



2013-2014 CARBON NEUTRAL PROGRAM

PUBLIC DISCLOSURE SUMMARY

1 JULY 2013 - 30 JUNE 2014
FOR AUSTRALIAN REGION



An Australian Government Initiative

Westpac GROUP



DECLARATION

SUSTAINABILITY IS A CORE COMPONENT OF WESTPAC GROUP'S VISION 'TO BE ONE OF THE WORLD'S GREAT COMPANIES HELPING OUR CUSTOMERS, COMMUNITIES AND PEOPLE TO PROSPER AND GROW'.

Consistent with this vision, I am pleased to present the Group's Public Disclosure Summary detailing our commitment to carbon neutrality and other sustainability outcomes achieved over the last three years.

Westpac Group's operations across Australia were certified as having achieved carbon emission neutrality for the first time in 2012. Our approach with our carbon neutral program, broader environment programs and sustainability agenda is to share knowledge and make a real difference by systematically identifying and shaping emerging issues that are important to our customers, our business and the community.

To the best of my knowledge and having implemented the quality controls and standards required under the NCOS Carbon Neutral Program and made all appropriate inquiries, the information provided in this Public Disclosure Summary is true and correct.

A handwritten signature in black ink, appearing to read 'B Inglis'.

Bernadette Inglis
Group General Manager, Group Operations, Property & Procurement
Westpac Group

Date: 21 October 2014

INTRODUCTION

1.1 ABOUT THE WESTPAC GROUP

WESTPAC GROUP (“WESTPAC”) IS A FINANCIAL SERVICES COMPANY WITH OPERATIONS IN AUSTRALIA, NEW ZEALAND AND THE NEAR PACIFIC REGION AND MAINTAINS OFFICES IN KEY FINANCIAL CENTRES AROUND THE WORLD INCLUDING LONDON, NEW YORK, HONG KONG AND SINGAPORE. WE ARE RANKED IN THE TOP FIVE LISTED COMPANIES BY MARKET CAPITALISATION ON THE AUSTRALIAN SECURITIES EXCHANGE (ASX).

Westpac Group was assessed as the most sustainable bank globally in the 2014 Dow Jones Sustainability Indices (DJSI) Review, with its highest ever DJSI score of 93%.

Westpac Group was ranked number one in the 2014 Global 100 Most Sustainable Corporations in the World, announced at the 2014 World Economic Forum.

Westpac Group's vision is to be one of the world's great companies, helping our customers, communities and people to prosper and grow. Its portfolio of financial services brands and businesses is focused on a common goal - delighting around 12.2 million customers and helping them achieve their financial goals, from ensuring our retail customers can save and invest with confidence, to servicing the financial needs of multi-national corporate, institutional and government clients.

Westpac Group has 33,586 full time equivalent staff in Australia and a network of over 4,000 facilities including:

- stand alone and in-store ATMs;
- data centres;
- tool of trade vehicles;
- commercial offices;
- customer contact centres;
- branches; and
- business banking centres.

WESTPAC GROUP COMMITMENT TO SUSTAINABILITY

At Westpac, we believe that to be sustainable we must manage risks and opportunities in a way that best balances the long term needs of our stakeholders - our customers, employees, investors, suppliers, the community and the environment.

Our challenge is to anticipate and shape the most pressing, emerging societal issues where the Westpac Group has the skills and experience to make a meaningful difference.

To guide our Sustainability Strategy we have ten measurable objectives for 2013-17, in three focus areas:

- to help improve the way people work and live, as our society changes;
- to help find solutions to environmental challenges; and
- to help customers to have a better relationship with money, for a better life.

Implementation of the Sustainability Strategy is led by the Sustainability Council, a committee of General Managers from across the business. Progress against our Sustainability Strategy is publicly reported in the Annual Review and Sustainability Report, available on our website: www.westpac.com.au.

