Westpac Banking Corporation - Climate Change 2019

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Westpac is one of the four major banking organisations in Australia and one of the largest banking organisations in New Zealand (NZ). We provide a broad range of banking and financial services in these markets, including consumer (a consumer is defined as a person who uses our products and services. It does not include business entities), business and institutional banking and wealth management services. We have branches, affiliates and controlled entities throughout Australia, New Zealand, Asia and in the Pacific region, and maintain branches and offices in some of the key financial centres around the world. We were founded in 1817 and were the first bank established in Australia. At 30 September 2018, our market capitalisation was $96 billion (based on the closing share price of our ordinary shares on the ASX as at 30 September 2018) and we had total assets of $880 billion.

Westpac has 620,000 shareholders, 14.2 million customers and 35,029 full time equivalent employees as at 30 September 2018). During the reporting period (July 2017-June 2018) Westpac delivered services via five operating divisions: Consumer Bank, Business Bank, BT Financial Group (BTFG), Westpac Institutional Bank (WIB) and Westpac New Zealand (WNZL).

Consumer Bank is responsible for all Australian consumer relationships and operates under the Westpac, St.George, BankSA, Bank of Melbourne and RAMS brands.

Business Bank is responsible for sales and service to SME and commercial business customers in Australia for facilities up to approximately $150 million, and operates under the Westpac, St.George, BankSA and Bank of Melbourne brands. Specialist services are provided for cash flow finance, trade finance, automotive and equipment finance and property finance.

During the period BTFG was the Australian standalone wealth management and insurance arm of the Westpac Group providing a broad range of associated services. BTFG’s funds management operations include the manufacturing and distribution of investment, superannuation and retirement products, wealth administration platforms, private wealth, margin lending and equities broking. In March 2019 Westpac announced it is realigning its major BTFG businesses into the Consumer and Business divisions, exiting the provision of personal financial advice by Westpac Group salaried financial advisers and authorised representatives. While Westpac is continuing to invest in the BT brand, reflecting its strength and market position, BTFG will no longer be a standalone division.

WIB delivers a broad range of financial products and services to commercial, corporate, institutional and government customers with connections to Australia and New Zealand. WIB operates through dedicated industry relationship and specialist product teams, with expert knowledge in financing, transactional banking, and financial and debt capital markets. Customers are supported throughout Australia as well as via branches and subsidiaries located in New Zealand, the US, UK and Asia. WIB is also responsible for Westpac Pacific currently providing a range of banking services in Fiji and PNG.

WNZL is responsible for sales and service of banking, wealth and insurance products for consumers, business and institutional customers in New Zealand. Westpac conducts its New Zealand banking business through two banks in New Zealand: Westpac New Zealand Limited, which is incorporated in New Zealand and Westpac Banking Corporation (New Zealand Branch), which is incorporated in Australia. Westpac New Zealand operates via an extensive network of branches and ATMs across both the North and South Islands. Business and institutional customers are also served through relationship and specialist product teams. Banking products are provided under the Westpac brand while insurance and wealth products are provided under Westpac Life and BT brands, respectively. New Zealand also maintains its own infrastructure, including technology, operations and treasury.

Westpac's vision is 'to be one of the world's great service companies helping our customers, communities and people to prosper and grow'. The Group has long recognised that climate change is one of the most significant issues that will impact the long-term prosperity of the economy and way of life. Westpac was the first Australian bank to recognise the importance of limiting global warming to less than two degrees and that to do this, global emissions need to reach net zero in the second half of this century, and has measured and reported on its climate-related metrics since 1996. For further information on the Group see http://www.westpac.com.au/about-westpac/.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	July 1 2017	June 30 2018	Yes	3 years

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Australia
Fiji
New Zealand
Papua New Guinea
United Kingdom of Great Britain and Northern Ireland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

AUD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The highest level of direct responsibility for climate change at Westpac Group sits with the Board. The Group's third Climate Change Position Statement and 2020 Action Plan (CCPS) was approved by the Group Executive and the Board in 2017. It covers the management of Westpac's direct carbon footprint, criteria to manage the carbon impact of lending to emissions intensive sectors, measuring and reporting of performance, and the incorporation of climate change considerations into the Group's risk management framework. Management of climate change at the Board level is cascaded to Group Executives.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Strategy: Westpac has long recognised that climate change is one of the most significant issues that will impact the long-term prosperity of the economy and way of life. Westpac was the first Australian bank to recognise the importance of limiting global warming to less than two degrees and that to do this, global emissions need to reach net zero in the second half of this century. Westpac continues to integrate the consideration of climate-related risks and opportunities into business operations. This includes alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which the Group has publicly committed to support. Updates on the Group's Climate Change Position Statement (Strategy) are provided to the Board twice yearly. The Board approves the CCPS every three years. Major plans of action: The Group's third Climate Change Position Statement and 2020 Action Plan was approved by the Group Executive and the Board in 2017. It covers the management of Westpac's direct carbon footprint, criteria to manage the carbon impact of lending to emissions intensive sectors, measuring and reporting of performance, and the incorporation of climate change considerations into the Group's risk management framework. Risk management policies: Climate change considerations are embedded in a number of risk management frameworks. Our Board-approved Group Sustainability Risk Management Framework guides the identification, management & monitoring of risks, including climate change. Setting and monitoring performance objectives: Progress against our Sustainability Strategy and Climate Change Action Plan is reported to and discussed with the Executive Team and Westpac Board twice yearly. Goals and targets: Westpac's 2020 Climate Change Action Plan sets out goals and targets for climate-related issues. Progress is reported to and discussed with the Executive Team and Westpac Board twice yearly.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Other, please specify (assessing climate-related risks; oversight of the Group's operational footprint)	Half-yearly
Chief Risks Officer (CRO)	Other, please specify (assessing and managing climate-related risks)	Half-yearly
Sustainability committee	Both assessing and managing climate-related risks and opportunities	Quarterly
Other committee, please specify (Climate Change Risk Committee)	Other, please specify (Assessing climate risk)	Quarterly
Other committee, please specify (Climate Solutions Committee)	Other, please specify (Assessing climate solutions)	More frequently than quarterly
Other committee, please specify (Environment Management Committee)	Other, please specify (Managing and assessing environmental footprint)	Quarterly
Chief Operating Officer (COO)	Other, please specify (oversight of the Group's operational footprint)	Half-yearly
Other C-Suite Officer, please specify (Group Executive, Customer & Corporate Relations)	Other, please specify (Oversight of Climate Change Position Statement & Chairs Sustainability Council)	Half-yearly
Other, please specify (Group Executive team)	Both assessing and managing climate-related risks and opportunities	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Group's third Climate Change Position Statement and 2020 Action Plan (CCPS) was approved by the Group Executive Team and the Board in 2017. It covers the management of Westpac's direct carbon footprint, criteria to manage the carbon impact of lending to emissions intensive sectors, measuring and reporting of performance, and the incorporation of climate change considerations into the Group's risk management framework.

Management of climate change at the Board level is cascaded to Group Executives.

Key responsibilities of the Executives include: overseeing targets to provide finance to back climate change solutions or lending to 2020 ($10bn) and 2030 ($25bn); risk management and monitoring to support businesses that manage their climate-related risks; product development to help individual customers respond to climate change; continued commitment to improve disclose of our climate change performance, and advocacy for policies that stimulate investment in climate change solutions.

The Group's Sustainability Risk Management Framework sets out the means by which climate change risks are identified, assessment, monitored and managed. Decisions involving climate change related risks may be escalated to Divisional and Group Risk Officers and the CEO under the Framework.

The Group Executive Human Resources & Corporate Affairs was responsible for Corporate Affairs & Sustainability until 18th May 2018, when a new executive appointment was announced (Group Executive, Customer and Corporate Relations). The Customer and Corporate Relations Division coordinates the Group's response to climate change through Westpac's Climate Change Position Statement & 2020 Action Plan. The Chief Operating Officer was responsible for group operations, property and commercial services during the year. This includes a number of energy efficiency targets within the Group Sustainability Strategy, as well as the bank's Carbon Neutral program.

The Sustainability Council, formed in 2008 and Chaired by Group Executive, Customer & Corporate Relations, brings together senior leaders from across the Group with the explicit responsibility for driving the Group's sustainability agenda including climate change. The Council meets at least quarterly and has climate change as a fixed agenda item. The Council reports to the Board through twice-yearly updates.

The Council has oversight of committees established to oversee particular aspects of the Group's CCPS. This includes the Climate Change Solutions Committee which meets at least quarterly and is focused on initiatives to achieve Westpac's targets for lending to and facilitating climate change solutions. The Climate Change Risk Committee oversees initiatives to address credit, regulatory and legal risks of climate change, including scenario analysis, and reports to the Council on a quarterly basis. The Environment Management Committee oversees strategies and initiatives to reduce the Group's direct environmental footprint, particularly targets around energy and emissions, and reports to the Council on a quarterly basis.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?
Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?
Management group

Types of incentives
Monetary reward

Activity incentivized
Other, please specify (Westpac Climate Change Action Plan)

Comment
The extent of relevant managers' financial remuneration, including members of the Sustainability Council and its working committees, is dependent on the management of climate change issues, including the attainment of targets. The management of climate change issues includes the identification, prioritisation and response to those issues, through our Climate Change Position Statement, and the attainment of targets included in both our Sustainability Strategy and the Statement. Delivery on sustainability objectives may account for up to 50-80% of short term incentives.

Who is entitled to benefit from these incentives?
All employees

Types of incentives
Monetary reward

Activity incentivized
Other, please specify (Westpac Climate Change Action Plan)

Comment
The CEO Community and Environment Awards recognise both an individual employee and a team which have demonstrated outstanding support for their community, or the environment including through one or more not-for-profit organisations. This includes causes which relate to climate change. The winners of our Community and Environment Awards are people who have gone beyond what is expected and have made a sustained contribution to one or more not-for-profit organisations, giving generously of their time, capabilities and commitment. The team award winners receive a donation of $10,000 for their chosen community organisation or environmental cause, and individuals receive $5,000. Legends is our bank-wide recognition programme for all employees in NZ. One of our Legends categories that our people can be nominated under is ‘Our Tomorrow’, which is focused on recognising people that “positively impact the community, our environment and make our Community & Sustainability vision a reality – this includes issues associated with climate change”. There is a small financial component that goes with this, which can be redeemed for vouchers to the value of NZD$100 (AUD$95) for monthly and quarterly Legends, NZD$500 (AUD$476) for Annual Legends and an additional $5,000 (AUD$4762) for our Top Legend in NZ.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	3	Our Climate Change Position Statement & 2020 Action Plan and 2018-2020 Sustainability Strategy set climate-related targets for short (2020), medium (2030) and long-term horizons (2050). These intervals are also used in our scenario analysis. Short term targets include: - lending to climate change solutions: $10bn by 2020 - facilitation of $3bn in climate change solutions by 2020 - reduce the emissions intensity of our lending to the electricity generation sector to 0.30 tCO2e/MWh by 2020 - limit lending to thermal coal mining based on stringent quality criteria - 9% reduction in Scope 1 and 2 Greenhouse Gas Emissions by 2020 - Reduce operational emissions by 25% by 2020 (NZ) - Provide NZD2bn (AUD$1.9bn) in lending to climate change solutions (NZ – part of Group target) - Convert 30% of car fleet to electric vehicles or PHeV (NZ)
Medium-term	3	10	Our Climate Change Position Statement & 2020 Action Plan and 2018-2020 Sustainability Strategy set climate-related targets for short (2020), medium (2030) and long-term horizons (2050). These intervals are also used in our scenario analysis. Medium term targets include: Medium-term horizon: - lending to climate change solutions: $25bn by 2030; - 34% reduction in Scope 1 and 2 Greenhouse Gas Emissions by 2030 - Source 100% of global electricity consumption through renewable energy sources by 2025. We committed in April 2019 to source 100% of global electricity consumption through renewable energy sources by 2025. As one of the first Australian companies to make this commitment, Westpac Group will become a member of RE100, a global leadership initiative led by The Climate Group in partnership with CDP, bringing together the world's most influential businesses who have committed to go 100% renewable. We have also achieved our Sustainability Strategy measure of introducing a renewable energy target ahead of 2020.
Long-term	10	30	Our Climate Change Position Statement & 2020 Action Plan and 2018-2020 Sustainability Strategy set climate-related targets for short (2020), medium (2030) and long-term horizons (2050). These intervals are also used in our scenario analysis. Long term targets include: Our Climate Change Position Statement & 2020 Action Plan and 2018-2020 Sustainability Strategy set climate-related targets for short (2020), medium (2030) and long-term horizons (2050). These intervals are also used in our scenario analysis. Long term targets include: - Alignment with the methodology to set science-based target for scope 1 and scope 2 emissions. We are part of the Science Based Targets Expert Advisory Group for financial institutions to assist the banking sector to define a methodology for science-based targets for Scope 3 (financed) emissions. - Committed to the Paris Climate Agreement, recognising that global emissions need to reach net zero in the second half of this century.

