



Westpac Banking Corporation Public Disclosure Statement.

1 July 2017 – 30 June 2018.



An Australian Government Initiative

Westpac

bankSA

st.george

BT Financial Group

RAMS

Bank of Melbourne

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Westpac GROUP

Declaration.

AT THE WESTPAC GROUP, SUSTAINABILITY IS AT THE HEART OF OUR VISION TO BE ONE OF THE WORLD'S GREAT SERVICE COMPANIES HELPING OUR CUSTOMERS, SUPPLIERS, PEOPLE AND COMMUNITIES TO PROSPER AND GROW. THIS IS A VISION BEST REALISED WHERE OUR FUTURE GENERATIONS CAN ENJOY A HEALTHY ENVIRONMENT, AND BENEFIT FROM LONG-TERM ECONOMIC PROSPERITY.

As a financial services leader entering our third century, we acknowledge our continuing role in addressing societal issues, requiring us to take innovative approaches across our value chain – collaborating to support the transition to a net zero emissions economy and fostering sustainable growth.

Our actions are guided by our current 2020 Sustainability Strategy, which include targets to reduce our carbon emissions using Science Based Target methodologies, and a commitment to maintain carbon neutrality.

I am therefore pleased to present Westpac Group's Public Disclosure Summary, detailing our commitment to and achievement of carbon neutrality over the 12 months to 30 June 2018.

To the best of my knowledge, the information provided in this Public Disclosure Summary is true and correct and meets the requirements of the National Carbon Offset Standard Carbon Neutral Program.



Simon LeGear
Chief Procurement Officer,
Westpac Group.

Date: 26 October 2018.

Type of carbon neutral certification: **Organisation.**

Verification.

Date of most recent external verification/audit: **October 2018**

Auditor: **PricewaterhouseCoopers.**

In this Public Disclosure Summary a reference to 'Westpac', 'Group', 'Westpac Group', 'we', 'us' and 'our' is to Westpac Banking Corporation ABN 33 007 457 141 and its subsidiaries unless it clearly means just Westpac Banking Corporation.

Introduction.

ABOUT WESTPAC GROUP.

ESTABLISHED IN 1817, THE WESTPAC GROUP (“WESTPAC”) WAS AUSTRALIA’S FIRST BANK AND COMPANY. AS AT 30 JUNE 2018, WE HAD APPROXIMATELY 35,029 FULL-TIME EMPLOYEE EQUIVALENT SUPPORTING 14.2 MILLION CUSTOMERS IN AUSTRALIA, NEW ZEALAND AND THROUGHOUT THE ASIA PACIFIC REGION.

We provide consumer, business and institutional banking services, wealth management and insurance services, through trusted brands including Westpac, St. George, BankSA, Bank of Melbourne, RAMS and BT.

As at 4 October 2018, we have around 619,578 shareholders and are currently in the top five listed companies on the ASX. Our vision is to be one of the world’s great service companies, helping our customers, communities and people to prosper and grow.

Our strategy seeks to deliver on our vision by providing superior returns for our shareholders, building deep and enduring customer relationships, being a leader in the community and being a place where the best people want to work. We recognise that to achieve this vision, our approach needs to make sustainability a core part of the way we do business, embedded in our strategy, culture and processes.

Westpac has a long history of sustainability leadership, recognised as a global banking leader in the Dow Jones Sustainability Indices (DJSI) World Index for 17 years in a row and ranked among the top 20 most sustainable banks in the world in the 2018 (DJSI) Review.

WESTPAC’S COMMITMENT TO SUSTAINABILITY.

