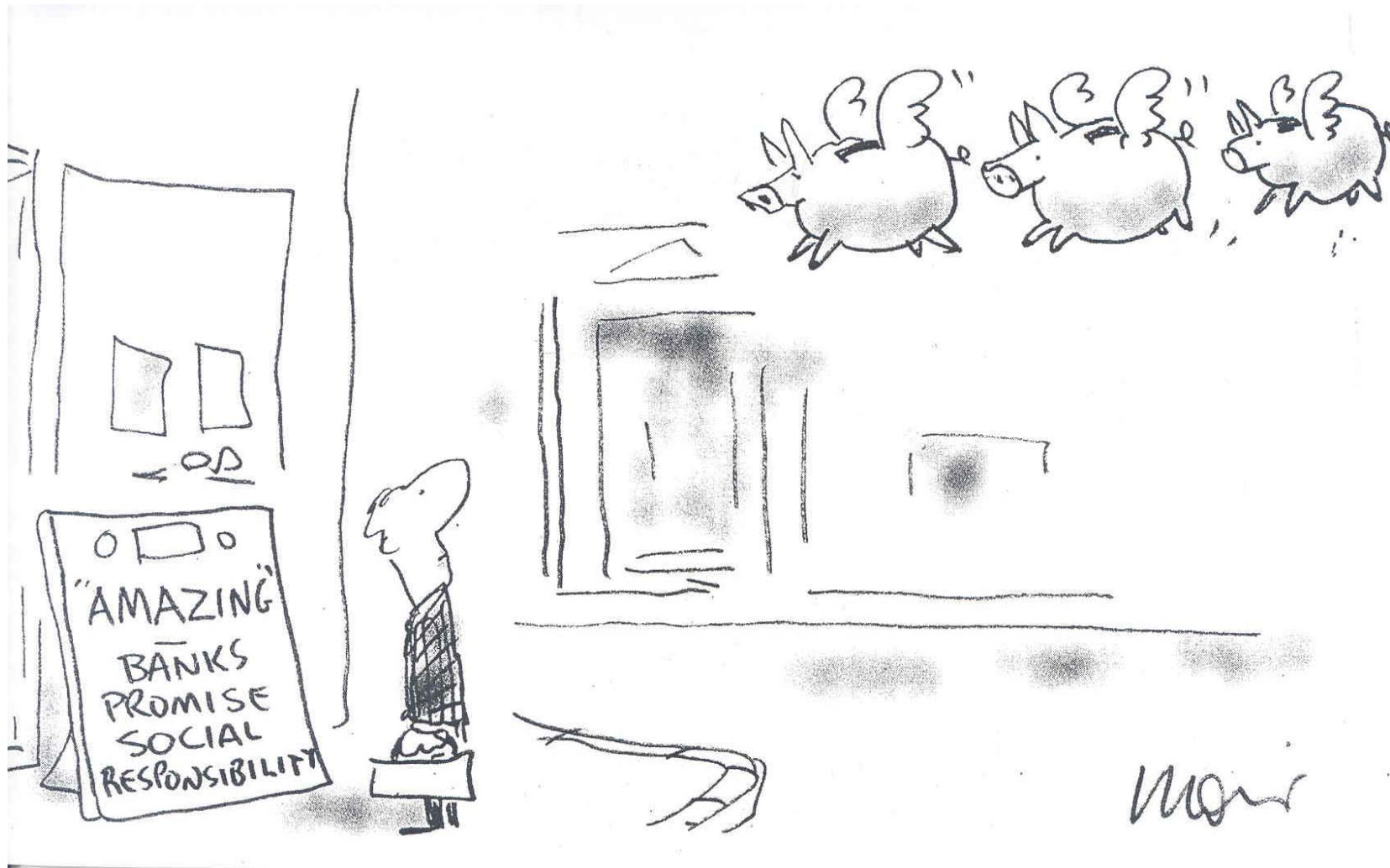
# Corporate Responsibility: the reality and the rhetoric