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	Climate risks are considered to 2050 in line with the results of Westpac's ongoing use of climate scenario analysis and overall commitment to a net-zero carbon economy.

C2.2b

(C2.2b) Provide further details on your organization’s process(es) for identifying and assessing climate-related risks.

Westpac uses scenario analysis to identify and assess climate-related risks over short, medium and long-term horizons. The findings of our scenario analysis in 2016 were reflected in Westpac's latest Climate Change Position Statement and 2020 Action Plan which outlined enhanced lending standards for lending to the thermal coal mining and energy sectors. These lending parameters have been included in our Group Risk Appetite Statement and, where appropriate, are applied at the portfolio, customer and transaction level. Westpac uses scenario analysis to guide its climate change strategy and to analyse the implications of climate-related factors to its business. In 2018 and 2019 the Group undertook further scenario analysis to assess:

- The resilience of Westpac’s Australian Business and institutional lending to transition risks (policy, legal, technology and market changes related to climate change) brought about by rapid decarbonisation of the Australian economy under 1.5 and 2 degree scenarios (building on work first undertaken in 2016); and

- The impact of climate-related physical risks (the financial impacts of changes in climate patterns and extreme weather events) on the Australian mortgage portfolio arising from global warming scenarios of both 2 and 4 degrees.

The Group has in place a Board-approved Sustainability Risk Management Framework (Framework) that is supported by a suite of key policies and position statements. These include Our Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and Action Plan, Human Rights Position Statement and Action Plan, sensitive sector position statements and Responsible Sourcing Code of Conduct, many of which are publicly available. The Sustainability Risk Management Framework was reviewed and updated in 2018. Westpac is also a signatory to a number of voluntary principles-based frameworks that guide the integration of ESG-related issues to banking, lending and investment analysis. These include the Equator Principles, covering project finance activities, the Principles for Responsible Investments, covering investment analysis and the Task Force on Climate-related Financial Disclosures (TCFD).

Within this framework climate change-related risks are identified and assessed by the Group. The Group examines the policy, regulatory, technology and market changes related to climate change (‘transition risks’), and the financial impacts of changes in climate patterns and extreme weather events (‘physical risks’). Through its Climate Change Position Statement, Westpac has an enhanced approach to lending to emissions-intensive sectors, supporting customers that are in or reliant on these sectors and who assess the financial implications of climate change on their business, including how their strategies are likely to perform under various forward-looking scenarios, and demonstrate a rigorous approach to governance, strategy setting, risk management and reporting. Where appropriate these parameters are applied at the portfolio, customer and transaction level.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The National Greenhouse and Energy Reporting Act 2007 (Cth) (National Greenhouse Act) came into effect in July 2008. The Group reports on greenhouse gas emissions, energy consumption and production under the National Greenhouse Act for the period 1 July through 30 June each year. The Group was previously subject to the reporting requirements of the Energy Efficiency Opportunities Act 2006 (Cth) (EEO Act). The Commonwealth Government repealed the EEO Act, effective from 29 June 2014. Accordingly, all obligations and activities under the EEO Program, including reporting requirements, have ceased. Our operations are not subject to any other significant environmental regulation under any law of the Commonwealth of Australia or of any state or territory of Australia. We may, however, become subject to environmental regulation as a result of our lending activities in the ordinary course of business and we have policies in place to ensure that this potential risk is addressed as part of our normal processes. Climate change-related risks are managed within the Group’s sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of this framework, and report on progress in its public reports (see our 2018 Annual Report).

	Relevance & inclusion	Please explain
Emerging regulation	Relevant, always included	Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition. For example, during the reporting period we also noted increasing regulator interest, (e.g. APRA), on climate-related risks, calling on entities to move beyond awareness of financial risks of climate change to mitigating actions after surveying entities regarding climate-related financial risks. Climate change-related risks are managed within the Group's sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of this framework, and report on progress in its public reports (see our 2018 Annual Report).
Technology	Relevant, always included	Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition. Technology changes linked to climate change may directly impact our business, our customers and suppliers. For example, our scenario analysis has shown that sectors that are unable to decarbonise through the application of new technology show poorer growth prospects. The sectors that are most likely to be negatively impacted are those that have less ability to decarbonise and where less carbon intensive alternatives offer viable substitutes either directly or through their downstream products. In the longer term, the scenarios indicated that many of these sectors will be sensitive to the availability of cost-competitive carbon capture and storage (CCS) and alternative generation technologies. Climate change-related risks are managed within the Group's sustainability, and wider risk management framework. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of this framework, and report on progress in its public reports (see our 2018 Annual Report).
Legal	Relevant, always included	Climate-related legal risks can directly impact our business, our customers and suppliers. An example of legal risks specific to companies operating in Australia include company directors failing to consider relevant risks which may, in certain situations include risks arising from or related to climate change. Directors who fail to consider climate-related risks may be liable in the future for breaching the duties they owe to their company of care and diligence. A further example is the publicly released legal opinion on directors' duties by barrister Noel Hutley SC (commissioned by the Centre for Policy Development and The Future Business Council dated, 7 October 2016), and a supplementary opinion by the same, released on 26 March 2019. The original opinion addressed the potential liability of directors if climate related risks that may affect their companies are ignored, and the updated opinion emphasises the elevation in need for directors to consider climate risks and opportunities and improved board-level governance. Climate change-related risks are managed within the Group's sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of the TCFD, and report on progress in its public reports (see our 2018 Annual Report).
Market	Relevant, always included	Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition. Climate-related market risks can directly impact our business, our customers and suppliers. An example of market risk affecting our business is a shift in demand for certain commodities such as thermal coal. The International Energy Association's (IEA) modelling indicates that under a two degree scenario thermal coal demand will peak in the current decade and decline thereafter. If not managed, such a change in demand can create market risks in Westpac's areas of operation. Climate-related market risks are identified in our Climate Change Position Statement and 2020 Action Plan which also sets out specific criteria for lending to the thermal coal mining sector. Climate change-related risks are managed within the Group's sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of the TCFD, and report on progress in its public reports (see our 2018 Annual Report).
Reputation	Relevant, always included	Reputation risk is the risk of the loss of reputation, stakeholder confidence, or public trust and standing. Reputation risk arises where there are differences between a stakeholder's current and/or emerging perceptions, beliefs and expectations relative to our current and planned activities, performance and behaviours. It can affect the Group's brands and businesses positively or negatively. Stakeholder perceptions can include (but are not limited to) views on financial performance, quality of products or services, quality of management, leadership and governance, history and heritage and our approach to sustainability, social responsibility and ethical behaviour. Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our reputation. Climate-related reputational risks can directly impact our business, our customers and suppliers. As an example, Westpac analysed the reputational risk impacts associated with climate change as part of its scenario analysis. Reputational metrics measured the likelihood that a sector will come under scrutiny based on its relative contribution to total national emissions, either in the sector's own operations or downstream product. Climate-related reputational risks are identified in our Climate Change Position Statement and 2020 Action Plan. We have a Reputation Risk Framework and key supporting policies in place covering the way we manage reputation risk as one of our key risks across the Group, including the setting of risk appetite and roles and responsibilities for risk identification, measurement and management, monitoring and reporting. The Reputation Risk Framework was reviewed and updated in 2018.
Acute physical	Relevant, sometimes included	We, our customers and external suppliers, may be adversely affected by the physical risks of climate change, including increases in the frequency and severity of adverse climatic events including fires, storms, and floods. These effects may directly impact us and our customers through reputational damage, environmental factors, insurance risk, business disruption and an increase in defaults in credit exposures. As an example, this may cause disruption to business delivery and damage to Westpac's own property as well as that of our customers. In 2018 we conducted an assessment of physical risks in our Australian mortgage book. The Group mapped its Australian mortgage portfolio to postcodes which under a 4 degree scenario are at greatest risk of increased frequency and intensity of natural perils (inundation, soil contraction due to increased heat and reduced rainfall, floods, wind and cyclones, and bushfires), and where annual average losses are most likely to increase. The findings highlighted the importance of both climate mitigation and adaptation efforts, including government planning measures, and the benefits of climate-resilient building characteristics to reduce property damage and impacts on customers and communities. Along with our broader commitment to a 2-degree economy, Westpac expects to continue to help individual customers respond to climate change and continue to advocate for more research and investment into helping communities adapt and become resilient to climate-related impacts. Climate change-related risks are managed within the Group's sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of the TCFD, and report on progress in its public reports (see our 2018 Annual Report).

	Relevance & inclusion	Please explain
Chronic physical	Relevant, sometimes included	We, our customers and external suppliers, may be adversely affected by the physical risks of climate change, including increases in temperatures, sea levels and droughts. These effects may directly impact us and our customers through reputational damage, environmental factors, insurance risk, business disruption and an increase in defaults in credit exposures. Continuation or acceleration of these trends, which is indicated under some climate scenarios, may create credit and portfolio risk from impacted customers and operational risk associated with direct impacts for example, through increase claims in our insurance business, increased losses due to customers experiencing financial stress as a result of disaster events as well as implications for operational and maintenance costs. In 2018 we conducted an assessment of physical risks in our Australian mortgage book. The Group mapped its Australian mortgage portfolio to postcodes which under a 4-degree scenario are at greatest risk of increased frequency and intensity of natural perils (inundation, soil contraction due to increased heat and reduced rainfall, floods, wind and cyclones, and bushfires), and where annual average losses are most likely to increase. The findings highlighted the importance of both climate mitigation and adaptation efforts, including government planning measures, and the benefits of climate-resilient building characteristics to reduce property damage and impacts on customers and communities. Along with our broader commitment to a 2-degree economy, Westpac expects to continue to help individual customers respond to climate change and continues to advocate for more research and investment into helping communities adapt and become resilient to climate-related impacts. Climate change-related risks are managed within the Group's sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of this framework, and report on progress in its public reports (see our 2018 Annual Report).
Upstream	Relevant, always included	Westpac's business is subject to risks, including climate change that can adversely impact its business, reputation, financial performance, financial condition and future performance. This is relevant to investors in our business (upstream providers of capital). As an example, certain standard language in our publicly available statements provide examples of disclosure to investors on risks relating to Westpac including in relation to factors impacted by climate change. This aligns with wider market trends, which increasingly see climate change as a core consideration of capital providers, including to Westpac. For example, the prospectus for Westpac's Capital Notes 5, states that: Westpac and its customers may be adversely affected by the physical risks of climate change, including increases in temperatures, sea levels, and the frequency and severity of adverse climatic events including fires, storms, floods, and droughts. These changes may directly impact Westpac and its customers through reputational damage, environmental factors, insurance risk, and an increase in defaults in credit exposures. Initiatives to mitigate or respond to adverse impacts of climate change may in turn impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect Westpac's reputation, business, prospects, financial performance or financial condition. [Ref. https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/Westpac_Capital_Notes_5_Prospectus.pdf page 69] Climate change-related risks are managed within the Group's sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of the TCFD, and report on progress in its public reports (see our 2018 Annual Report).
Downstream	Relevant, always included	Our customers (downstream users of capital) may be adversely affected by the physical risks of climate change, including increases in temperatures, sea levels, and the frequency and severity of adverse climatic events including fires, storms, floods, and droughts. These effects, whether acute or chronic in nature, may directly impact us and our customers through reputational damage, environmental factors, insurance risk, business disruption and an increase in defaults in credit exposures. Initiatives to mitigate or respond to adverse impacts of climate change impact our customers through changes in market and asset prices, economic activity, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition. As an example, our CCPS outlines lending standards for the thermal coal mining and energy sectors. These lending parameters have been included in our Group Risk Appetite Statement and, where appropriate, are applied at the portfolio, customer and transaction level. Westpac uses scenario analysis to guide its climate change strategy and to analyse the implications of climate-related factors to its business, particularly lending standards. Climate change-related risks are managed within the Group's sustainability, and wider risk management framework. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of the TCFD.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Risks: Westpac (WBC) has in place a Board-approved Sustainability Risk Management Framework (SRMF) (reviewed and updated in 2018) that is supported by a suite of key policies and position statements incl Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and Action Plan (CCPS), sensitive sector position statements & Responsible Sourcing Code of Conduct, many of which are publicly available.