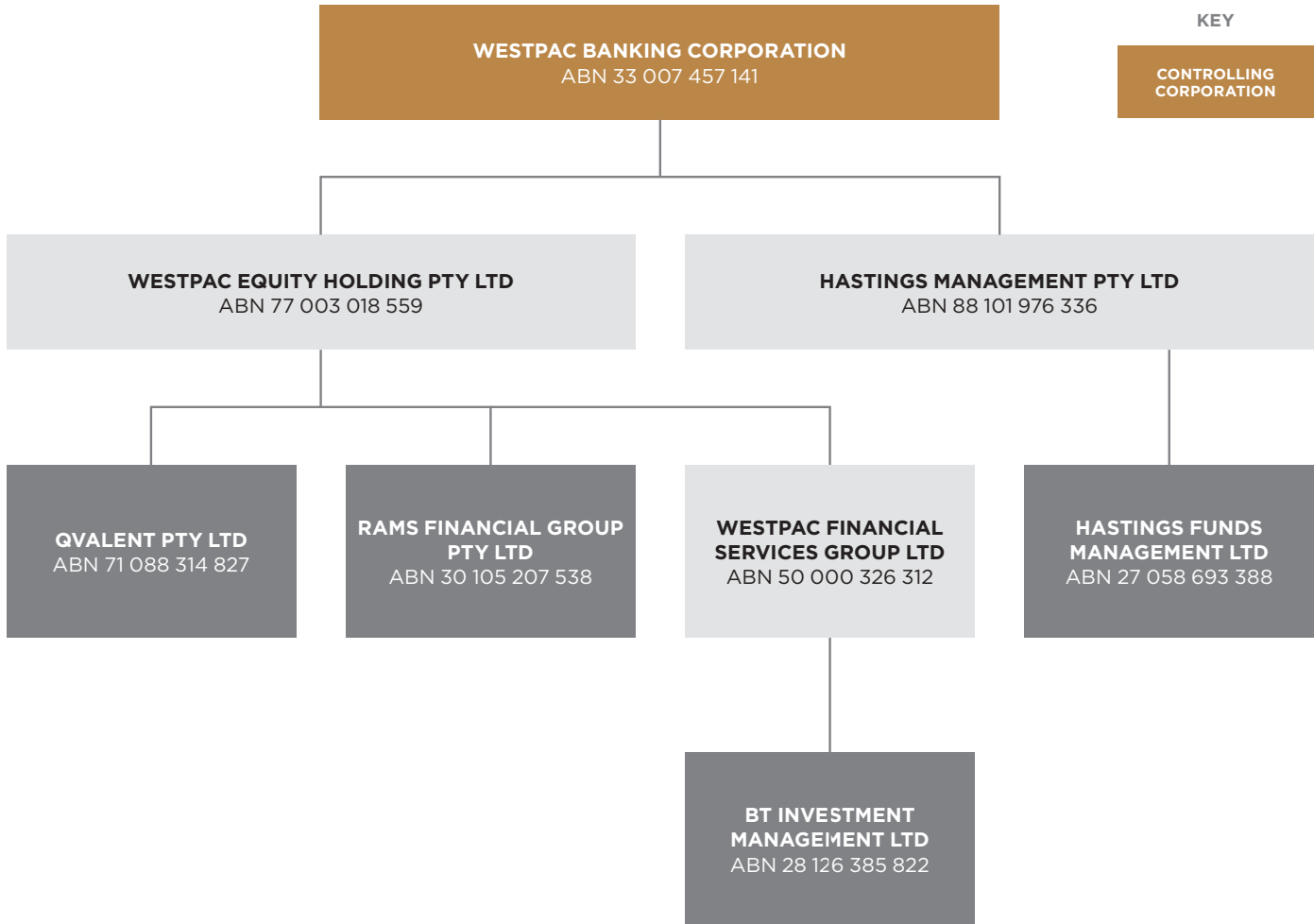
CORPORATE STRUCTURE

As at 30 June 2014, the Group consisted of 232 controlled entities, 175 of which are incorporated in Australia. The majority of controlled entities have no facilities, staff or physical assets. The Westpac Group Member Structure (Figure 1) for our National Carbon Offset Standard Carbon Neutral Program is the same as that reported the National Greenhouse and Energy Reporting Act 2007. The five group members are:

- Westpac Banking Corporation (controlling corporation);
- BT Investment Management Ltd (BTIM);
- Hastings Fund Management Ltd (Hastings);
- Qvalent Pty Ltd (Qvalent); and
- RAMS Financial Group Ltd (RAMS).

During the year, Westpac Group acquired Lloyds' motor vehicle and equipment finance business along with its corporate loan portfolio in Australia. These companies are part of the Westpac Banking Corporation group. There were no other major changes to the corporate group structure or operations during the last 12 months. For a full list of entities, refer to Westpac Group's Annual Report.

