

FAIRE 2008
Roundtable: SRI Indices: What For?
Paris, 11 June 2008

SRI Indices: What For?

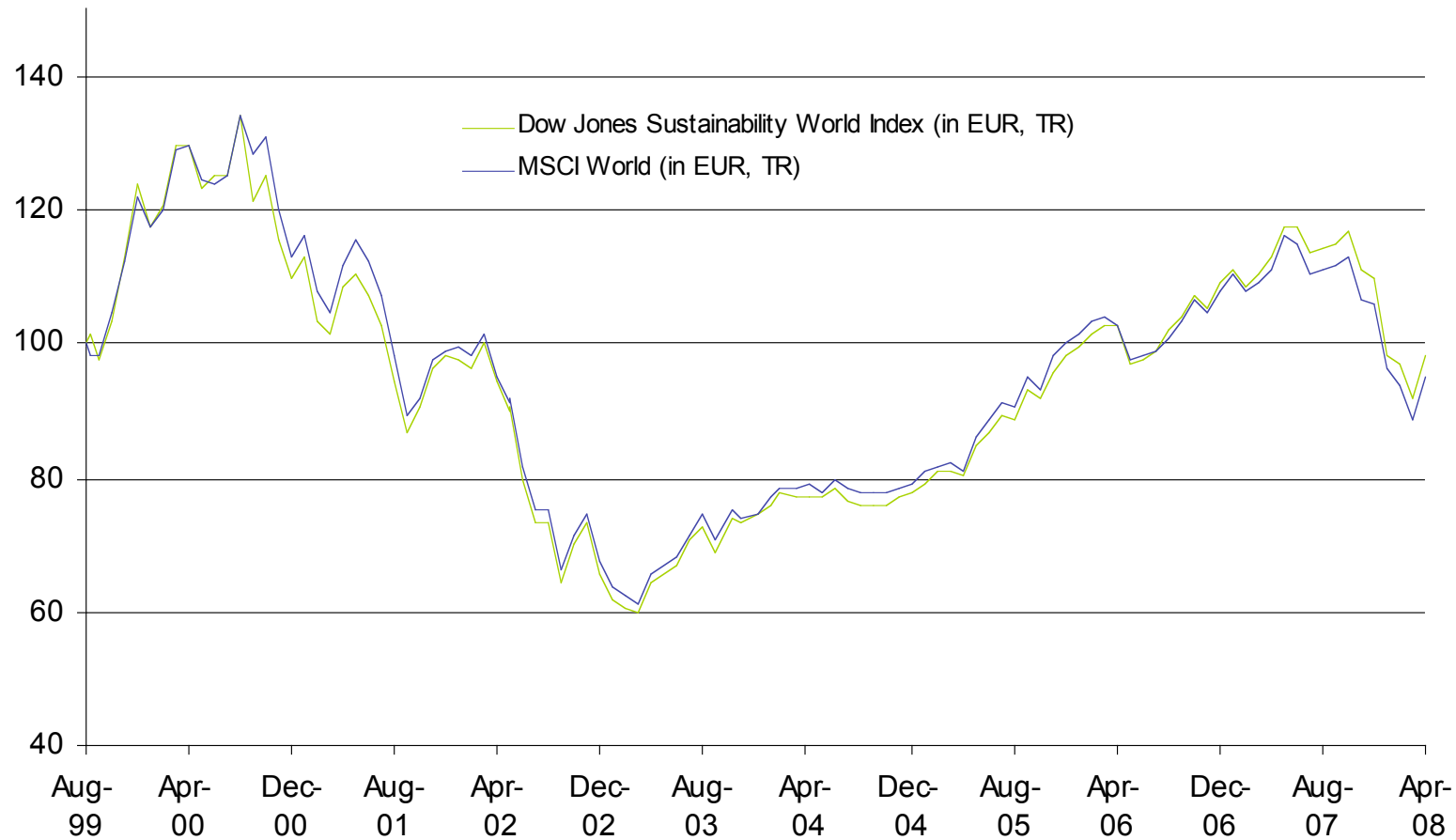
- 1. Benchmarking Performance**
- 2. Implementing Strategies**
- 3. Engaging Corporations**

SRI Indices: What Types?

- 1. Equity Indexes
(Broad, Themes)**
- 2. Fixed Income Indexes
(Corporates, Supranationals, Countries)**
- 3. Real Estate, Commodities, etc. ???**