WBC is also a signatory to several voluntary principles-based frameworks that guide the integration of ESG-related issues to banking, lending & investment analysis, incl Equator Principles (EP III) covering project finance activities, Principles for Responsible Investments covering investment analysis, & a public supporter of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

When assessing a project or prospective customer, our credit officers, deal teams and sustainability specialists screen against: Environmental risks, such as water quality, waste, deforestation, impacts on high conservation value areas, and the CCPS; Social risks, such as workplace health & safety, & human capital mgmt; Governance risks, such as the customer's practices on risk culture, corruption & bribery, shareholder rights, board composition, & disclosure & transparency; & all other WBC position statements. In addition, we apply EP III to project finance transactions, project-related corporate loans, & bridge loans with a tenor of <2 years that are intended to be refinanced by Project Finance or a Project-Related Corporate Loan (where certain specific criteria are met as required by EP III). If the identified ESG risks do not meet WBC's risk appetite—which includes a req to meet the criteria outlined in our position statements—then we will not proceed with the transaction.

Climate change-related risks are managed within WBC's SRMF & wider risk management framework.

Through its CCPS, WBC has an enhanced approach to lending to emissions-intensive sectors, supporting customers that are in or reliant on these sectors & who assess the financial implications of climate change on their business, including how their strategies are likely to perform under various forward-looking scenarios, & demonstrate a rigorous approach to governance, strategy setting, risk mgmt & reporting.

WBC uses scenario analysis to identify & assess climate-related risks & opportunities over short, medium & long-term horizons. The findings of our scenario analysis in 2016 were reflected in WBC's latest CCPS which outlined enhanced lending standards for lending to the thermal coal mining & energy sectors. These lending parameters have been included in our Group Risk Appetite Statement &, where appropriate, are applied at the portfolio, customer & transaction level.

In 2018 WBC undertook further scenario analysis to assess: The resilience of WBC's Aus Business and institutional lending to transition risks brought about by rapid decarbonisation of the Aus economy under 2 degree scenarios (building on work first undertaken in 2016); & the impact of climate-related physical risks on the Aus mortgage portfolio arising from global warming scenarios of 2 & 4 degrees.

In 1H19, WBC undertook further scenario analysis to assess the resilience of WBC's Aus Business and institutional lending to transition risks brought about by rapid decarbonisation of the Aus economy under 1.5 and updated 2-degree scenarios.

Opportunities: WBC recognises that addressing climate change creates financial opportunities. Addressing the impacts of climate change requires investment & a shift in business models. Scenario analysis supported setting lending targets linked to climate-related opportunities: AUD10bn by 2020 and AUD25bn by 2030, as well as an AUD3bn issuance & arrangement target for capital markets products such as green bonds. These targets are captured in our CCPS & embedded across the business, and progress reported annual in our financial statements.

An example of executing on climate-related opportunities is WBC's current lending to climate solutions of $9.1bn at 30/9/18, and $10.1bn at 31/3/19 (TCE), exceeding our 2020 target, & the majority of which is to renewable energy and energy efficient assets.

Another example is WBC's commitment to source the equivalent of 100% of its global electricity consumption through renewable sources by 2025, announced Apr 2019. As one of the first Aus companies to make this commitment, WBC will become a member of RE100.

Implementation of CCPS is overseen by our Sustainability Council which reports half-yearly to the Board. Specific responsibilities for actions on climate opportunities & risks are overseen by our Climate Change Solutions Committee & Climate Change Risk Committees, respectively. These committees report to the Sustainability Council every quarter & through to the Board on a half-yearly basis.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Customer

Risk type
Transition risk

Primary climate-related risk driver
Market: Other

Type of financial impact
<Not Applicable>

Company- specific description
Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition. A clear policy framework aligned to long term investment horizons is key to achieving emissions reduction objectives. Furthermore, growth opportunities will be maximised if action is taken earlier as delaying action is likely to be more costly for the economy in the long run. Westpac has long maintained that a market-based price on carbon is the most effective means of achieving emissions reductions at the least cost across the economy. We continue to work with governments, relevant authorities and industry bodies towards a long-term policy framework that creates a favourable environment for investment.

Time horizon
Current

Likelihood
Likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Under a 1.5 degrees scenario to 2030 approximately 2.7% of our Australian Business and Institutional lending is exposed to sectors that may experience higher risks in a transition to a 1.5-degree economy. Under a 2.0 degrees scenario to 2030 approximately 0.9% of our Australian Business and Institutional lending is exposed to sectors that may experience higher risks in a transition to a

2.0-degree economy.

Management method
The Group has in place a Board-approved Sustainability Risk Management Framework (Framework) that is supported by a suite of key policies and position statements. These include Our Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and Action Plan, and Responsible Sourcing Code of Conduct, many of which are publicly available. The Sustainability Risk Management Framework was reviewed and updated in 2018. Westpac uses scenario analysis to identify and assess climate-related risks over short, medium and long-term horizons. The findings of our scenario analysis in 2016 informed Westpac's latest Climate Change Position Statement and 2020 Action Plan which outlined enhanced lending standards for managing lending to the thermal coal mining and energy sectors. These lending parameters have been included in our Group Risk Appetite Statement and, where appropriate, are applied at the portfolio, customer and transaction level.

Cost of management
1100000

Comment
The main costs associated with managing climate related risks are FTE resourcing to undertake engagement activities, strategy development, product development, changes to policy and underwriting standards, marketing, sponsorship and other related costs. In any given year these costs are in the order of $1.1m.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Customer

Risk type
Transition risk

Primary climate-related risk driver
Policy and legal: Increased pricing of GHG emissions

Type of financial impact
<Not Applicable>

Company- specific description
Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition. Our scenario analysis examined the impact of a carbon price ranging from USD20 to USD300 (AUD29-AUD435) over short, medium and long term horizons. It has shown that delayed action, followed by accelerated mitigation action after 2030 creates uncertainty that may inhibit economic growth and lead to abrupt and unexpected policy shifts including a rapidly increasing carbon prices and energy costs for own operations and our customers possibly leading to asset impairment in some industry sectors. Our Global Cooperation scenario sees the greatest economic growth, as sectors have time to adjust to carbon constraints in an economically efficient manner. Under the Delayed Action scenario, while economic growth may be higher in the near term, it becomes lower over the long term as faster action is needed to reach the same climate ambition and the cost of low carbon technologies is higher due to lack of early investments.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure
We understand from our scenario analysis that: approximately 2.7% of our Business and Institutional portfolio is exposed to sectors that may experience higher risk in a transition to a 1.5 degree economy by 2030; and approximately 0.9% of the portfolio is exposed to sectors that may experience higher risk in a transition to a 2 degree economy by 2030.

Management method
The Group has in place a Board-approved Sustainability Risk Management Framework (Framework) that is supported by a suite of key policies and position statements. These include Our Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and Action Plan, and Responsible Sourcing Code of Conduct, many of which are publicly available. The Sustainability Risk Management Framework was reviewed and updated in 2018. Westpac uses scenario analysis to identify and assess climate-related risks over short, medium and long-term horizons. The findings of our scenario analysis in 2016 were reflected in Westpac's latest Climate Change Position Statement and 2020 Action Plan which outlined enhanced lending standards for lending to the thermal coal mining and energy sectors. These lending parameters have been included in our Group Risk Appetite Statement and, where appropriate, are applied at the portfolio, customer and transaction level.

Cost of management
1100000

Comment
The main costs associated with implementing this management approach are FTE resourcing to undertake engagement activities, strategy development, product development, changes to policy and underwriting standards, marketing, sponsorship and other related costs such as specialised consultants. In any given year these costs are in the order of $1.1m.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Customer

Risk type
Physical risk

Primary climate-related risk driver
Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact
Increased credit risk (e.g., increased probability of default and/or loss given default)

Company- specific description
Our customers may be adversely affected by the physical risks of climate change, including increases in sea levels. These effects, whether acute or chronic in nature, may directly impact us and our customers through reputational damage, environmental factors, insurance risk and business disruption and may have an adverse impact on financial performance (including through an increase in defaults in credit exposures).

Time horizon
Long-term

Likelihood
Virtually certain

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Westpac uses scenario analysis to guide its climate change strategy and to analyse the implications of climate-related factors to its business. In 2018 the Group undertook further scenario analysis to assess the impact of climate-related physical risks on the Australian mortgage portfolio arising from global warming scenarios of 2 and 4 degrees. 5 natural perils were assessed: inundation, soil contraction, floods, wind and cyclones, and bushfires. Under a 4-degree scenario to 2050, we believe the Australian mortgage portfolio is broadly resilient to physical risks. Approximately 1.7% of the portfolio is exposed to postcodes that may experience higher physical risk by 2050 under a 4-degree scenario. The findings highlighted the importance of both climate mitigation and adaptation efforts, including government planning measures, and the benefits of climate-resilient building characteristics to reduce property damage and impacts on customers and communities.

Management method
The Group has in place a Board-approved Sustainability Risk Management Framework (Framework) that is supported by a suite of key policies and position statements. These include Our Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and Action Plan, and Responsible Sourcing Code of Conduct, many of which are publicly available. The Sustainability Risk Management Framework was reviewed and updated in 2018. Westpac uses scenario analysis to identify and assess climate-related risks over short, medium and long-term horizons. We help our customers make their homes more climate-resilient by: providing information to assist home owners identify how they can make improvements to their home; and working with our bankers to ensure customers access the right products and services to help fund any improvements they wish to undertake. This includes the work we support through the Australian Business Roundtable on Disaster Resilience and Safer Communities, which focuses on natural disaster resilience and recovery in Australia. Along with our broader commitment to a 2-degree economy, Westpac expects to continue to help individual customers respond to climate change, and continue to advocate for more research and investment into helping communities adapt and become resilient to climate-related impacts.

Cost of management
1100000

Comment
Costs include FTE, efforts to understand manage impacts including research and participation in industry forums.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Customer

Risk type
Physical risk

Primary climate-related risk driver
Chronic: Rising mean temperatures

Type of financial impact
Increased credit risk (e.g., increased probability of default and/or loss given default)

Company- specific description
We may be adversely affected by the physical risks of climate change, including increases in temperatures and severity of adverse climatic events including fires, storms, floods and droughts. These effects, whether acute or chronic in nature, may directly impact us and our customers through reputational damage, environmental factors, insurance risk and business disruption and may have an adverse impact on financial performance (including through an increase in defaults in credit exposures).

Time horizon
Long-term

Likelihood
Virtually certain

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Westpac uses scenario analysis to guide its climate change strategy and to analyse the implications of climate-related factors to its business. In 2018 the Group undertook further scenario analysis to assess the impact of climate-related physical risks on the Australian mortgage portfolio arising from global warming scenarios of 2 and 4 degrees. 5 natural perils were assessed: inundation, soil contraction, floods, wind and cyclones, and bushfires. Under a 4 degree scenario to 2050, we believe the Australian mortgage portfolio is broadly resilient to physical risks. Approximately 1.7% of the portfolio is exposed to postcodes that may experience higher physical risk by 2050 under a 4 degree scenario. The findings highlighted the importance of both climate mitigation and adaptation efforts, including government planning measures, and the benefits of climate-resilient building characteristics to reduce property damage and impacts on customers and communities.

Management method
The Group has in place a Board-approved Sustainability Risk Management Framework (Framework) that is supported by a suite of key policies and position statements. These include Our Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and Action Plan, and Responsible Sourcing Code of Conduct, many of which are publicly available. The Sustainability Risk Management Framework was reviewed and updated in 2018. Westpac uses scenario analysis to identify and assess climate-related risks over short, medium and long-term horizons. We help our customers make their homes more climate-resilient by: providing information to assist home owners identify how they can make improvements to their home; and working with our bankers to ensure customers access the right products and services to help fund any improvements they wish to undertake. This includes the work we support through the Australian Business Roundtable on Disaster Resilience and Safer Communities, which focuses on natural disaster resilience and recovery in Australia. Along with our broader commitment to a 2-degree economy, Westpac expects to continue to help individual customers respond to climate change, and continue to advocate for more research and investment into helping communities adapt and become resilient to climate-related impacts.