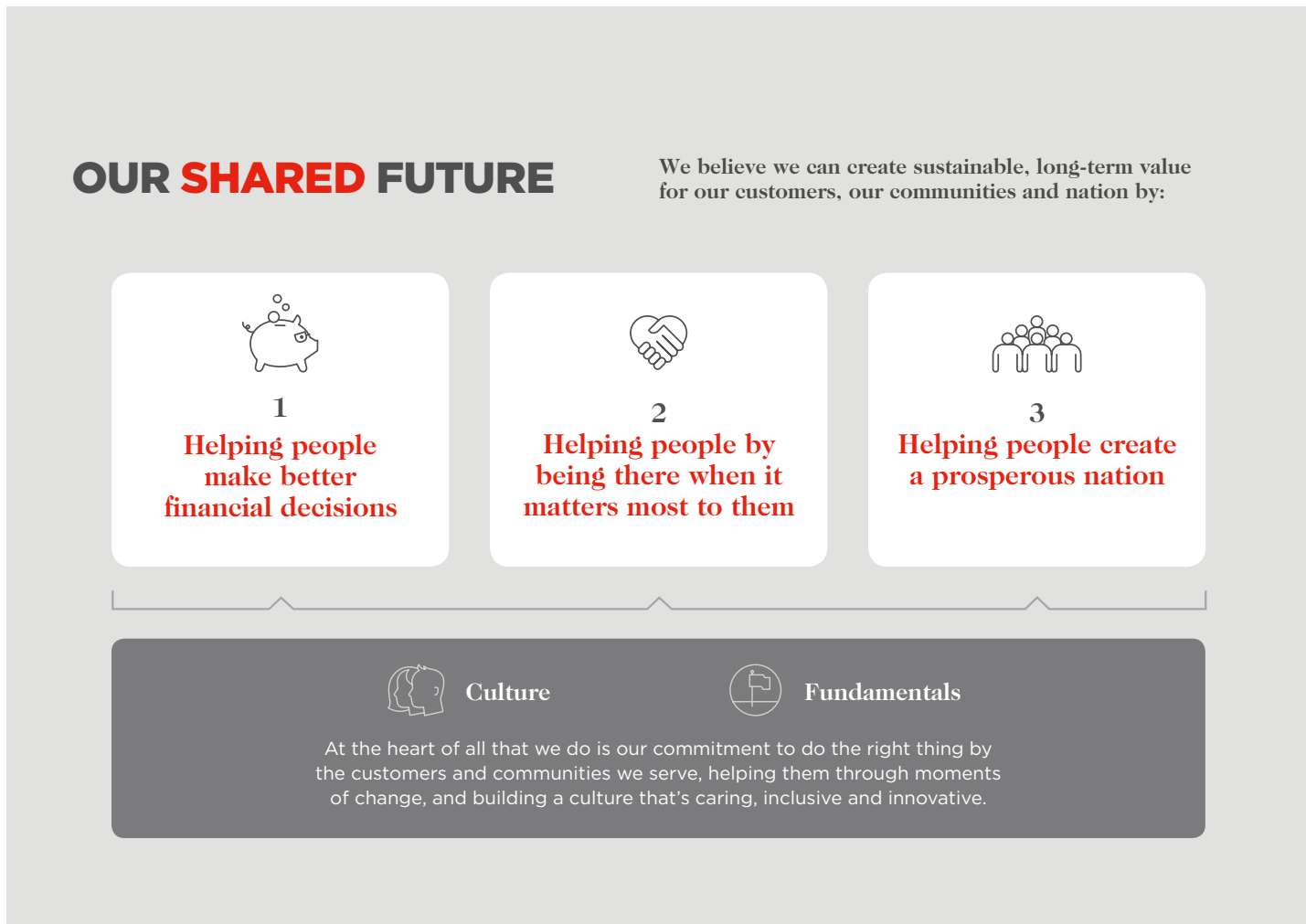
As one of our region’s largest financial services organisations, we have an important role to play in addressing emerging societal issues affecting customers, communities, the environment and our own people and operations. This requires us to embrace new ways of doing business, ultimately designed to drive sustainable growth, better social outcomes and a stronger economy.