Figure 1 – Westpac Group Boundary and Organisational Structure



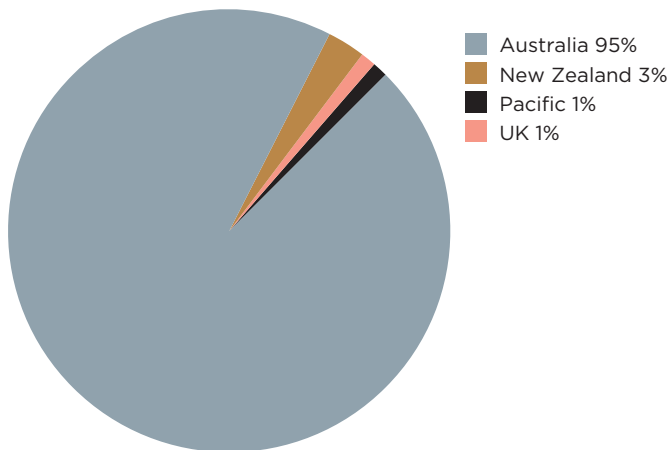
1.2 WESTPAC GROUP CARBON EMISSIONS

WESTPAC GROUP – AROUND THE GLOBE

WESTPAC GROUP'S AUSTRALIAN OPERATIONS ACCOUNT FOR 95% OF ITS SCOPE 1, 2 AND 3 EMISSIONS FOLLOWED BY NEW ZEALAND ACCOUNTING FOR 3% AND PACIFIC AND THE UNITED KINGDOM ACCOUNTING FOR 1% (FIGURE 2). TWO THIRDS OF OUR EMISSIONS ARE FROM PURCHASED ELECTRICITY, FOLLOWED BY TRANSMISSION LOSSES AT 13% AND BASE BUILDING EMISSIONS AT 8%.

Figure 2 - Global Carbon Emissions

The major sources of Greenhouse gas emissions are electricity, base building emissions, transmission losses (Figure 4).



WESTPAC GROUP'S INVENTORY BOUNDARY

Westpac Group's Carbon Neutral Certification is for a defined inventory of carbon emissions resulting from the activities of its Australian based business only. Detailed in Section 1 above Westpac Group has defined the boundary for its emissions inventory using an operational control approach consistent with that required under the National Greenhouse and Energy Reporting Act 2007 (NGER Act). Westpac Group is consistent in its approach to NGER Act, and aligns with the Scope 2 and Scope 1 emissions reporting. Table 1 identifies the scope of our reportable energy sources and carbon emissions. Detailed breakdown on activity data for scope 1, 2 and 3 emissions is provided in Table 2.

Table 1 - Inventory Boundary

Scope 1	Scope 2	Scope 3
Natural Gas	Electricity	Air Travel
Vehicle Fuels		Taxi Travel
Diesel (Stationary)		Hire Cars
Refrigerants		Paper
LPG (Stationary)		Waste to Landfill
		Base Building
		Transmission losses

WESTPAC GROUP'S – AUSTRALIAN CARBON EMISSIONS

In 2014, Westpac Group's Australian operations used 764,364 GJ of energy, a 2% decrease from last year and was responsible for 241,534 tCO₂e, a 5% decrease in carbon emissions from last year and 6% from FY12 (Figure 3). The major sources of Greenhouse gas emissions are electricity, base building emissions, transmission losses (Figure 4). The majority of carbon emissions are from our NSW operations.