**Noel Purcell**

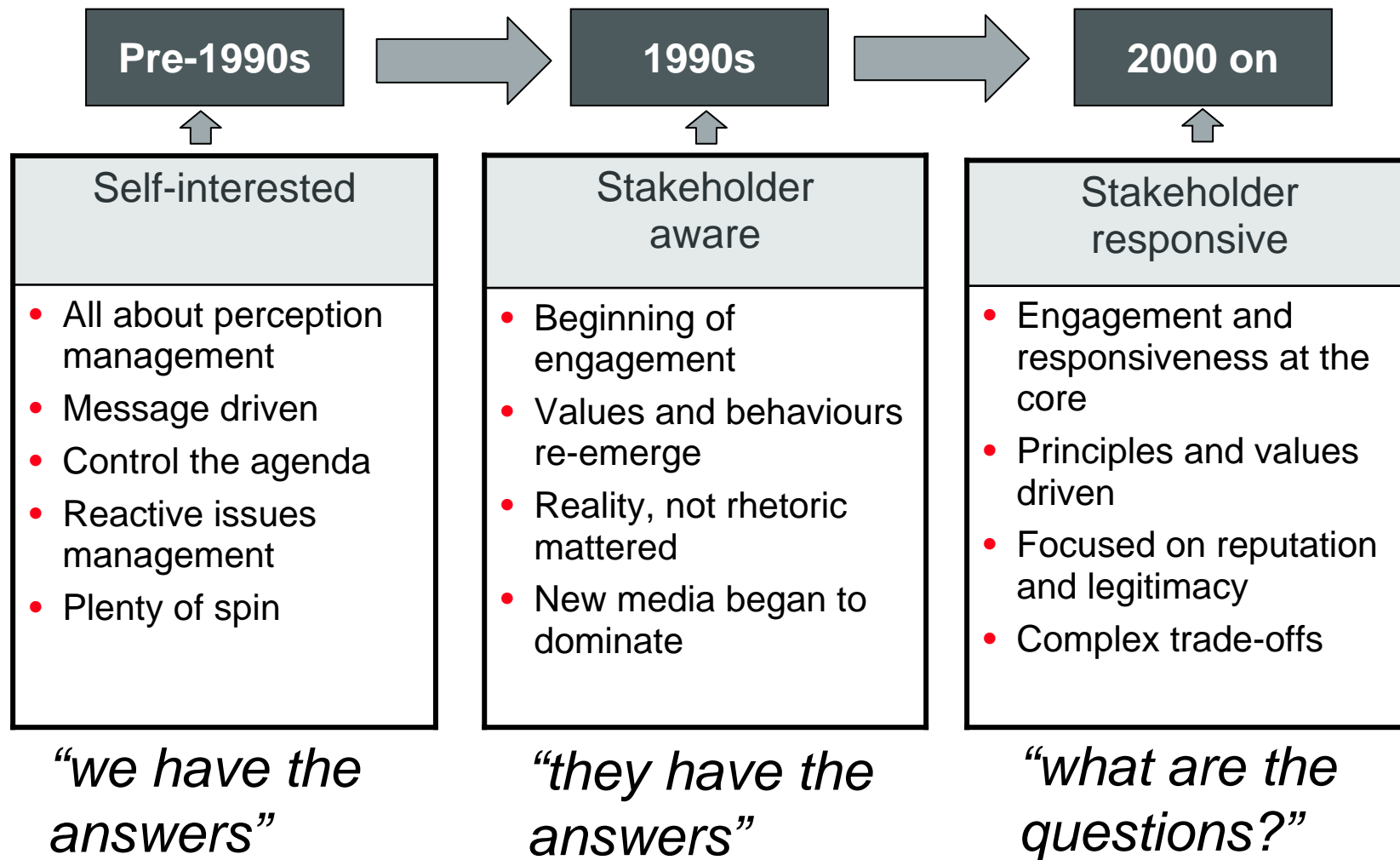
Group General Manager, Stakeholder  
Communications

4 April 2006

# The mainstreaming of corporate responsibility!!!



# Westpac's reality journey



# 1: The old way's won't cut it anymore

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**“I try to do the right thing by my customers but sometimes it isn’t enough. I sense their frustration and anger. I feel powerless and it really gets me at times.”**

Excerpt from 2001 Annual Report

Would you work for a bank?