In 2017 we closed out our 2012-2017 Sustainability Strategy, achieving all of our environmental goals, and launched our 2018-2020 Sustainability Strategy.

This year marks the start of Westpac’s new Sustainability Strategy, which outlines our commitment to building a sustainable future by taking action in the areas where we can have the greatest impact. Through our 2020 Sustainability Strategy we are challenging ourselves on ways to create the most meaningful economic, social and environmental impact.

Our actions are guided by this Strategy, centred around three priority areas. Underpinning these three priority areas is our commitment to fostering a culture of care and doing the right thing, and continuing to lead on the Sustainability fundamentals – policies, action plans, frameworks and metrics reporting, in particular building on the climate change, human rights and reconciliation action plans developed in 2017.

Figure 1 - Westpac 2018-2020 Sustainability Strategy.



Finding solutions to environmental challenges continues to be fundamental to Westpac's 2020 Sustainability Strategy. Continuing our proud history of environmental leadership, included in the Strategy are direct environmental targets and commitments which aim to reduce the environmental footprint of our operations

We continue to monitor and actively manage our direct footprint. A summary of our targets is shown in Table 1 below.

Table 1 - Westpac direct environmental footprint measures and commitments.

Target	2016 Baseline	2020 Target
9% Reduction in GHG emissions (tonnes CO ₂ -e) by 2020; 34% reduction in GHG emissions by 2030	147,620	134,335
40% reduction in water consumption of Australian workplaces (kL)	516,425	438,961
40% reduction in paper used (tonnes)	3,372	2,023
80% diversion of waste from landfill in Australian commercial workplaces	73%	80%
Commitments		
Maintain carbon neutrality (certified carbon neutral since 2012)		
Introduce a renewable energy target		

Implementation of the Sustainability Strategy is led by the Group Sustainability Council, a committee of General Managers from key functions 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. Westpac's 2018 performance against the direct environmental footprint targets will be published in our 2018 Sustainability Report.

WESTPAC REPORTING STRUCTURE.

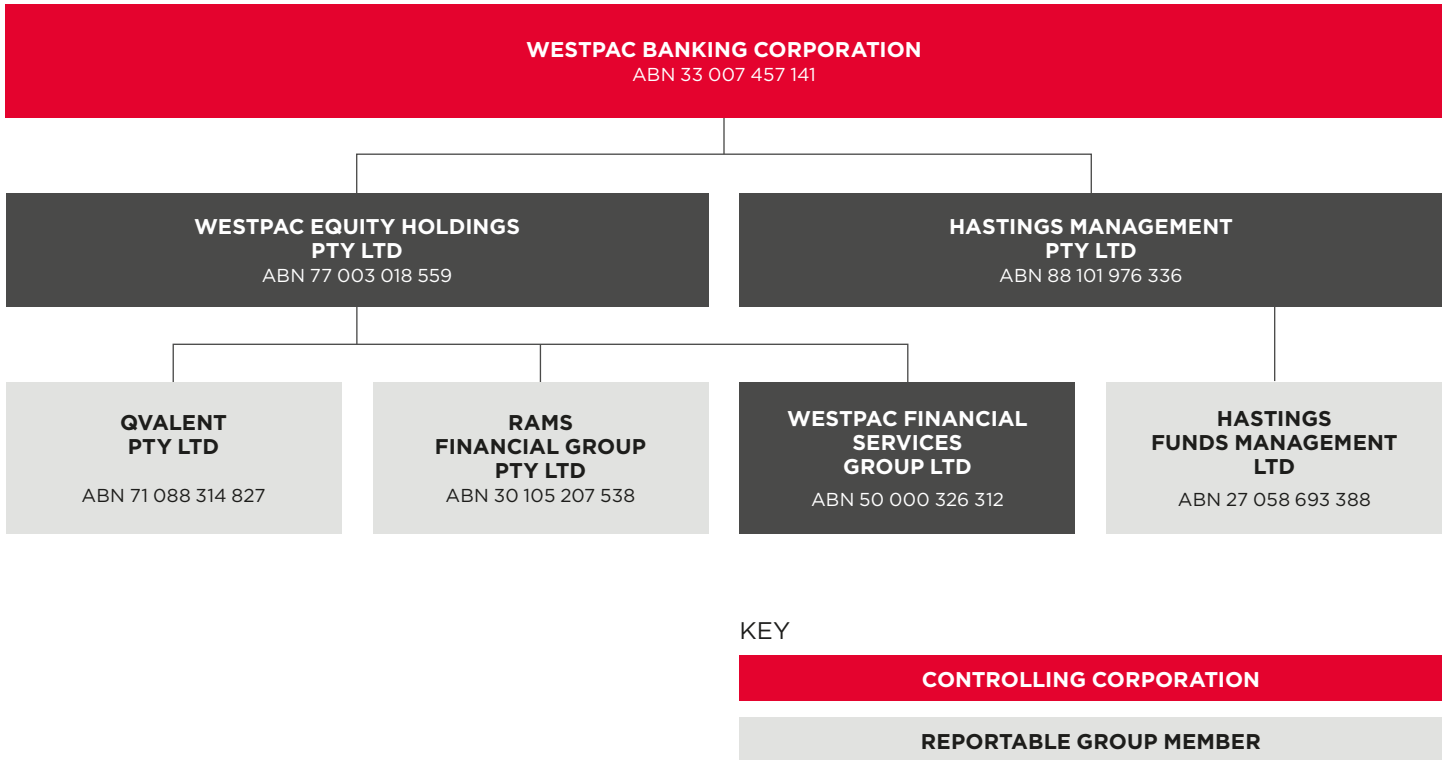
For the period 1 July 2017 – 30 June 2018 (the NCOS Disclosure Year) there has been no change to Westpac’s structure for the purpose of reporting under the ‘National Carbon Offset Standard for Organisations (NCOS).