Figure 3 Australian Scope 1, 2 & 3 emissions

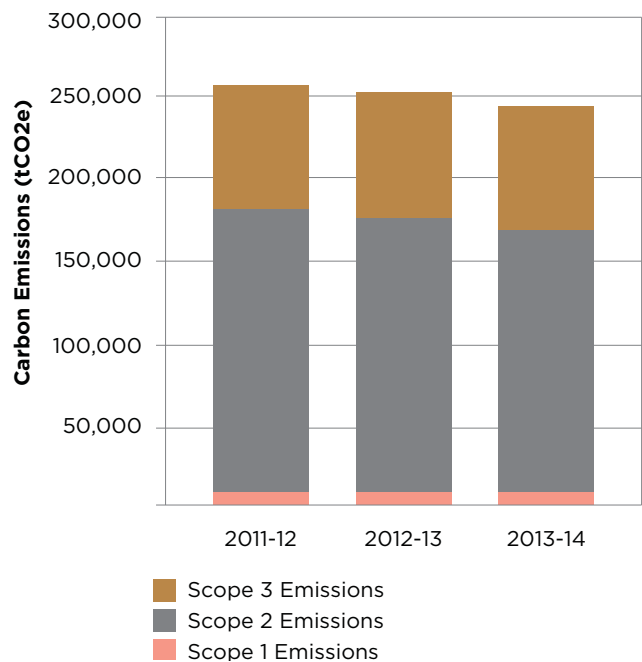
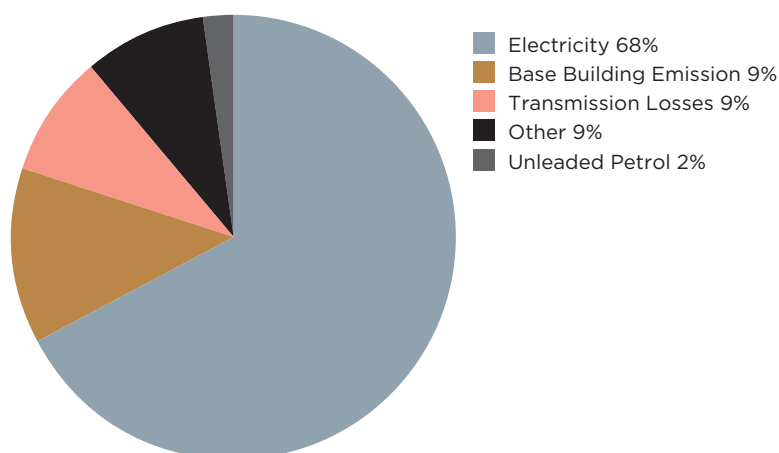


Figure 4 Major sources of Greenhouse Gas Emissions

In 2013 - 14 total greenhouse gas emissions across scope 1, 2 and 3 (Australia) accounted to 241,534 tCO₂e.

Table 2 below presents a detailed breakdown of the greenhouse gas inventory for 2013 - 14 by scope. No GreenPower was purchased in this reporting year. No Large Scale Generation Certificates (LGCS) were voluntarily surrendered by Westpac Group during the reporting year.

Table 2 - Westpac Group - Australian Carbon Footprint

Scope	Emissions Source	tCO ₂ e
1	Diesel (Stationary)	38.31
1	Natural Gas (Stationary)	640.33
1	LPG (Stationary)	5.78
1	R123 (Building Refrigerant)	9.49
1	R134a (Building Refrigerant)	416.87
1	R22 (Building Refrigerant)	1082.37
1	R407C (Building Refrigerant)	102.35
1	R410A (Building Refrigerant)	86.74
1	R11 (Building Refrigerant)	252
1	Diesel (Transport, Post 2004 vehicles)	43.45
1	Unleaded Petrol (Gasoline, Post 2004 vehicles)	4,611.48
2	Electricity	163,351.15
3	Electricity transmission and distribution losses	31,273.49
3	Natural Gas transmission and distribution losses	149.24
3	Vehicle Fleet petrol extraction & distribution losses - Diesel (Transport, Post 2004 vehicles)	3.29
3	Vehicle Fleet petrol extraction & distribution losses - Unleaded Petrol (Gasoline, Post 2004 vehicles)	365.22
3	Paper Consumption	5636.11
3	Waste Disposal - Landfill	2,027.49
3	Base Building Energy	21,225
3	Employee Travel - Air Travel	9,537.38
3	Employee Travel - Taxis	578.70
3	Employee Travel - Hire Vehicles	97.65
	Total Footprint (Net)	241,533.89
	Green Power	0
	Total Footprint (Gross)	241,533.89

1.3 WESTPAC GROUP – EMISSION REDUCTION ACTIVITIES

GHG EMISSION REDUCTIONS ARE ESTIMATED AS PART OF THE BUSINESS CASE PROCESS. ALL EMISSION REDUCTION SAVINGS ARE COMPARED AGAINST THE BASELINE (2011-12). TABLE 3 IDENTIFIES OUR EMISSION REDUCTION ACTIVITIES SINCE 2012. TOTAL EXPECTED EMISSION REDUCTIONS IN FUTURE REPORTING PERIOD IS 16,674 tCO₂e. SINCE 2012, 22,945 TCO₂E EMISSION REDUCTIONS ARE ACHIEVED.