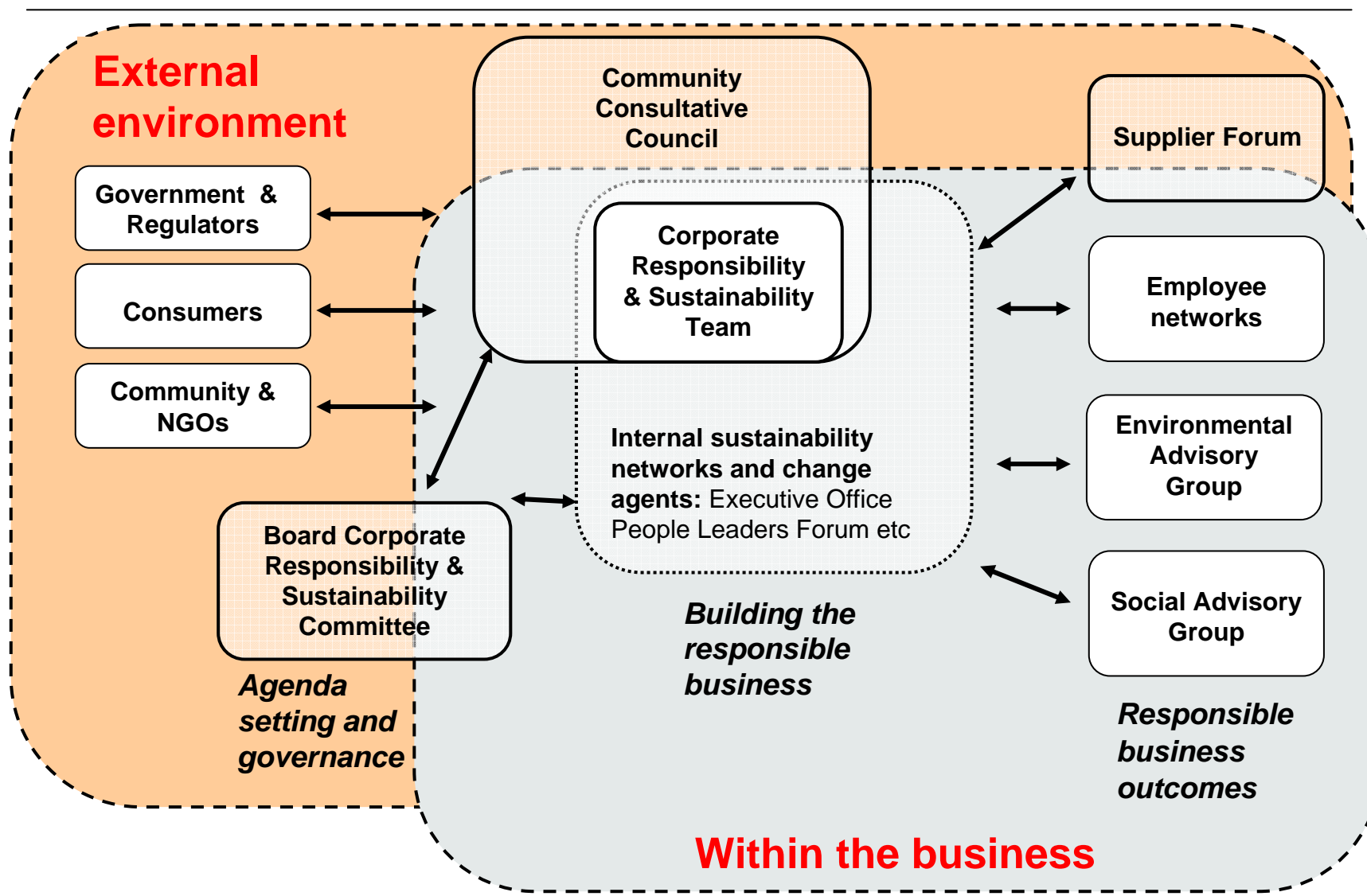
## 2. Work out what you stand for

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- Rules and regulations can't ensure transparency, fair dealing and the protection of stakeholder interests
- Only principles and values can guide and motivate ethical conduct
- The principles should lay out the conduct that can be expected across the organization