The Westpac Boundary and Organisational Structure (Figure 2) for the the program supporting Westpac’s carbon neutral claim (the carbon neutral program) is the same as that reported under the National Greenhouse and Energy Reporting Act 2007 (‘NGER Act). The four group members are:

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

For a full list of entities, refer to the Westpac Group Annual Report.

Figure 2 – Westpac Boundary and Organisational Structure.



CARBON NEUTRAL ACCOUNT BOUNDARY.

Westpac’s certification under the NCOS is for a defined inventory of greenhouse gas (GHG) emissions resulting from the activities of our Australian-based business. Westpac uses an operational control approach to determine facility and reporting boundaries, consistent with the NGER Act. Scope 1 and Scope 2 GHG emissions are calculated and reported in line with the methodologies set out within the National Greenhouse and Energy Reporting Measurement Determination 2008 applicable for the 2017/18 reporting period (the NGER (Measurement) Determination). Scope 3 GHG emissions are reported consistent with the principles outlined in the NCOS.

Our carbon neutral boundary includes the direct operational footprint of all Westpac businesses and brands within our operational control within Australia, including: operational control within Australia, including:

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

Table 2 illustrates energy and GHG emission sources included in the boundary of Westpac’s Inventory.

Table 2 – Westpac Carbon Neutral Account Boundary

Scope 1	Scope 2	Scope 3
Diesel – Stationary LPG – Stationary Natural Gas – Stationary Diesel – Transport Petrol – Transport Refrigerants	Electricity	Electricity – Transmission & Distribution Losses Natural Gas – Transmission & Distribution Losses Stationary fuels (Diesel) – Extraction Losses Stationary fuels (LPG) – Extraction Losses Vehicle Fleet (Diesel) – Extraction Losses Vehicle Fleet (Petrol) – Extraction Losses Paper Consumption Paper Disposal Waste Disposal Base Building Employee Travel – Air, Taxi, Hotel Stay, Hire Vehicles Couriers Water Consumption

The following emission sources are not included within the inventory boundary due to data limitations or materiality considerations. The impact of excluding these sources does not materially affect Westpac’s total emissions.