Table 3 - Emission Reduction Measures

Emission Source	Reduction Measure	Scope	Status	Reduction tCO ₂ e
Electricity	Data Centre energy efficiency initiatives as identified through Sustainability Initiatives	2	Implemented in a past reporting period	14,023
Electricity	Sydney Property Consolidation Project	2	Planned for future reporting period	4,562
Electricity	Melbourne Property Consolidation Project	2	Planned for future reporting period	8,978
Electricity	Commercial office energy efficiency initiatives as identified through Sustainability Initiatives	2	Implemented in a past reporting period	4,721
Electricity	Commercial office energy efficiency initiatives as identified through Sustainability Initiatives	2	Implemented this reporting period	0
Electricity	Commercial office energy efficiency initiatives as identified through Sustainability Initiatives	2	Planned for future reporting period	2,691
Electricity	Retail office energy efficiency initiatives as identified through Sustainability Initiatives	2	Implemented in a past reporting period	4,201
Electricity	Retail office energy efficiency initiatives as identified through Sustainability Initiatives	2	Implemented this reporting period	217
Electricity	Retail office energy efficiency initiatives as identified through Sustainability Initiatives	2	Planned for future reporting period	443
Total expected emission reductions in future reporting periods				16,674
Total emission reductions achieved since 2012				22,945

PURCHASE OF NCOS CARBON NEUTRAL PRODUCTS

Westpac Group uses Carbon Neutral Paper and its reported quantity is detailed in the below Table 4.

Table 4 - NCOS Carbon Neutral Products

Products/Service	Quantity	Units	tCO ₂ e
Paper	79.06	tonnes	86.97

1.4 CARBON OFFSET PURCHASES AND RETIREMENT FOR THIS REPORTING YEAR

THE WESTPAC GROUP HAS FORWARD PURCHASED CARBON OFFSETS FOR THE PERIOD 2013 TO 2017. THE GROUP WILL TRUE UP AT THE END OF EACH REPORTING YEAR ENDING 30 JUNE AND BANK OFFSETS FOR FUTURE USE. THIS YEAR 25,069 UNITS WERE PURCHASED IN EXCESS TO RETIRED OFFSETS. THESE EXCESS UNITS MAY OR MAY NOT BE USED FOR FUTURE REPORTING USE. IN 2014 WE RETIRED OFFSETS TOTALLING 241,534 tCO₂e. THE RETIRED OFFSETS INCLUDED ERU AND CER TYPE OFFSETS. TABLE 5 PRESENTS A DETAILED OVERVIEW ON OFFSET TYPE, PROJECT TITLE AND OFFSET QUANTITY.

ERU - Emissions reduction units (ERUs) are units of Greenhouse Gas reductions (or, portion of a country's Assigned Amount) that have been generated via Joint Implementation under Article 6 of the Kyoto Protocol. One ERU equates to an emission reduction of one tonne of CO₂e.

CER - Certified Emissions Reduction (CERs) are, an example of 'carbon credits', or 'carbon offsets', issued in return for a reduction of atmospheric carbon emissions through projects under the Kyoto Protocol's Clean Development Mechanism (CDM). One CER equates to an emission reduction of one tonne of CO₂.

Table 5 - Retired offsets for actual total Westpac Group's carbon emissions (1 July 2013 – 30 June 2014)

Offset Type	Registry	Serial Number	Project Title	Quantity (tCO ₂ e)
ERU	Australian National Registry of Emissions Units	UA 1000483	Rehabilitation of the Heat and Water Supply Systems in Lutsk city	84,369
ERU	Australian National Registry of Emissions Units	UA 1000550	Reduction of Greenhouse Gas Emissions by Application of No-till Technology at LLC "Koziivske" Farmlands	15,631
CER	Australian National Registry of Emissions Units	MY2594	Bintulu Combined-Cycle Project STG Unit No.9, Tanjung Kidurong, Bintulu, Sarawak	97,098
CER	Australian National Registry of Emissions Units	IN535	Sesa-Waste Heat Recovery Based Power Generation	44,436
Total Offset Quantity				241,534

*Serial numbers for units held are: CN-2817 (554657117-554733436). These excess units may or may not be used for future reporting use.