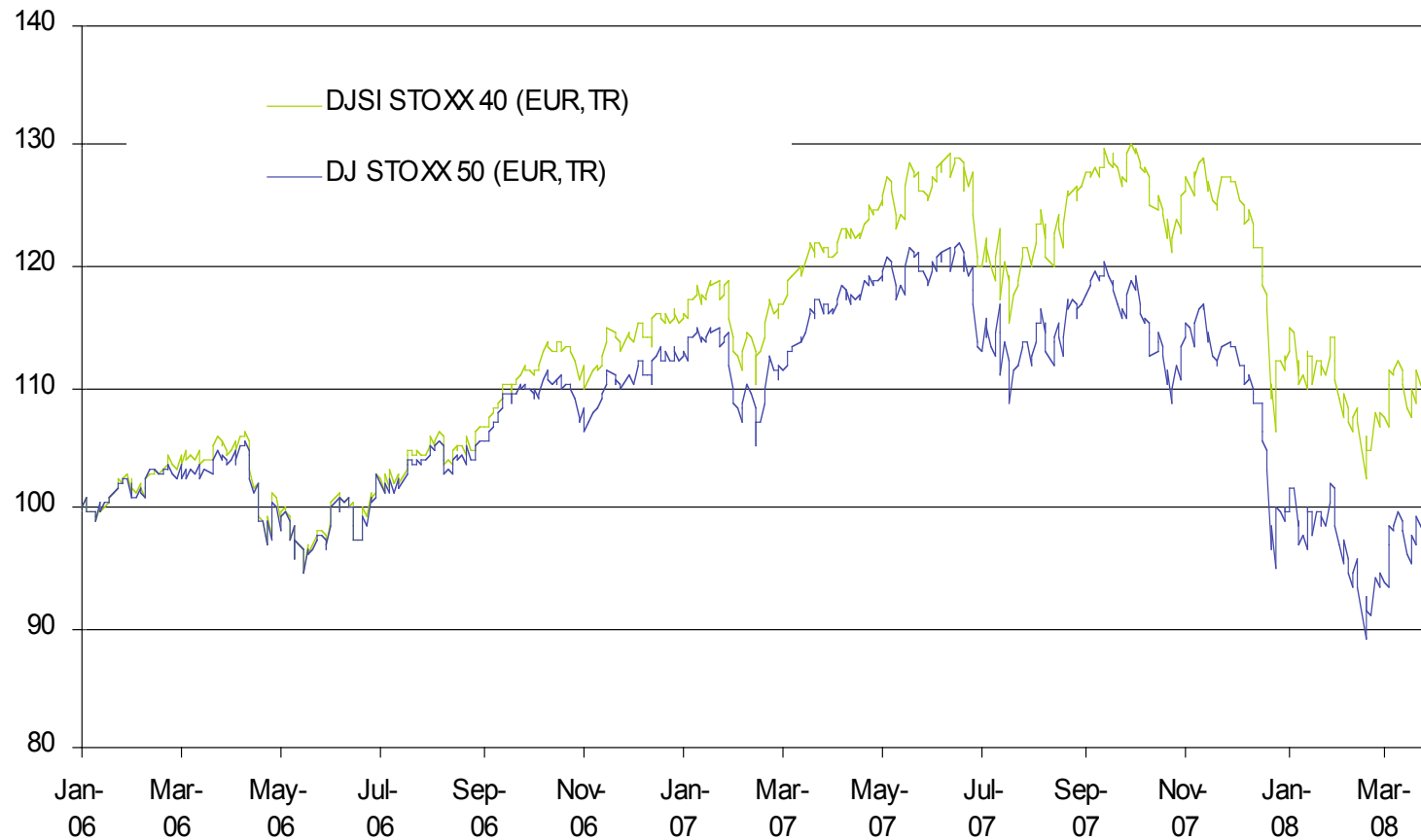
Benchmarking Performance

DJSI World, Performance since Launch, 08/99 – 04/08 (EUR, Total Return)



Implementing Strategies (I)

DJSI STOXX 40, since launch, 01/06 – 04/08 (EUR, Total Return)



Implementing Strategies (II)

Theme Indexes Examples

European Renewable Energy Index (ERIX)

- Launched on 13/10/2005
- Largest 10 European renewable energy companies
- Maximum 4 per subcluster
- Weighting equals 5% plus additional weight based on size at quarterly review
- Half-yearly review of composition

World Water Index (WOWAX)

- Launched on 02/02/2006
- Largest 20 companies active in the water business
- Minimum 5 per cluster
- Components are equally weighted
- Half-yearly review of composition

World Solar Energy Index (SOLEX)

- Launched on 30/03/2006
- Largest 10 global solar companies
- Weighting equals 5% plus additional weight based on size at quarterly review
- Half-yearly review of composition

SGI Global Environment (WEX):

- Launched on 03/10/2007
- Largest 30 global stocks in the business of alternative energy, water and waste management
- 10 stocks per cluster
- Components are marketcap weighted
- Half-yearly review of composition

Engaging Corporations

Performance Scoreboard of Westpac's CEO

Performance condition	Summary description	Reason chosen	Method of assessment	Outcome
Economic profit ¹	Net profit less cost of capital (assumed to be 12% of shareholder funds)	Considered to be the best financial measure of shareholder value	Comparison of actual achievement against target set	Exceeded by 5.5%
Strategy	Achievement of organic growth strategy objectives, delivery of major program benefits and performance in merger and acquisition activity	Considered to be a critical component of the CEO role	Judgement of the Board	Exceeded
Customer satisfaction	Customer satisfaction survey conducted in the following key segments: <ul style="list-style-type: none"> • Consumer • Small and medium enterprises • Middle market and priority • Institutional • New Zealand 	Considered to be the best available measure of improvements in customer service levels	Comparison of achieved scores against targets set	Met Average 5% improvement over aggregated survey scores over previous year's result
Employee commitment	Employee perspective survey conducted annually	Considered to be the best available measure of improvement in the employee's intention to remain with Westpac and their willingness to promote Westpac as a "best employer" to other participants in the employment market	Comparison of achieved score against targets set at the start of the year	Met 5% improvement, on previous year's result
Corporate and sustainability responsibility	Dow Jones Group Sustainability Index for banks	Considered to be the most appropriate measure of Westpac's reputation across social, environmental and financial dimensions thereby ensuring longer term sustainability	Comparison of achieved score against targets set at the start of the year	Exceeded Ranked number one globally (for the third year running)

¹ Performance against other measures such as cash earnings, cash earnings per share growth, cash return on equity (ROE) and Westpac's expense to income ratio is also taken into account.

Source: Westpac Remuneration Report 2005



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