- Refrigerants from Retail Sites;
- Base building emissions from Retail Sites and ATMs;
- Employee travel – public transport, employee owned vehicles;
- Employee commuting.

Scope 3 impacts from ‘financed emissions’ are also not included within the inventory boundary due to the lack of availability of a calculation methodology.

CHANGES TO OUR CARBON ACCOUNT.

Westpac has reviewed and updated selected Scope 3 GHG emission factors for the 2017-18 NCOS Disclosure Year to ensure transparency, consistency and comparability of Scope 3 emissions reporting which has improved overall data accuracy.

Other than this, no material changes have been made to the Westpac carbon inventory since our 2017 Disclosure Year.

Emissions reduction measures.

Under the Westpac Sustainability Strategy, maintaining carbon neutrality is a key direct environmental footprint commitment which drives our approach to reducing carbon emissions.

The decision to pursue carbon neutrality continues Westpac's proud history of environmental leadership. Having commenced reporting of emissions in 1996, this year marks over 22 years of action in energy and GHG emissions reporting and reductions by Westpac.

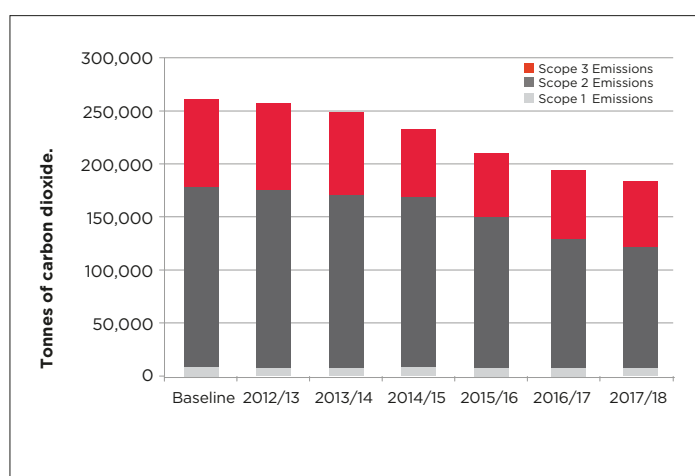
In the 2018 NCOS Disclosure Year, Westpac's Australian operations had total GHG emissions of **184,876** tonnes of CO₂-e, representing a 4.8 percent decrease in emissions since 2016-17. Since the base year of 2011-12, Westpac has decreased carbon emissions by 29.2 percent.

Table 3 - Westpac Group Australian GHG Emissions since Base Year 2011/12.

	2011-12	2012-13	13-14	14-15	15-16	16-17	17-18
Scope 1	8,587	7,497	7,289	7,772	8,245	6,791	7,112
Scope 2	170,500	167,953	163,351	160,240	141,575	121,224	114,669
Scope 3	82,187	81,433	78,044	64,933	60,163	66,525	62,688
Total GHG Emissions	261,273	256,884	248,685	232,945	209,984	194,267	184,876

Scope 2 GHG emissions from electricity consumption are the major source of GHG emissions for Westpac. In 2018 NCOS Disclosure Year, Scope 2 GHG emissions represented 62 percent of our total emissions. Figure 3 shows the reduction in our Scope 1, 2 and 3 GHG emissions since the base year.

Figure 3 - Westpac Group Australian Scope 1, 2 and 3 GHG emissions.



GHG EMISSION REDUCTION ACTIONS.

Westpac continues to drive emissions reductions through its focus on energy efficiency. This year we implemented a number of commercial office energy efficiency initiatives and our first commercial Solar PV renewable energy project. Westpac also commenced a pilot energy efficiency program across a number of sites in our retail network in 2015-16 that resulted in a roll out of a number of energy efficiency projects during the 2016-17 reporting year. This drove additional emissions reductions impacting the 2017-18 NCOS carbon account. In addition, Westpac implemented

Table 4 - Westpac Group Emissions Reduction Actions.