Cost of management
1100000

Comment
Costs include FTE, efforts to understand manage impacts including research and participation in industry forums.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Customer

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Type of financial impact
Increased revenue through demand for lower emissions products and services

Company-specific description
Our Climate Change Position Statement recognises that economic growth and emissions reductions are complementary goals.

Addressing climate change creates financial opportunities for Westpac and our customers. Addressing the impacts of climate change requires investment and a shift in business models. Transition to a net zero emissions economy is reliant on the availability of cost-effective low carbon solutions. In our role as a financial intermediary we act as a market facilitator and partner to existing and new customers, backing financially viable, affordable, low carbon solutions that will drive the transition to a net zero emissions economy whilst accelerating the reduction in emissions. Building on the climate change scenario analysis Westpac completed in 2016, we have set our targets based on the current outlook for investment in climate change solutions that is required to remain on a credible pathway to a net zero emissions outcome by 2050. We define climate change solutions as those technologies and practices that are consistent with the investment required to limit global warming to less than two degrees and address its impacts. Climate change solutions include, but are not limited to: Renewable energy; energy efficiency technologies; green buildings; low-emissions transport; waste; water; carbon abatement and sequestration projects; forestry and land rehabilitation; and adaptation infrastructure. As part of our 2020 Climate Change Action Plan we have undertaken to: Increase our target lending exposure to climate change solutions from $6 billion to $10 billion by 2020; Facilitate up to $3 billion in climate change solutions by 2020, e.g. green bond issuance and arrangement; and Increase our target lending exposure to climate change solutions to $25 billion by 2030.

Time horizon
Current

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
25000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Westpac has set short and medium term targets for lending to the climate solutions sector. These were derived from market analysis, estimates of Westpac's market share and estimates of future sector growth derived from climate scenario analysis. Targets are expressed in terms of Total Committed Exposure. By 2030 we are targeting $25bn to climate solutions. As at September 2018 our TCE was $9.1bn against a 2020 target of $10bn, and as at March 31 2019 our TCE was $10.1bn, exceeding our 2020 target. We have also identified opportunities to assist customers access new products such as green bonds through market facilitation (e.g. bond arrangement). We have a set a facilitation target of $3bn by 2020. As at September 2018 our facilitation of climate-related bonds was $1.7bn, and as at 31 March 2019 it was $2.39bn.

Strategy to realize opportunity
WBC’s 2018-2020 Sustainability Strategy and Climate Change Position Statement and 2020 Action Plan (CCPS) describe our climate change strategy, which includes the focus area "Provide finance to back climate change solutions". In our role as a financial intermediary we act as a market facilitator and partner to existing and new customers, backing financially viable, affordable, low carbon solutions thereby supporting energy security while accelerating the reduction in emissions. Lending and facilitation targets to climate solutions are set out in our CCPS. Our financial reporting shows growth in exposure to climate solutions from $6bn in 2016 to $9.1bn in 2018 and $10.1bn in 1H19. Similar growth has been seen in our facilitation targets - an example of this was recent growth in the green bonds sector— As at 30/9/18 our facilitation of climate-related bonds was $1.7bn, and as at 31/3/19 it was $2.39bn. In Nov 2018 we launched the world’s first Green Tailored Deposit to be certified by the Climate Bonds Initiative (CBI). The Green Tailored Deposit is a medium to long term investment product (1-5 years) with a minimum transaction amount of AUD $1 million, designed for investors who want or need investments that genuinely contribute to addressing climate change. All deposits are associated with a defined pool of eligible assets or projects which meet the strict CBI criteria, which can include renewable energy, low carbon transport, low carbon buildings and water infrastructure.

Cost to realize opportunity
1100000

Comment
Estimated for total FTE and other costs

Identifier
Opp2

Where in the value chain does the opportunity occur?
Customer

Opportunity type
Resilience

Primary climate-related opportunity driver
Other

Type of financial impact
Increased market valuation through resilience planning (e.g., infrastructure, land, buildings)

Company-specific description
Through our Climate Change Position Statement and 2020 Action Plan, Westpac is committed to helping our customers to understand the impact of climate change on their lives and business. We recognise that climate change affects our customers, their homes and investments. We can use our experience and expertise to assist our customers to prepare and respond to the risks and opportunities they may face. Despite the commitment to limit global warming to two degrees, climate change will still cause shifts in weather patterns and increase the frequency and severity of natural disasters. Communities may experience weather events that they are unfamiliar with or for which they are not prepared. Our experience of working with customers and communities through times of natural disaster has shown that the more resilient a community is, the quicker it is able to recover. We have an opportunity to support customers to understand how climate-related impacts affect their homes and assets, helping them make the right decisions to prepare for any possible outcome. As Australia's second largest bank with over $400bn in direct lending exposure to household mortgages, working with customers, government and the private sector presents a significant opportunity to improve community resilience to mitigate the worst impacts of climate change, as well as provide finance to adaptation measures. This opportunity has been factored into our analysis of climate-related opportunities when setting lending targets for the climate solutions sector $10bn by 2020 and $25bn by 2030.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
25000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The opportunity presented by growth in adaptation infrastructure forms a part of our overall Climate Solutions lending targets of $10bn by 2020 and $25bn by 2030. Our 2018 reporting shows that climate-resilient green buildings represent 47.7% of our lending to climate solutions. Increased revenues can be expected as a result of growth and increased balance sheet allocation.

Strategy to realize opportunity
The Group’s 2018-2020 Sustainability Strategy and Board-approved Climate Change Position Statement and 2020 Action Plan (CCPS) describe our climate change strategy, which includes the focus area "Help individual customers respond to climate change". Our experience of working with customers and communities through times of natural disaster has shown that the more resilient a community is, the quicker it is able to recover. That’s why we are supporting customers to understand how climate-related impacts affect their homes and assets, helping them make the right decisions to prepare for any possible outcome. We also encourage our customers to consider how they can improve the energy and water efficiency of their homes in a way that benefits the environment, while minimising the ongoing costs of utilities, maintenance and repairs. Our participation and investment in the Australian Business Roundtable for Disaster Resilience and Safer Communities has helped to understand, inform and influence responses to the physical impacts of climate change, and the opportunities that might arise in helping our customers adapt. An example of this work is the release in 2017 of the ABR's report: Building Resilience to Natural Disasters in our States and Territories which articulated the business case for increased investment in resilience.

Cost to realize opportunity
1100000

Comment
Estimated for total FTE and other costs

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of new technologies

Type of financial impact
Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon

Company-specific description
Our Climate Change Position Statement and 2020 Action Plan commits Westpac to demonstrate best practice in our own emissions management through setting of science-based targets. We aim to reduce our 2020 emissions by 9% and 2030 emissions by 34% against a 2016 baseline. This presents an opportunity to deploy new technologies including increased uptake of renewable energy, reduce our exposure to GHG emissions and avoid potential rising costs as the energy system continues to transition to a low-carbon setting. We also committed in April 2019 to source 100% of global electricity consumption through renewable energy sources by 2025. As one of the first Australian companies to make this commitment, Westpac Group will become a member of RE100, a global leadership initiative led by The Climate Group in partnership with CDP, bringing together the world's most influential businesses who have committed to go 100% renewable. We have also achieved our Sustainability Strategy measure of introducing a renewable energy target ahead of 2020.

Time horizon
Current

Likelihood
Very likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
553000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
A number of energy reduction, energy efficiency and renewable energy projects have either been completed, are currently underway or under investigation. In our retail portfolio, this includes lighting upgrades for several branches, solar panel projects within our commercial portfolio and other projects listed under C4.3b. Projects completed and reported as part of our Carbon Neutral Public Disclosure Statement required an estimated $5.9M investment and we have estimated a $553,000 annual financial savings. A number of other projects currently underway or under investigation have not been included in this figure.

Strategy to realize opportunity
Emission reduction targets are articulated in our 2020 Climate Change Action Plan which was approved by the Westpac Board. Westpac has long-term targets to reduce the emissions of its operations by 34% in 2030 (2016 baseline) and increase its use of renewable energy. This will both mitigate the potential impact of future carbon pricing and reduce operational expenses over the long term. Westpac's Group Property and Network Transformation teams have budget allocated to continuous improvement from which Scope 1,2, or 3 emission reduction projects may be funded where they meet business requirements. In addition, other project budgets may be established to fund specific carbon reduction initiatives. In April 2019, WBG announced its commitment to source the equivalent of 100% of its global electricity consumption through renewable sources by 2025. The first phase of our transition will be achieved through a Power Purchase Agreement with Bomen Solar Farm, to be constructed in Wagga Wagga, NSW. We have committed to purchase just over a quarter of the output from Bomen Solar Farm, enabling us to transition to 45% renewables by 2021. As one of the first Australian companies to commit to 100% renewable energy by 2025 across its global operations, Westpac

Group has become a member of RE100.