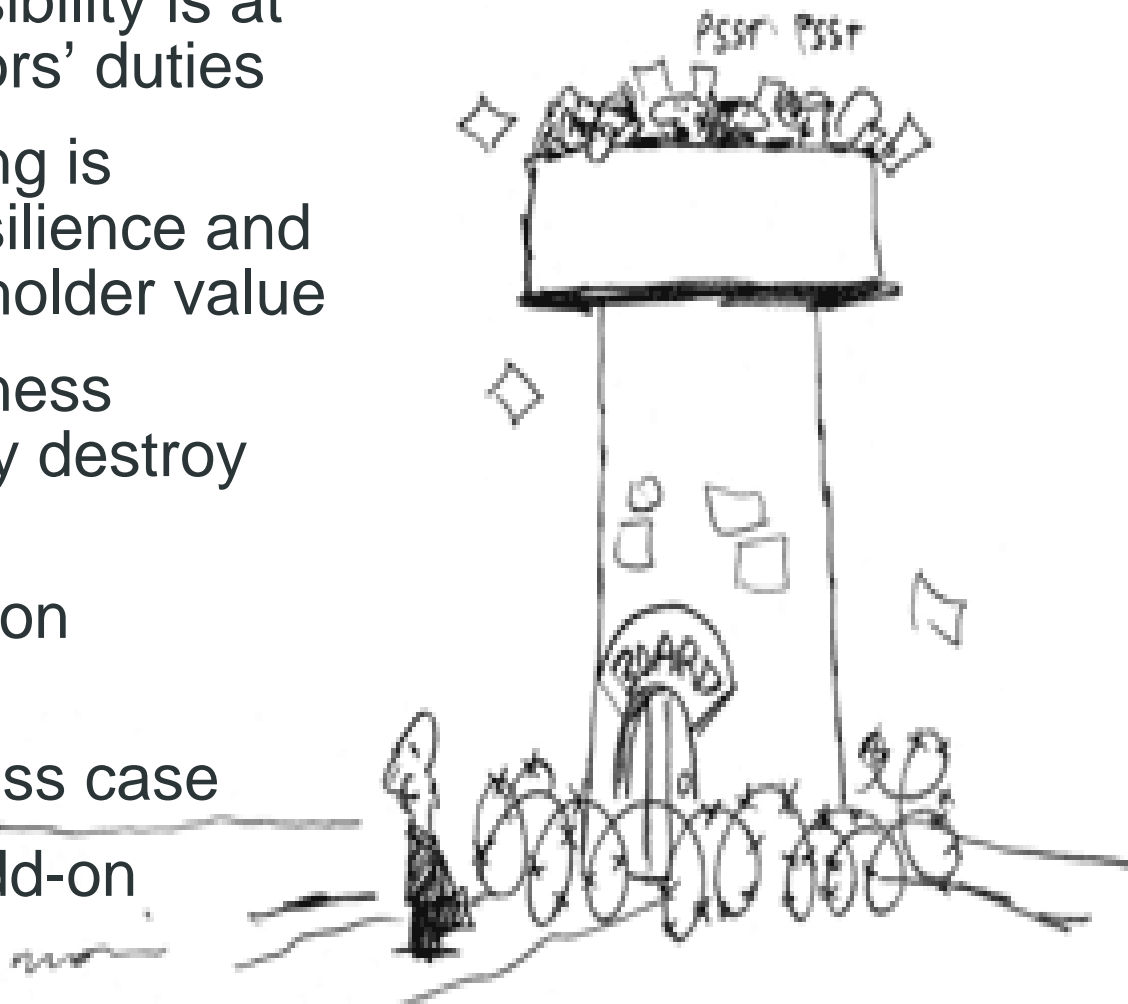
### 3: Go find the questions – and the answers