Emission Source	Reduction Measure	Scope	Savings (tCO ₂ -e)
Electricity	Commercial office energy efficiency initiatives	2	330
Electricity	Retail energy efficiency initiatives	2	1318
Total expected GHG emission reductions			1648

GHG emissions summary.

For the period 1 July 2017 – 30 June 2018 total GHG emissions across Scope 1, 2 and 3 GHG emission sources was **184,876** tonnes of CO₂-e. The major source of emissions were Scope 2 and Scope 3 GHG emissions from purchased electricity, which accounted for 71% percent of GHG emissions. Scope 3 GHG emissions associated with base building operations, air travel and paper were the other major sources of emissions.

Figure 4 – Westpac Group GHG emission sources.

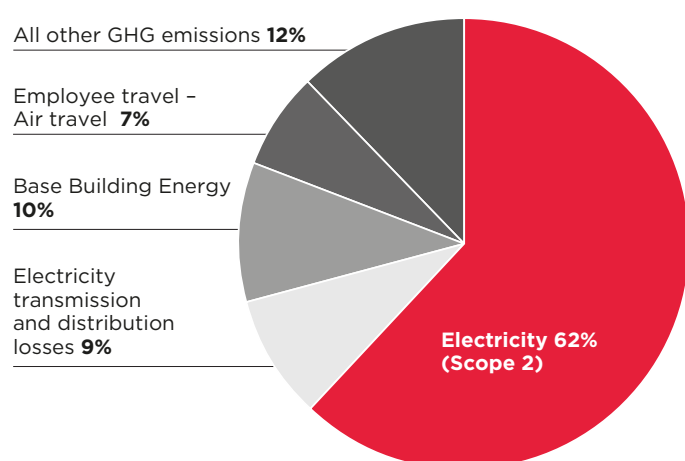


Table 5 presents a detailed breakdown of the GHG account for 2017-18 by scope. No GreenPower was purchased nor were any Large Scale Generation Certificates (LGCS) voluntarily surrendered by Westpac during the reporting year.

GHG emissions estimation methodologies.

- ¹ NGER (Measurement) Determination.
- ² National Greenhouse Accounts July 2017.
- ³ Greenhouse Gas Protocol.
- ⁴ *Government emission conversion factors for greenhouse gas company reporting* issued by the UK Department of Environment, Food & Rural Affairs August 2017.
- ⁵ *EPA Victoria's greenhouse gas inventory management plan: 2012-13 update.*

Activity data.

- ⁶ Supplier Invoice/Statement.
- ⁷ Equipment Register.
- ⁸ Supplier Statement/NABERS Ratings.
- ⁹ Supplier Carbon Calculator.
- ¹⁰ Financial records.

Table 5 – Westpac Australian Carbon Account.