Cost to realize opportunity
5933496

Comment
Estimated cost of implementation of projects for FY18. Solar PV projects for commercial buildings are underway and cost of implementation has not yet been included in above figures.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted	Opportunities: Westpac's Climate Change Position Statement and 2020 Action Plan recognises significant climate-related opportunities. It commits Westpac to lending $10bn to climate change solutions by 2020 and $25bn by 2030, included in this is a NZD$2bn (AUD$1.9bn) commitment from our New Zealand business. The Position Statement also defines a facilitation target of $3bn by 2020 for products such as green bonds. These targets apply across our business divisions and multiple product lines. Specific sectors include renewable energy; energy efficiency technologies; green buildings; low-emissions transport; waste; water; carbon abatement and sequestration projects; forestry and land rehabilitation; and adaptation infrastructure. As at 30 September 2018 our total committed exposure (TCE) was $9.1bn against a 2020 target of $10bn, and as at 31 March 2019 our TCE was $10.1bn, exceeding our 2020 target. As at 31 March 2019 we continued to be the leading financier to new renewable energy projects in Australia, providing more than $390 million of new financing to seven projects in the last 12 months. This and launching the world's first Green Tailored Deposit to be certified by the Climate Bonds Initiative (CBI) builds on our strong climate track record. Additionally, our investment Platform, BT Panorama, provides customers with data to allow them to better understand ESG (including climate change) risks in their investments. BT is focused on understanding the nature of climate-related impacts for our Investment and Superannuation products. We also seek to provide our customers and other stakeholders with information on our approach to measuring and managing these impacts to support them in making informed choices. This information is provided in line with the recommendations of the Financial Stability Board's (FSB) Task Force on Climate-Related Financial Disclosures (TCFD). BTFG is committed to improving our understanding and management of climate-related impacts across its business, considering the transition risks, physical risks and opportunities, and impacts on products and portfolios.
Supply chain and/or value chain	Impacted	Supply chain: We apply our Responsible Sourcing Code of Conduct (RSCoC) to assess the social, ethical & environmental performance of our suppliers. Our Responsible Sourcing Supplier Assessment is now active for existing & new suppliers in Australia. By reviewing commodity, sector, country & reputational risks, we proactively identify potential risks within our supply chain and work with our suppliers to manage them. Supplier engagement on climate change is factored into our regular supplier engagement processes. Climate change is one of the factors considered in these assessments. Value chain: The Group has in place a Board-approved Sustainability Risk Mgmt Framework (SRMF), reviewed and updated in 2018, that is supported by a suite of key policies and position statements, incl Our Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and Action Plan (CCPS), sensitive sector position statements and RSCoC, many of which are publicly available. Westpac is also a signatory to a number of voluntary principles-based frameworks that guide the integration of ESG-related issues to banking, lending and investment analysis. These include the Equator Principles, covering project finance activities, the Principles for Responsible Investments, covering investment analysis, and publicly supporting recommendations of the TCFD. Climate change-related risks, both transition & physical, are managed within the SRMF & wider risk management framework. Through its CCPS, WBC has an enhanced approach to lending to emissions-intensive sectors such as thermal coal mining & energy sectors, supporting customers that are in or reliant on these sectors & who assess the financial implications of climate change on their business, incl how their strategies are likely to perform under various forward-looking scenarios, & demonstrate a rigorous approach to governance, strategy setting, risk mgmt & reporting. These lending parameters have been included in our Group Risk Appetite Statement &, where appropriate, are applied at the portfolio, customer & transaction level. Using scenario analysis we estimate our current commitment to higher risk sectors under 1.5 & 2-degree scenarios is 2.7% & 0.9% respectively. See: climate opportunities under 'Products and Services' above.
Adaptation and mitigation activities	Impacted	Adaptation: We, our customers and external suppliers, may be adversely affected by the physical risks of climate change. These effects, whether acute or chronic, may directly impact us and our customers through reputational damage, environmental factors, insurance risk and business disruption and may have an adverse impact on financial performance (including through an increase in defaults in credit exposures). Our Climate Change Position Statement and 2020 Action Plan (CCPS) recognises the potential risks and opportunities associated with the physical aspects of climate change such as rising sea levels and changing weather patterns. We have assessed the impact of climate-related physical risks on the Australian mortgage portfolio arising from global warming scenarios of both 2 and 4 degrees, and believe it is broadly resilient to physical risks. Mitigation: Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition. Our CCPS recognise the potential risks and opportunities implied by a transition to a 2 degree economy. To address these areas our actions incl: - Board-level endorsement of our CCPS including a commitment to the goals of the Paris Agreement - Group-wide lending and facilitation targets for climate solutions - Group-wide enhanced criteria for lending to particular emissions intensive sectors of the economy - Assessed the resilience of Westpac's Australian Business and institutional lending to transition risks brought about by rapid decarbonisation of the Australian economy under 2 degree scenarios (building on work first undertaken in 2016). - Continued engagement with a number of forums including Carbon Markets Institute, UNEP FI, Investor Group on Climate Change, Climate Action 100+, Climate Bonds Initiative, ABR, and Science Based Targets Initiative in Aus, to ensure continued improvement of climate-related practices. - Environmental targets, including for carbon and energy and a commitment to source the equivalent of 100 per cent of our global electricity consumption through renewable sources by 2025.
Investment in R&D	Not impacted	
Operations	Impacted	Westpac has long-term targets to reduce the emissions of its operations by 34% in 2030 (2016 baseline) and increase its use of renewable energy. This has the potential to impact our businesses by reducing carbon emissions and energy costs. In April 2019 we committed to source 100% of global electricity consumption through renewable energy sources by 2025. As one of the first Australian companies to make this commitment, Westpac Group will become a member of RE100, a global leadership initiative led by The Climate Group in partnership with CDP, bringing together the world's most influential businesses who have committed to go 100% renewable. We have also achieved our Sustainability Strategy measure of introducing a renewable energy target ahead of 2020.
Other, please specify	Not impacted	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	Westpac Group has long recognised that climate change is one of the most significant issues that will impact the long-term prosperity of our economy and way of life. We also recognise the potential for climate-related risk and opportunities to impact our business. Revenues may increase due to efforts to increase our exposure to the climate solutions sector (as outlined above). The share of these revenues may increase as the transition to a low carbon economy accelerates. The potential magnitude of this opportunity is considered high and has been factored into our financial planning processes by setting short and medium term targets for lending to the climate solutions sector ($10bn by 2020 and $25bn by 2030). Revenues may also be impacted negatively as other sectors of the economy reduce in size as the result of efforts to mitigate climate change. The magnitude of this risk is considered low given Westpac's relative low exposure to carbon intensive sectors. This has been factored into our financial planning process by setting lending restrictions on certain sectors considered to have high transition risks (e.g. thermal coal and coal-fired electricity generation). Similarly, revenue impacts linked to physical changes caused by climate change may increase due to greater investment in adaptation measures and the emergence of new products. Severe weather events have the potential to impact revenues and disrupt the economy.
Operating costs	Impacted	Westpac Group has long recognised that climate change is one of the most significant issues that will impact the long-term prosperity of our economy and way of life. Operating costs may be impacted through variations in electricity and fuel costs due to changes in energy markets. Westpac has a Board-approved target to reduce the emissions intensity of its operations by 34% in 2030 (2016 baseline). We committed in April 2019 to source 100% of global electricity consumption through renewable energy sources by 2025. As one of the first Australian companies to make this commitment, Westpac Group will become a member of RE100, a global leadership initiative led by The Climate Group in partnership with CDP, bringing together the world's most influential businesses who have committed to go 100% renewable. These actions have the potential to reduce our operating costs.
Capital expenditures / capital allocation	Impacted	Capital expenditures are considered in line with targets set out our 2020 Climate Change Action Plan, and in particular commitments to reduce the emissions intensity of our operations by 34% by 2030, and our commitment to source 100% of global electricity consumption through renewable energy sources by 2025. Capital expenditure on energy efficiency and renewable energy projects are subject to the usual budgeting and planning processes to assess financial impact and pay-back periods. These are considered a low magnitude and manageable within our day-to-day operations. Capital allocation for lending to climate solutions is subject to the parameters defined in our Climate Change Position Statement which sets out lending targets of $10bn by 2020 and $25bn by 2030 - progress of capital allocation against these targets is managed on a transactional and portfolio basis and reported on a half-yearly basis. Similarly, restrictions on capital allocation to emissions intensive sectors is governed by parameters established in our Climate Change Position Statement and integrated into our risk management framework. Climate change-related risks are managed within the Group's sustainability, and wider risk management framework.
Acquisitions and divestments	Not impacted	
Access to capital	Impacted for some suppliers, facilities, or product lines	To understand the current and emerging issues that matter most to our stakeholders and that will have the most material impact on our business, we conduct regular assessments and stakeholder engagement and consultation. This includes capital providers such as investors, shareholders and customers (depositors). Climate change ranks consistently highly as an issue of importance to stakeholders (and to Westpac), particularly investors. This is also reflected in stakeholder inquiries directed to our Sustainability, client facing and Investor Relations teams. As a result Westpac prepares comprehensive reporting, disclosure and communication materials on a half-yearly basis (minimum) to inform capital providers of our performance on climate change. In line with the recommendations of the TCFD, these materials form part of our financial filings and financial reporting cycle. Key documents include but are not limited to: - Investor Discussion Pack (twice yearly) - Annual Report and Interim results - Sustainability Performance Report (Annual) - Supporting materials for engagement with investors (as needed). Westpac has publicly supported the recommendations of the TCFD and continues to align its climate-related reporting with this framework. In November 2018 we also launched the world's first Green Tailored Deposit to be certified by the Climate Bonds Initiative (CBI). The Green Tailored Deposit is a medium to long term investment product (1-5 years) with a minimum transaction amount of AUD $1 million, designed for investors who want or need investments that genuinely contribute to addressing climate change. All deposits are associated with a defined pool of eligible assets or projects which meet the strict CBI criteria, which can include renewable energy, low carbon transport, low carbon buildings and water infrastructure. The impact of these products is considered when considering access to capital.
Assets	Impacted	Climate risk and opportunities linked to our financial assets are factored into our financial planning processes through the integration of our Climate Change Position Statement and 2020 Action Plan (CCPS) which sets out both lending targets to climate solutions, and restrictions on lending to emissions intensive sectors. Opportunities: The potential magnitude of financial impacts on asset growth have been factored into our financial planning processes by setting short and medium term targets for lending to the climate solutions sector ($10bn by 2020 and $25bn by 2030). Our Climate Solutions Committee meetings oversee climate solutions lending targets on at least a quarterly basis and reports half-yearly in our financial statements. Risks: Climate-related lending parameters have been included in our Group Risk Appetite Statement and, where appropriate, are applied at the portfolio, customer and transaction level. Our Climate Change Risk Committee oversees initiatives to address credit, regulatory and legal risks of climate change, including scenario analysis. Scenario analysis is undertaken on a regular basis to ensure both new opportunities and risks are being adequately managed. 2016 Scenario analysis helped us understand the magnitude of growth and risk in different sectors across the economy, informing our CCPS. In 2018 we assessed the resilience of Westpac's Australian Business and institutional lending to transition risks under 2 degree scenarios, and the impact of climate-related physical risks on Australian mortgage portfolio under both 2 and 4 degree scenarios. In 1H19 we undertook further scenario analysis to assess Westpac's Australian Business and institutional lending to transition risks under 1.5 degree and updated 2 degree scenarios. The results of this analysis showed: Approx 2.7% of our Australian Business and Institutional lending is exposed to sectors that may experience higher risks in a transition to a 1.5-degree economy to 2030; approx 0.9% of our Australian Business and Institutional lending is exposed to sectors that may experience higher risks in a transition to a 2.0-degree economy to 2030; and approx 1.7% of Australian mortgage portfolio in postcodes which may be exposed to higher physical risks at 4 degrees of warming to 2050. This analysis informs decisions that affect allocation of capital.

	Relevance	Description
Liabilities	Impacted for some suppliers, facilities, or product lines	Climate change ranks consistently highly as an issue of importance to stakeholders (and to Westpac), including our depositors. This is also reflected in stakeholder inquiries directed to our Sustainability and customer-facing teams. Westpac prepares comprehensive reporting, disclosure and communication materials on a half-yearly basis (minimum) to inform stakeholders of our performance on climate change. In line with the recommendations of the TCFD, these materials form part of our financial filings and financial reporting cycle. Key documents include but are not limited to: - Investor Discussion Pack (twice yearly) - Annual Report and Interim results - Sustainability Performance Report (Annual) - Supporting materials for engagement with investors (as needed). Currently, the magnitude of financial impact is low however we recognize the growing importance being attributed to the risks and opportunities of climate change by capital providers such as depositors. An example of an opportunity is our launch of the world's first Green Tailored Deposit to be certified by the Climate Bonds Initiative (CBI), in November 2018. The Green Tailored Deposit is a medium to long term investment product (1-5 years) with a minimum transaction amount of AUD $1 million, designed for investors who want or need investments that genuinely contribute to addressing climate change. All deposits are associated with a defined pool of eligible assets or projects which meet the strict CBI criteria, which can include renewable energy, low carbon transport, low carbon buildings and water infrastructure. The impact of these products is considered when considering access to capital.
Other	Not impacted	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative and quantitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

The Group has long recognised that climate change is one of the most significant issues that will impact the long-term prosperity of the economy and way of life. Westpac was the first Australian bank to recognise the importance of limiting global warming to two degrees and that to do this, global emissions need to reach net zero in the second half of this century.

It has been over a decade since the Group released its first climate change action plan. Since then, Westpac has continued to integrate the consideration of climate-related risks and opportunities into business objectives and strategy. This includes alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which the Group has publicly committed to support and setting specific targets for lending and our own operational footprint.

The highest level of direct responsibility for climate change at Westpac Group lies with the Board. The Group's third Climate Change Position Statement and 2020 Action Plan was approved by the Group Executive and the Board in 2017. It covers both the principles and key actions related to climate change for the Westpac Group and their intersection with broader business strategy and planning.

Climate Change Position Statement's principles:

- A transition to a net zero emissions economy is required

- Economic growth and emissions reductions are complementary goals

- Addressing climate change creates financial opportunities

- Climate-related risk is a financial risk

- Transparency and disclosure matters.

Focus areas for action:

- Provide finance to back climate change solutions including business objectives to lend $10bn by 2020 and $25bn by 2030.

- Support businesses that manage their climate related risks, including enhanced lending parameters for emissions intensive sectors such as thermal coal mining, the energy sector and agribusiness

- Helping individual customers respond to climate change

- Improve and disclose Westpac's climate change performance including science-based carbon and energy targets for business operations to 2020 and 2030, and a commitment to the TCFD

- Advocate for policies that stimulate investment in climate change solutions.

The Position Statement specifically ties business strategy and planning to a science-based emissions reduction target of 9% by 2020 and 34% by 2030 (2016 baseline) and ongoing commitment to carbon neutrality. Furthermore, we committed in April 2019 to source 100% of global electricity consumption through renewable energy sources by 2025. As one of the first Australian companies to make this commitment, Westpac Group will become a member of RE100, a global leadership initiative led by The Climate Group in partnership with CDP, bringing together the world’s most influential businesses who have committed to go 100% renewable. We have also achieved our Sustainability Strategy measure of introducing a renewable energy target ahead of 2020. Westpac Group is also one of 28 banks working with the United Nations Environment Program Finance Initiative (UNEP FI) to develop the Principles for Responsible Banking, as we believe that it is important for banks, working with civil society and other stakeholders, to define and act on what we mean by responsible and sustainable banking. This work aligns the purpose of banking with society’s goals as expressed in the United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

As an example of climate change influencing business decisions, we conducted climate change scenario analysis to identify risks and opportunities as part of the refresh of our Climate Change Position Statement. This analysis was overseen by an internal Steering Committee comprising representatives from risk, sustainability and banking teams. This research has informed actions in our position statement, driven public engagements and our communications and forward strategy. The Climate Change Position Statement was approved by the Board and Executive team. A specific measure of the impact of this work is the increased in lending to climate solutions which rose from $7bn at Half Year 2017 to $8.5bn at Half Year 2018 ($9.1bn at 30 September 2018 and $10.1bn at 31 March 2019).