## 4: It must start with the Board

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- Corporate responsibility is at the heart of directors' duties
- Doing the right thing is fundamental to resilience and sustainable shareholder value
- Irresponsible business practices ultimately destroy shareholder value
- New expectations on business
- Compelling business case
- Anything but an add-on



## 5: Compliance won't get you over the line

Dimension	Legal perspective		Moral perspective
Honesty	Not lying/ factually true Correct to the letter	➔	The whole truth True to the spirit
Transparency and Disclosure	'Need to know' Compliance based disclosure	➔	'Right to know' Complete disclosure
Demonstration and engagement	Information Exclusive/ narrowly defined	➔	Engagement Inclusive/ broadly defined
Respect	Compliance driven Messages to suit the moment	➔	Accountability-driven Clear and consistent messages



## 6. If you want to manage it, measure it

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### Quarterly Board reporting

- Multidimensional measures
- Underlying performance
- Stakeholder perceptions
- Brand metrics
- Separate reputation risk reporting

### Total performance reporting



### Self assessment and outcome measures



# 7: It's a long journey - and with no one model

strategic agenda



1998

2006

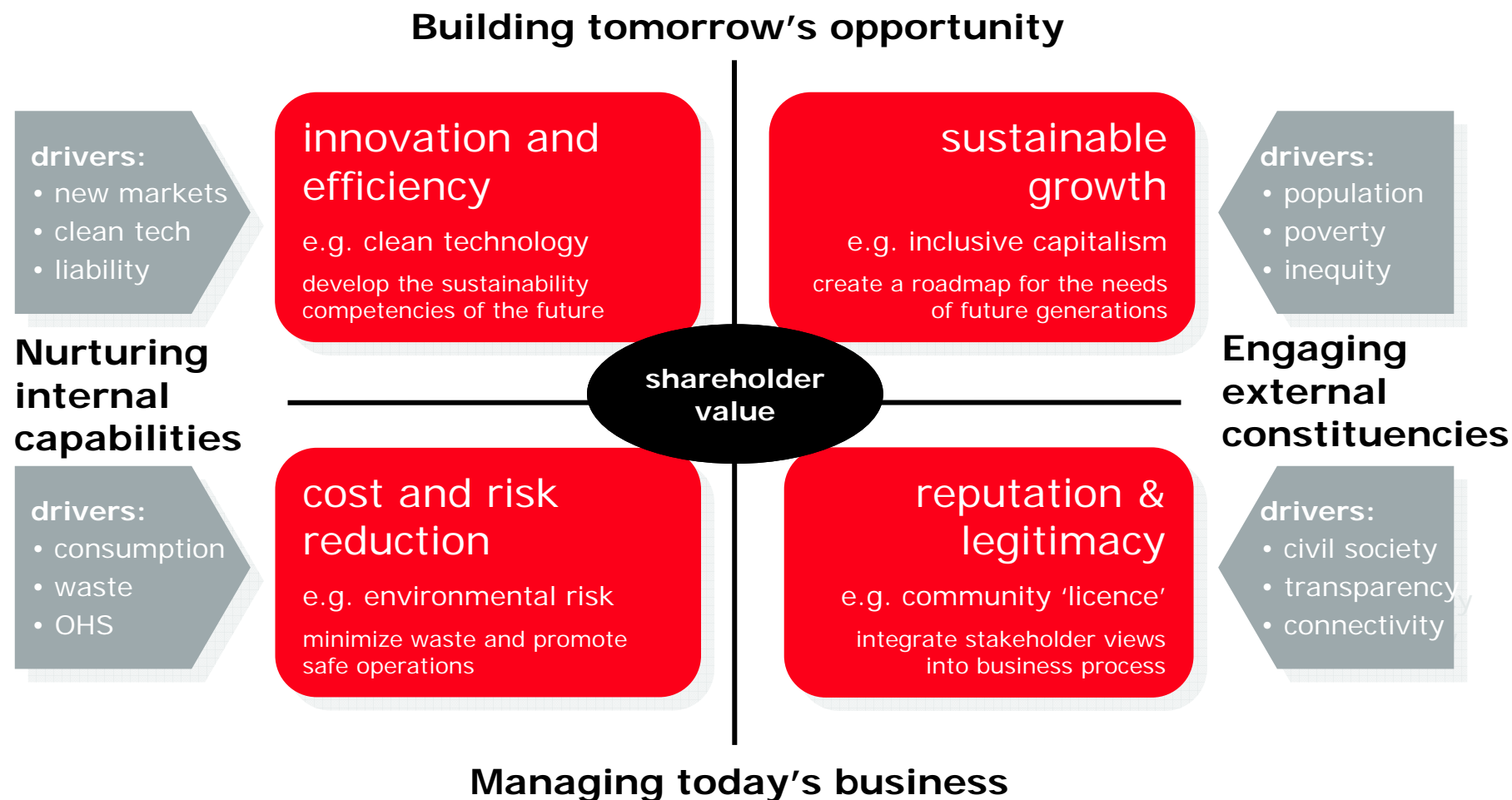
operational agenda

- governance
- external reporting, measurement & verification
- policy audit and enhancement
- stakeholder engagement

- business model
- sustainable supply chain management
- environmental performance

- systematic embedding
- brand extension
- products and services
- demand-side with consumers and markets
- Intangible value

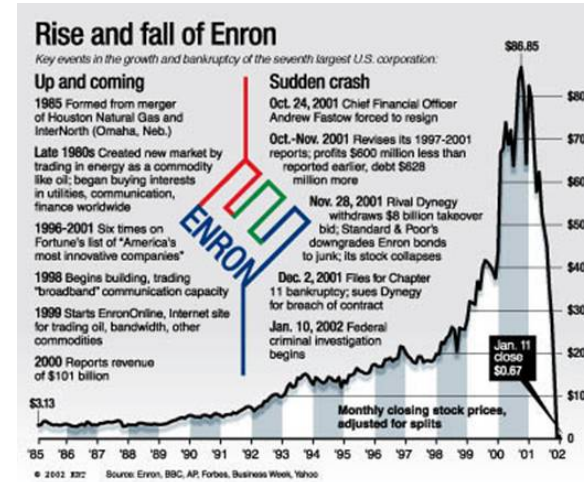
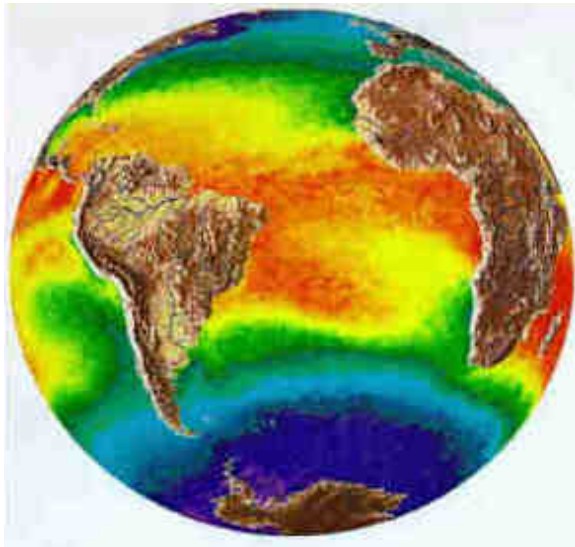
## 8: A brave new world of opportunity awaits



Based on: Stuart L. Hart and Mark B. Milstein, Academy of Management Executive, 2003, Vol. 17, No.2

## 9: The corporate world is not changing fast enough

- Still plenty of rhetoric
- Continued triumph of short-termism
- Interventions failing to clean up corporate greed and corruption



- Externalities still seen as someone else's problem
- Lack of traction on climate change
- Are we really the 'smartest guys in the room?'



Australia's First Bank