Scope	Emission source	t CO ₂ -e
1	Natural Gas (Stationary) ^{1,6}	667.87
1	Diesel (Stationary) ^{1,6}	331.90
1	LPG (Stationary) ^{1,6}	0.16
1	Diesel (Transport, Post 2004 vehicles) ^{1,6}	2,349.95
1	Unleaded Petrol (Gasoline, Post 2004 vehicles) ¹	1,490.83
1	HFC-134a (Building Refrigerant) ^{2,7}	644.14
1	HFC-143a (Building Refrigerant) ^{2,7}	804.60
1	HFC-23 (Building Refrigerant) ^{2,7}	7.99
1	R407C (Building Refrigerant) ^{2,7}	170.53
1	R32 (Building Refrigerant) ^{2,7}	0.07
1	R410A (Building Refrigerant) ^{2,7}	134.07
1	HCFC-123 (Building Refrigerant) ^{2,7}	5.68
1	HCFC-22 (Building Refrigerant) ^{2,7}	503.88
2	Purchased electricity ^{1,6}	114,668.69
3	Electricity transmission and distribution losses ^{2,6}	17,339.19
3	Natural Gas transmission and distribution losses ^{2,6}	143.42
3	Diesel (Stationary) extraction & distribution losses ^{2,6}	17.02
3	LPG (Stationary) extraction & distribution losses ^{2,6}	0.01
3	Vehicle Fleet petrol extraction & distribution losses – Unleaded Petrol (Gasoline, Post 2004 vehicles) ^{2,6}	79.37
3	Vehicle Fleet diesel extraction & distribution losses – Diesel (Transport, Post 2004 vehicles) ^{2,6}	119.98
3	Base Building ^{2,8}	17,634.00
3	Business Logistics – Couriers ^{2,9}	3,027.00
3	Business Travel – Hire car ^{3,6}	37.05
3	Business Travel – Taxi ^{4,10}	61.87
3	Business Travel – Air ^{4,6}	12,985.64
3	Business Travel – Hotel ^{4,6}	2,573.90
3	Water ^{4,6}	565.71
3	Paper Consumption – Carbon Neutral Paper ⁶	0
3	Paper Consumption – Non-Carbon Neutral Paper ^{5,6}	1660.74
3	Paper – Disposal ^{2,6}	5,008.77
3	Waste Disposal ^{2,6}	1,847.64
Total Footprint (net)		184,875.67
Green Power		0
Total Footprint (Gross)		184,875.67

Carbon offsets.

Westpac had contractual arrangements for the purchase of a fixed number of carbon offsets for the period 2013 – 2017. In 2015 Westpac retired, in advance, carbon offsets totaling 475,590t CO₂-e Certified Emissions Reduction (CER) type offsets to meet its commitments under the NCOS, both in 2015/16 and future periods. 65,717t CO₂-e CER type offsets remained for use to meet these commitments for the period 1 July 2017 – 30 June 2018.

During 2018, Westpac procured an additional 130,000t CO₂-e of Verified Carbon Units (VCUs). The VCUs were issued in accordance to Verified Carbon Standard protocols. In order to offset the total GHG emissions of its

Australian operations for the period 1 July 2017 – 30 June 2018 Westpac retired 121,971t CO₂-e of VCUs and utilized the remaining 65,717t CO₂-e CER type offsets surrendered in advance in 2015. In addition, 2812t CO₂-e of VCUs were surrendered to offset GHG emissions of our international operations with the remaining 8,029t CO₂-e of VCUs surrendered in advance for 2018/19.

Westpac's carbon offsets approach is in line with the Australian Government's National Carbon Offset Standard requirements for eligible offsets. There is an annual retrospective.

Table 6 – Westpac Offset Summary.

Offset Type	Registry	Year Retired	Serial Numbers	Quantity
CER	Australian National Registry of Emissions Units	2015	UZ-3339 (6,939,332-7,054,059)	65,717
VCU	APX VCS Registry	2018	VCSPD784 6090-278948510-279002509-VCU-034-APX-IN-1-1679-01012017-23122017-0	64,100
VCU	APX VCS Registry	2018	VCSPD1679 6090-278948510-279002509-VCU-034-APX-IN-1-1679-01012017-23122017-0	54,000
VCU	APX VCS Registry	2018	VCSPD1745 6089-278936542-278940412-VCU-034-APX-IN-1-1745-01012018-31012018-0	11,900
Balance of Offsets 2016-17 (after Australia and International Offsetting)				65,717
Total Offsets Retired October 2018				130,000
Total Offsets Held				195,717
Total Australian Emissions for 2017-18				184,876
Total International Emissions for 2017-18				2,812
Net Emissions				0
VCU	APX VCS Registry	2018	6089-278940413-278948441-VCU-034-APX-IN-1-1745-01012018-31012018-0	8,029



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