The Climate Change Position Statement recognises a number of aspects of climate change that have influenced our thinking over the short (to 2020), medium (to 2030) and long term (2050). This includes explicit acknowledgement of the goals of the Paris Agreement, and our commitment to support the transition of the economy to net-zero emissions and limit warming to less than two degrees. The Statement sets our actions over the short, medium and long term which we report against every year. Key elements of this include short and medium term targets for lending to climate solutions; enhanced lending parameters to emissions intensive sectors (e.g. thermal coal and coal-fired generation assets) and short and medium term science-based targets for our own emissions.

The Board has approved Westpac’s climate change strategy and the Group’s Climate Change Position Statement and 2020 Action

Plan (CCPS). Management of climate change at the Board level is cascaded to Group Executives. The Sustainability Council's membership comprises Group Executive – Customer & Corporate Relations and General Managers from across the Group. The Council has explicit responsibility for managing our sustainability agenda including climate change, meets at least quarterly and has climate change as a fixed agenda item; reports to the Board through twice-yearly updates; and has oversight of committees established to oversee aspects of the Group's CCPS, including the Climate Change Solutions Committee, Climate Change Risk Committee and Environment Management Committee.

In New Zealand, the NZ Sustainability Advisory Panel informs the WNZL Executive Team and Board by providing insights on opportunities and ESG risks, including climate change. Cross-business working groups are responsible for the plans to deliver integrated responses to climate change e.g. Climate Change Solutions working group, Operational Sustainability working group directs CO2 reductions initiatives. WNZL transformation programme, FIT, drove business-wide efficiency programme contributing to CO2 reductions. Decisions to relocate Christchurch corporate and CBD branch to Green Star 5 rated building and to convert 30% of our 301-car fleet to EVs and install charging infrastructure were influenced by our commitment to reducing our environmental footprint.

C3.1d

(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios	Details
Other, please specify (Three scenarios developed in partnership with EY and ClimateWorks - Strong National Action, Global Cooperation, and Delayed Action.)	Westpac uses scenario analysis to identify and assess climate-related risks over short, medium and long-term horizons. The findings of our scenario analysis in 2016 were reflected in Westpac's latest Climate Change Position Statement and 2020 Action Plan which outlined enhanced lending standards for lending to the thermal coal mining and energy sectors. These lending parameters have been included in our Group Risk Appetite Statement and, where appropriate, are applied at the portfolio, customer and transaction level. The scenario analysis also informed our financing targets for climate change solutions which are based on an economy- wide pathway to net zero emissions by 2050. This includes a 2030 lending target to climate solutions of $25bn. 2016 Analysis Boundaries: qualitative and quantitative; 2-degree transition risk and opportunity analysis; over short (2020), medium (2030) and long (2050) term horizons. Carbon price range: USD20-USD300 (AUD29-AUD435). Methodology: Three scenarios were identified representing plausible pathways to a low carbon economy based on different approaches to global cooperation and timing of action. Each scenario included assumptions for technological, social, economic and environmental factors, drawing from a broad base of existing research, including regarding carbon pricing. The scenarios were based on existing and known technologies due to the difficulty in accurately modelling the impact of unknown innovations. Summary of scenarios 1. Strong National Action: In this scenario, a lack of global carbon trading requires each country to take ambitious action individually, requiring a more rapid domestic transition. National ambition drives technical innovation in renewables, carbon capture and storage and nuclear technologies. 2. Global Cooperation: In this scenario coordinated global action results in a smooth transition to a low carbon economy. Access to an international carbon trading system provides Australia with relatively cheap carbon permits compared to the other scenarios. 3. Delayed Action: In this scenario, an initial delay towards action is followed by a much more accelerated mitigation pathway after 2030. This scenario assumes slower cost reductions of low carbon technologies due to lack of early investment and a rapidly increasing carbon price post-2030.
DDPP IRENA RCP 2.6 RCP 8.5 IEA Sustainable development scenario	Westpac uses scenario analysis to identify and assess climate-related risks over short, medium and long-term horizons. The findings of our scenario analysis in 2016 were reflected in Westpac's latest Climate Change Position Statement and 2020 Action Plan which outlined enhanced lending standards for lending to the thermal coal mining and energy sectors. These lending parameters have been included in our Group Risk Appetite Statement and, where appropriate, are applied at the portfolio, customer and transaction level. The scenario analysis also informed our financing targets for climate change solutions which are based on an economy- wide pathway to net zero emissions by 2050. This includes a 2030 lending target to climate solutions of $25bn. 2018 Analysis Boundaries: qualitative and quantitative; 2 degree transition risk and opportunity analysis; 4 degree physical risk analysis; over medium (2030) and long (2050) term horizons. Carbon price range: USD20-USD300. Methodology: 2°C scenarios: We revisited the three scenarios developed in partnership with EY and ClimateWorks in 2016 and reapplied them to Australian Business and Institutional lending (excluded retail, sovereign and bank exposures). We also reviewed the International Energy Agency’s Sustainable Development Scenario (IEA SDS) and the International Renewable Energy Agency’s Renewable Energy Roadmap (IRENA Remap), focusing our analysis on the Australian energy market. Under the Global Cooperation Scenario, Westpac’s exposure to sectors that may face growth constraints under a range of 2 degree scenarios to 2030 is approximately 4% of our Business and Institutional lending - unchanged since 2016. Higher risk sectors may be subject to enhanced due diligence under the parameters laid out in the CCPS. Westpac expects to be well positioned to capitalise on opportunities arising out of growth in sectors benefiting from a transition to a low carbon economy over the short and medium term. The Group has lending targets to climate change solutions of $10 billion by 2020 and $25 billion by 2030. 4°C scenario: The analysis was completed at postcode level in partnership with Deloitte and was underpinned by models developed by Climate Risk. Our core scenario was based on data from IPCC’s RCP8.5 scenario and adopted a series of conservative assumptions about the vulnerability of homes to natural perils under 4°C of warming by 2100. The selected perils were: inundation such as sea level rise and storm surges, soil contraction due to increased heat and reduced rainfall, floods, wind and cyclones, and bushfires. Analysis focused on the mortgage portfolio of Westpac and St.George. Under a 4-degree scenario to 2050, we believe the Australian mortgage portfolio is broadly resilient to physical risks (selected perils: Inundation, soil contraction due to increased heat and reduced rainfall, floods, wind and cyclones, and bushfires). The Group mapped its Australian mortgage portfolio to postcodes which under a 4-degree scenario are at greatest risk of increased frequency and intensity of natural perils, and where annual average losses are most likely to increase. The findings highlighted the importance of both climate mitigation and adaptation efforts, including government planning measures, and the benefits of climate-resilient building characteristics to reduce property damage and impacts on customers and communities. Along with our broader commitment to a 2-degree economy, Westpac expects to continue to help individual customers respond to climate change and continue to advocate for more research and investment into helping communities adapt and become resilient to climate-related impacts.
Other, please specify (‘P2’ pathway articulated in the Intergovernmental Panel on Climate Change’s report – Global Warming of 1.5 C.)	In First Half 2019, the Group undertook further scenario analysis to assess the resilience of Westpac’s Australian Business and Institutional lending (excludes retail, sovereign, and bank exposures) to transition risks brought about by rapid decarbonisation of the Australian economy under 1.5 and updated 2-degree scenarios (1.5-degree scenario based on the ‘P2’ pathway articulated in the Intergovernmental Panel on Climate Change’s report – Global Warming of 1.5OC. 2-degrees disclosures incorporate multiple scenarios including the IRENA REMap, IEA SDS, IPCC (presented according to updated methodology), and those described in Westpac’s Sustainability Performance Report, 2016 p52). A summary of findings is provided below: • 1.5-degrees scenario to 2030: Approximately 2.7% of our Australian Business and Institutional lending is exposed to sectors that may experience higher risks in a transition to a 1.5-degree economy; and • 2.0-degrees scenario to 2030: Approximately 0.9% of our Australian Business and Institutional lending is exposed to sectors that may experience higher risks in a transition to a 2.0-degree economy. Further details on our scenario analysis will be provided in our full-year reporting and the findings considered as we update our CCPS in 2020.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Scope
Scope 1+2 (location-based)

% emissions in Scope
100

Targeted % reduction from base year
9

Base year
2016

Start year
2018

Base year emissions covered by target (metric tons CO2e)
147620

Target year
2020

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

% of target achieved
13

Target status
Achieved

Please explain
As part of Westpac's commitments in our 2017 Climate Change Position Statement and 2020 Action Plan, we are demonstrating best practice in our own emissions management through setting a Science-Based Target (in line with the Science Based Targets Initiative) to reduce our emissions by 9% by 2020 and 34% by 2030. As there is currently no SBT methodology developed for Scope 3 ‘financed emissions’ - emissions relating to financial assets held - we are unable to have our SBT officially or unofficially validated under the SBTi Initiative (SBTi). However, Westpac’s Scope 1 & 2 emissions targets were determined to be science-based, and would have passed validation if financial institutions were able to submit for official validation based on our submission for unofficial validation to the SBTi. This target represents 100% of total Group Scope 1 & 2 emissions.

Target reference number
Abs 2

Scope
Scope 1+2 (location-based) +3 (upstream)

% emissions in Scope
3.34

Targeted % reduction from base year
25

Base year
2016

Start year
2018

Base year emissions covered by target (metric tons CO2e)
7371

Target year
2020

Is this a science-based target?
No, but we are reporting another target that is science-based

% of target achieved
19.9

Target status
Underway

Please explain
In 2017, Westpac New Zealand approved the localised 2020 Sustainability Strategy where a new emissions reduction target was set alongside 8 other targets. The target is to reduce our operational emissions (Scope 1, 2 and 3) by 25% against our 2016 baseline. New Zealand emissions reported in 2018 represent 3% of total Group Scope 1, 2, and 3 emissions and a 19.9% emissions reduction was achieved in FY18.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

Target
Zero/low-carbon vehicle

KPI – Metric numerator
Percentage of WNZL car fleet to electric vehicles or PHEV

KPI – Metric denominator (intensity targets only)

Base year
2017

Start year
2018

Target year
2019

KPI in baseline year
0

KPI in target year
30

% achieved in reporting year
22

Target Status
Underway

Please explain
Target to convert 30% of the Westpac New Zealand car fleet to electric vehicles or PHEV by 2019. In FY18, 22% of the fleet were converted.

Part of emissions target
This forms part of the New Zealand target to reduce emissions by 25% by 2020.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Target
Renewable electricity consumption

KPI – Metric numerator
Percentage of global electricity consumption through renewable sources .

KPI – Metric denominator (intensity targets only)

Base year
2019

Start year
2019

Target year
2025

KPI in baseline year
0

KPI in target year
100

% achieved in reporting year
0

Target Status
Underway

Please explain
In April 2019, WBG announced its commitment to source the equivalent of 100% of its global electricity consumption through renewable sources by 2025. The first phase of our transition will be achieved through a Power Purchase Agreement with Bomen Solar Farm, to be constructed in Wagga Wagga, NSW. We have committed to purchase just over a quarter of the output from Bomen Solar Farm, enabling us to transition to 45% renewables by 2021. As one of the first Australian companies to commit to 100% renewable energy by 2025 across its global operations, Westpac Group has become a member of RE100.

Part of emissions target
Our commitment to source the equivalent of 100% of our global electricity consumption through renewable sources by 2025 has been driven by our target to reduce Scope 1 and 2 Group emissions by 34% by 2030 (which were set using scope 1 and scope 2 methodologies endorsed by the Science Based Targets Initiative).

Is this target part of an overarching initiative?
Science-based targets initiative

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	12	
To be implemented*	2	
Implementation commenced*	7	2630
Implemented*	138	1648
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type
Energy efficiency: Building services

Description of initiative
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
17

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
3965

Investment required (unit currency – as specified in C0.4)
36839

Payback period
4 - 10 years

Estimated lifetime of the initiative
11-15 years

Comment
Upgrade of all external lighting to high efficiency LED Lighting at our NSW-based data centre. Estimated emission savings figure reflects annual savings calculated for FY18.

Initiative type
Energy efficiency: Building services

Description of initiative
Building controls

Estimated annual CO2e savings (metric tonnes CO2e)
2

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
48876

Investment required (unit currency – as specified in C0.4)
15000

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
Optimisation of building performance through the BMS within a NSW-based office. Estimated emission savings figure reflects annual savings calculated for FY18.

Initiative type
Low-carbon energy installation

Description of initiative
Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
103

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
24282

Investment required (unit currency – as specified in C0.4)
175000

Payback period
4 - 10 years

Estimated lifetime of the initiative
16-20 years

Comment
100 KW solar PV system installed on NSW-based office building. Estimated emission savings figure reflects annual savings calculated for FY18.

Initiative type
Energy efficiency: Building services

Description of initiative
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
984

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
332950

Investment required (unit currency – as specified in C0.4)
2982642

Payback period
11-15 years

Estimated lifetime of the initiative
6-10 years

Comment
The estimated lifetime of each project is determined by the length of the leasing arrangement. Retail Lighting Upgrades: Estimated emission savings figure reflects annual savings calculated for FY18 for Tranche 1 (47 sites), Tranche 2 (23 sites) and Tranche 3 (52 sites) project phases.

Initiative type
Other, please specify (BankNow Efficiency Audits/Works - South Melbourne)

Description of initiative
<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)
1

Scope
Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
107

Investment required (unit currency – as specified in C0.4)
12000

Payback period
No payback

Estimated lifetime of the initiative
1-2 years

Comment

Initiative type
Other, please specify (Lift Upgrade)

Description of initiative
<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)
2

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
556

Investment required (unit currency – as specified in C0.4)
2217229

Payback period
11-15 years

Estimated lifetime of the initiative
16-20 years

Comment
Lift upgrade in NSW-based office building. Estimated emission savings figure reflects annual savings calculated for FY18.

Initiative type
Energy efficiency: Processes

Description of initiative
Other, please specify (Digital Marketing Screens)

Estimated annual CO2e savings (metric tonnes CO2e)
240

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
102087

Investment required (unit currency – as specified in C0.4)
242722

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment
Reduction of operating hours of internal and external display screens throughout retail network. Estimated emission savings figure reflects annual savings calculated for FY18.

Initiative type
Energy efficiency: Building services

Description of initiative
HVAC

Estimated annual CO2e savings (metric tonnes CO2e)
37

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
15915

Investment required (unit currency – as specified in C0.4)
152064

Payback period
4 - 10 years

Estimated lifetime of the initiative
3-5 years

Comment
Coolnomix program to improve energy efficiency of HVAC systems. Estimated emission savings figure reflects annual savings calculated for FY18.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	The Group complies with the National Greenhouse and Energy Reporting Act which requires Westpac to capture and report all energy consumption, Scope 1 and Scope 2 greenhouse gas emissions from Australian activities under our Operational Control. The Group has continued its commitment to remain Carbon Neutral as stated its Climate Change Position Statement and 2020 Action Plan . In 2018, Westpac's Australian operations maintained its certification under the Australian Government 's Carbon Neutral Program and National Carbon Offset Standard.
Internal incentives/recognition programs	Relevant senior managers have incentives tied to the achievement of climate change related targets included in our Climate Change Position Statement and 2020 Action Plan (CCPS) and Sustainability Strategy including targets to make up to $10bn available for lending to climate solutions by 2020, $3bn in climate change advisory by 2020 and $25bn for lending to climate solutions by 2030; eco-efficiency targets linked to 9% reduction in GHG emissions by 2020 and 34% by 2030 (2016 baseline); and a measure to introduce a renewable energy target, achieved in April 2019 when we announced our commitment to source the equivalent of 100% of its global electricity consumption through renewable sources by 2025. The extent of sustainability managers' financial remuneration is dependent on the management of climate change issues, including the attainment of targets. The management of climate change issues includes the identification, prioritization and response to those issues, through our CCPS, and the attainment of targets included in both the Sustainability Strategy and the Position Statement. Delivery on sustainability objectives may account for 50-80% of short term incentive for relevant managers. The CEO Community and Environment Awards recognise both an individual employee and a team that have demonstrated outstanding support for their community or environment including through not-for-profits, and include causes related to climate change. The winners are people who have gone beyond what is expected and have made a sustained contribution to one or more not-for-profit organisations, giving generously of their time, capabilities and commitment. The team Award winners receive a donation of $10,000 for their chosen community organisation or environmental cause, and individuals receive $5,000. Legends is our bank-wide recognition program for NZ employees, with an ‘Our Tomorrow’ category, focused on recognising people that “positively impact the community, our environment and make our Community & Sustainability vision a reality – this includes issues associated with climate change”. There is a small financial component that goes with this, which can be redeemed for vouchers to the value of NZD$100 (AUD$95) for monthly and quarterly Legends, NZD$500 (AUD$476) for Annual Legends and an additional $5,000 (AUD$4762) for our Top Legend in NZ.
Internal price on carbon	Westpac factors the cost of carbon credits into its budget processes as part of its commitment to carbon neutrality and electricity procurement.
Employee engagement	Employees are engaged through the Our Tomorrow Network, informing and empowering our people on important sustainability-related topics. During the reporting period the We Have the Will campaign supported our employees to take personal action to tackle environmental impacts. These groups are supported by an intranet site, Yammer (internal social media), regular newsletters and invitations to presentations and workshops. Employees are also engaged through participation in Earth Hour, World Environment Day, and National Recycling Week environmental activities, as well as being provided with information on implementing emission reduction/environmental impact activities at work and at home. As part of our Yammer Social Media, during the reporting period we had an 'Environmental Advocates' group who helped identify, implement and drive sustainability initiatives throughout the business. In NZ, employees of relevant business units are also engaged in working groups focused on our own emissions reductions and developing and promoting Climate solutions products.
Other (Government Incentive Schemes)	The Westpac Group participates in the NSW Energy Saving Scheme and Victorian Energy Efficiency Target programs which allow us to create and sell carbon certificates for eligible energy efficiency works. The income derived from these programs is used to reduce project payback periods.
Dedicated budget for energy efficiency	The Group's WorkSMART program is focused on new ways of working and leading in an agile and paper independent environment which will drive less investment in paper and therefore Scope 3 emission reduction activities. The Group also has a continuous improvement budget from which Scope 1,2 or 3 emission reduction projects may be funded where they meet business requirements. In addition, other project budgets may be established to run specific carbon reduction initiatives.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Company-wide

Description of product/Group of products
In our CCPS we committed to a lending and investment target for Climate Change Solutions (including energy; Energy efficiency technologies; Green buildings; Low-emissions transport; Waste; Water; Carbon abatement and sequestration projects; Forestry and land rehabilitation; and Adaptation infrastructure.): $10bn by 2020 and $25bn by 2030. $10.1bn has been lent as at Mar19, surpassing our 2020 target. At 31/3/19 we were the leading financier to new renewable energy projects in Aus, providing >$390 million of new financing to 7 projects in the last 12 months. We continue to facilitate and issue climate bonds and other green debt instruments. As at 31/3/19, we achieved strong progress of $2.39 billion towards our 2020 target of $3 billion. In Nov17, we settled a EUR 500 million, 7 year climate bond – our 3rd climate bond – focusing on Europe's more mature socially responsible investment market, funding renewable energy projects, low carbon commercial property and rail transport. In 2018 we issued a AUD$117.3m, 5 year climate bond to Japanese retail investors in the Uridashi bond market. Renewable energy projects financed in part by our climate bonds (as at 2018) have the potential to generate 4.3 million megawatt hours (MWh) of clean energy and reduce annual greenhouse gas emissions (GHG) by 3,603,550 tCO2e (tonne of carbon dioxide equivalents). Westpac's estimated share of this is 1,289,112 (tC02e). In Nov18 we also launched the world's first Green Tailored Deposit to be certified by the Climate Bonds Initiative (CBI). The Green Tailored Deposit is a medium to long term investment product (1-5 years) with a minimum transaction amount of AUD $1 million, designed for investors who want or need investments that genuinely contribute to addressing climate change. All deposits are associated with a defined pool of eligible assets or projects which meet the strict CBI criteria, which can include renewable energy, low carbon transport, low carbon buildings and water infrastructure. BT is a PRI signatory and has integrated PRI principles across its investment activity. Since 2015 BT has disclosed the carbon intensity of a range of investment portfolios (including superannuation), using this data to understand where risks may lie in investments and provide customers with information on their investments. See: Responsible Investment Position Statement on our website.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Climate Bonds Taxonomy

% revenue from low carbon product(s) in the reporting year

Comment
$10.1bn has been lent to climate solutions as at March 2019, surpassing our 2020 target.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
July 1 2015

Base year end
June 30 2016

Base year emissions (metric tons CO2e)
11102

Comment
As part of Westpac's Climate Change Position Statement and 2020 Action Plan and 2020 Sustainability Strategy, GHG emission reduction targets were set using scope 1 and scope 2 methodologies endorsed by the Science Based Targets Initiative (SBTI), using FY16 as the baseline.

Scope 2 (location-based)

Base year start
July 1 2015

Base year end
June 30 2016

Base year emissions (metric tons CO2e)
136518

Comment
As part of Westpac's Climate Change Position Statement and 2020 Action Plan and 2020 Sustainability Strategy, GHG emission reduction targets were set using scope 1 and scope 2 methodologies endorsed by the Science Based Targets Initiative (SBTI), using FY16 as the baseline. In FY18, a Sydney-based data centre was removed from our operational control and the Scope 2 emission baseline for 2016 was adjusted accordingly.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.
Australia - National Greenhouse and Energy Reporting Act
ISO 14064-1
New Zealand - Guidance for Voluntary, Corporate Greenhouse Gas Reporting

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
9824

Start date
July 1 2017

End date
June 30 2018

Comment
As reported for FY18.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
9274

Start date
July 1 2016

End date
June 30 2017

Comment
As reported for FY17.

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
11102

Start date
July 1 2015

End date
June 30 2016

Comment
As reported for FY15.

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
10830

Start date
July 1 2014

End date
June 30 2015

Comment
As reported for FY15.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

Comment

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
118515

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
July 1 2017

End date
June 30 2018

Comment
As reported for FY18.

Past year 1

Scope 2, location-based
124963

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
July 1 2016

End date
June 30 2017

Comment
As reported for FY17.

Past year 2

Scope 2, location-based
145599

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
July 1 2015

End date
June 30 2016

Comment
As reported for FY16.

Past year 3

Scope 2, location-based
164976

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
July 1 2014

End date
June 30 2015

Comment
As reported for FY15.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
Offices in the United States

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
Westpac Group operations in the US includes only a small site which is deemed immaterial.

Source
Asian Sites

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
Energy and carbon data for Asian operations are deemed immaterial and data is limited from this region. This continues to be assessed as Westpac Group grows in the Asian region.

Source
Incidental Emissions (e.g. fire suppressants)

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
Minor sources deemed immaterial.

Source
Refrigerants from retail sites

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)
No emissions from this source

Explain why this source is excluded
Retail sites are generally located in shopping strips or shopping centres. In the case of shopping strips, air conditioning systems are typically small and refrigerants are considered immaterial. For shopping centres, air conditioning is generally provided by base building equipment which serves the entire shopping centre and is outside Westpac's operational control; therefore outside our reporting boundary.

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
9912

Emissions calculation methodology
Paper (non-carbon paper consumption): EPA Victoria: Greenhouse Gas Emission Factors for Office Copy Paper (October 2013) Secure Paper Destruction: NGA Factors. Couriers: International Postal Corporation Methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
Paper Consumption, Non Carbon Neutral: Paper consumption includes office and copy paper, other paper items (e.g. statements) and paper products purchased through Westpac's Preferred Suppliers which is not certified as carbon neutral. Emission factors are sourced from the Victorian EPA. Paper Consumption, Carbon Neutral: Total tonnage of carbon neutral office and copy paper and other paper product purchased through Westpac's Preferred Suppliers. No carbon equivalent included in Scope 3 emissions. Secure Paper Destruction: Emission from paper waste are emissions which are a result of paper collected throughout our commercial and retail properties for secure destruction. Data is sourced from the Westpac Preferred Supplier for Secure Paper Destruction. The emission factor for paper and cardboard from NGA Factors is applied. Couriers: Scope 3 emissions from couriers was added as part of FY 2016–17 NCOS reporting in Australia in line with NCOS requirement to include additional Scope 3 emission sources. Our preferred supplier has developed a tool for calculating emissions for customers in line with the International Postal Corporation Methodology.

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Emissions from capital goods have been excluded from our inventory due to the materiality of the emissions source. Given the nature of our organisations as a service company, emission from capital goods do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
17927

Emissions calculation methodology
NGA Factors; 2015 MfE (Emission Factors and Methods) from the 2013 calendar year

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
Emissions from electricity, natural gas and vehicle fleet transmission and distribution losses were calculated based on consumption data from supplier invoices.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Emissions from upstream transportation and distribution have been excluded from our inventory due to the materiality of the emissions source. Given the nature of our organisations as a service company, emissions from upstream transportation and distribution do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1907

Emissions calculation methodology
NGA Factors; 2015 MfE (Emission Factors and Methods) from the 2013 calendar year

Percentage of emissions calculated using data obtained from suppliers or value chain partners
21.2

Explanation
Waste: Emissions from waste sent to landfill is only calculated for Westpac group commercial offices, data centres and the retail network, and excludes ATMs. For commercial facilities and data centres invoice data provided by the waste contractor or building manager is used where available. For sites where invoice data is not available, waste to landfill is estimated based on averages from properties in the same portfolio for which actual data is available. For Retail Sites waste data is based on representative waste audits and extrapolated across the retail branch network using FTE figures. The emission factor for Commercial and Industrial waste from NGA Factors is applied. In New Zealand, emissions from waste were calculated based on waste data collected for all commercial offices and retail branches.

Business travel

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
17303

Emissions calculation methodology
UK DEFRA GHG conversion factors for company reporting ; 2015 MfE (Emission Factors and Methods) from the 2013 calendar year. Air travel excl. radiative forcing factor and including DEFRA greater circling uplift factor.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
Emission from air travel, fleet, rental cars, taxi usage and hotel occupancy were calculated based on supplier reports.

Employee commuting

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Emissions from transportation of employees between their homes and Westpac in vehicles not owned or operated by Westpac is excluded from our inventory due to Westpac's limited ability to influence transport infrastructure in city locations where most corporate offices are located. These emissions do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Upstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
17634

Emissions calculation methodology
Base building consumption data is manually apportioned based on the NLA occupied by Westpac/total NLA of site. For annual reporting where the landlord does not provide the data requested, the total base building emissions are estimated based upon the NABERS rating of the site. Where a NABERS rating is not available for a particular site, the base building emissions are estimated based upon the average base building emissions per square metre of the sites where actual invoice data was processed. Emission factors are sourced from NGA Factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
30.4

Explanation
Base building emissions are reported for all Australian commercial offices, including subsidiaries.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Emissions from downstream transportation and distribution have been excluded from our inventory due to the materiality of the emissions source in context of a service organisation. These emissions do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Emissions from processing of sold products have been excluded from our inventory due to the materiality of the emissions source in context of a service organisation. These emissions do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Use of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

The number of metric tonnes financed in our lending 'products' sold to customers (corporate or retail) is not yet fully calculated in our Scope 3 disclosures however we disclose our exposures to emissions intensive sectors through our Sustainability Performance Report and Investor Discussion Pack. The methods include metrics around quality of coal in our thermal coal lending portfolio, the emissions intensity of our exposure to the electricity generation sector, the carbon intensity of our investment portfolio in our funds management business and the technology split of our lending to climate solutions and electricity generation portfolios. We also participate in several fora including the Science Based Targets Initiative to assist in the development of a comprehensive and accepted methodology by which to calculate financed emissions, and UNEP FI’s Principles for Responsible Banking Collective Goal on Climate Community of Practice. We have conducted scenario analysis to understand our current lending to sectors most likely to be impacted in the transition to a 2 degree economy. In First Half 2019, the Group undertook further scenario analysis to assess the resilience of Westpac’s Australian Business and Institutional lending to transition risks brought about by rapid decarbonisation of the Australian economy under 1.5 and updated 2-degree scenarios. Approximately 2.7% of our Australian Business and Institutional lending is exposed to sectors that may experience higher risks in a transition to a 1.5-degree economy to 2030; and approximately 0.9% of our Australian Business and Institutional lending is exposed to sectors that may experience higher risks in a transition to a 2.0-degree economy to 2030. Our exposure to mining represents 1% of our total committed exposures as at 31/3/19. Coal mining represents approximately 8% of our total mining exposure. We monitor our exposures to emissions intensive sectors and report every 6 months in our financial and sustainability reporting. We report inter alia the emissions intensity of our lending to electricity generation sector, our exposure to the coal mining sector, compliance of our coal exposures to defined quality parameters, the emissions intensity of our portfolio in our funds management business and the technology split in our lending to both climate solutions and electricity generation.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Emissions from end of life treatment of sold products have been excluded from our inventory due to the materiality of the emissions source in context of a service organisation. These emissions do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Emissions from downstream leased assets have been excluded from our inventory due to the materiality of the emissions source in context of a service organisation. These emissions do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Emissions from franchises have been excluded from our inventory due to the materiality of the emissions source in context of a service organisation. These emissions do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Investments

Evaluation status

Relevant, calculated

Metric tonnes CO2e

240

Emissions calculation methodology

Investments on behalf of customers. BTFG reports a number of key metrics to provide customers with information regarding the carbon exposure of their investments held with BTFG. This includes: 1. weighted average carbon intensity, measured as the portfolio's exposure to each company's carbon intensity. Each company's carbon intensity is expressed in tonnes of carbon dioxide equivalents (tCO_2e) per million Australian dollars of revenue. This metric is calculated consistently with the guidance for Asset Owners contained in the Annex to the "Recommendations of the Task Force on Climate-related Financial Disclosures" (TCFD). Portfolio weighted average carbon intensity is in the range of 232-248 tCO2e/$m; 2. The percentage (%) of Fund covered by the carbon intensity, showing the proportion of each portfolio covered by the weighted average carbon intensity analysis; and 3. Exposure to carbon-related assets, demonstrating the portion of the portfolio exposed to the most carbon-intensive sectors. This metric is calculated consistently with the guidance for Asset Owners contained in the TCFD, adjusted for characteristics of the Australian benchmark.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

74

Explanation

All Metrics relating to BTFG's investments and superannuation portfolios on behalf of customers, including weighted average carbon intensity are included as part of our Sustainability Performance Report.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

No other (upstream) Scope 3 emission sources have been identified.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

No other (upstream) Scope 3 emission sources have been identified.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
5.8

Metric numerator (Gross global combined Scope 1 and 2 emissions)
128339

Metric denominator
unit total revenue

Metric denominator: Unit total
22133

Scope 2 figure used
Location-based

% change from previous year
5.9

Direction of change
Decreased

Reason for change
Total revenue in a banking context is regarded to be the sum of net interest income and non-interest income - or total operating income before operating expenses and impairment charges. [As Westpac has a 30 September year-end for financial data and a 30 June year end for environmental data, the intensity figure is gross global combined Scope 1 and 2 emissions in metric tonnes CO2 as at 30 June 2018 dived by total revenue (million $) as at 30 September 2018.] The decrease from 6.16 to 5.8 between 2017 and 2018 can be attributed to the increase in total revenue and a decrease in Scope 1 and 2 emissions as a result of emission reduction activities noted within this submission.

Intensity figure
3.66

Metric numerator (Gross global combined Scope 1 and 2 emissions)
128339

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
35029

Scope 2 figure used
Location-based

% change from previous year
31.5

Direction of change
Decreased

Reason for change
The decrease from 5.35 to 3.66 between 2017 and 2018 can be attributed to the decrease in Scope 1 and 2 emissions as a result of emission reduction activities noted within this submission.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	4813	IPCC Fourth Assessment Report (AR4 - 100 year) *For Australian Operations which represents 73% of Group Scope 1 emissions*
CH4	2	IPCC Fourth Assessment Report (AR4 - 100 year) *For Australian Operations which represents 73% of Group Scope 1 emissions*
N2O	25	IPCC Fourth Assessment Report (AR4 - 100 year) *For Australian Operations which represents 73% of Group Scope 1 emissions*
HFCs	2271	IPCC Fourth Assessment Report (AR4 - 100 year) *For Australian Operations which represents 73% of Group Scope 1 emissions*

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Australia	7112
New Zealand	1971
United Kingdom of Great Britain and Northern Ireland	427
Other, please specify (Pacific (including Fiji and PNG))	315

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Stationary - Natural Gas	1411
Stationary - Diesel	348
Transport Fuels - Fleet	5652
Refrigerants	2413

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Australia	114669	0	142084.72	0
New Zealand	2222	0	20196.61	0
Other, please specify (Rest of World) *Includes UK, Fiji and PNG.*	1625	0	4848.82	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Commercial Offices - Australia	41298	0
Retail Network - Australia	50794	0
ATM's - Australia	3132	0
Data Centre - Australia	18896	0
Subsidiaries - Australia	549	0
Operations - New Zealand	2222	0
Operations - Rest of World	1625	0

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	103	Decreased	0.08	Implementation of a 100kW solar PV system at one of our NSW offices was completed at the end of FY17. Therefore, electricity generation commenced in the beginning of FY18. Our total S1 and S2 emissions in FY17 were 134,237 tCO2-e; therefore we arrived at an .08 % reduction (-103 tCO2-e/ 134,237 tCO2-e *100).
Other emissions reduction activities	1595	Decreased	1.2	During FY18, Westpac Group implemented a number of energy efficiency initiatives as reported in C4.3. Our total S1 and S2 emissions in FY17 were 134,237 tCO2-e; therefore we arrived at an 1.2 % reduction (-1,595 tCO2-e/ 134,237 tCO2-e * 100).
Divestment	0	Please select		
Acquisitions	0	Please select		
Mergers	0	No change		
Change in output	0	No change		
Change in methodology	0	No change		
Change in boundary	0	No change		
Change in physical operating conditions	0	Please select		
Unidentified	4200	Decreased	3.1	From FY17 to FY18, Westpac Group reduced overall Scope 1 and 2 emissions by 5898 tonnes CO2-e in total; therefore by subtracting those identified emissions reductions, we conclude that 4,200 tonnes CO2-e have been reduced. We believe this has largely been driven by a reduction of electricity consumption from commercial and retail property consolidation and refurbishment projects in Australia. Our total S1 and S2 emissions in FY17 were 134,237 tCO2-e; therefore we arrived at an 3.1 % reduction (-4,200 tCO2-e/ 134,237 tCO2-e * 100).
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	30238.33	30238.33
Consumption of purchased or acquired electricity	<Not Applicable>	0	167130.28	167130.28
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	124	<Not Applicable>	124
Total energy consumption	<Not Applicable>			197492.61

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
5230.28

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
5230.28

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment

Fuels (excluding feedstocks)
Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
1571.11

MWh fuel consumed for self-generation of electricity
1571.11

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment

Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
7.78

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
7.78

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor

70.2

Unit

kg CO2e per GJ

Emission factor source

NGER (2017-18 Measurement Determination)

Comment

Liquefied Petroleum Gas (LPG)

Emission factor

60.6

Unit

kg CO2e per GJ

Emission factor source

NGER (2017-18 Measurement Determination)

Comment

Natural Gas

Emission factor

51.53

Unit

kg CO2e per MWh

Emission factor source

NGER (2017-18 Measurement Determination)

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	124	124	124	124
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type
Solar PV

Region of consumption of low-carbon electricity, heat, steam or cooling
Asia Pacific

MWh consumed associated with low-carbon electricity, heat, steam or cooling
124

Emission factor (in units of metric tons CO2e per MWh)
0

Comment
Australian National Carbon Offset Standard Treatment of Renewable Energy Certificates - 1 July 2017. Behind-the-meter energy usage originating from small-scale onsite generation systems can be treated as zero emissions energy, regardless of whether any STCs have been created, sold or transferred to any other party.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Waste

Metric value
1907

Metric numerator
tonnes CO2-e

Metric denominator (intensity metric only)

% change from previous year
12

Direction of change
Increased

Please explain
Tonnes CO2-e from waste to landfill in Australian and New Zealand operations.

Description
Other, please specify (Water Consumption)

Metric value
566

Metric numerator
tonnes CO2-e

Metric denominator (intensity metric only)

% change from previous year
7.4

Direction of change

Decreased

Please explain
Tonnes CO2-e of water consumption from Australian operations.

Description
Other, please specify (Paper Consumption)

Metric value
6885

Metric numerator
tonnes CO2-e

Metric denominator (intensity metric only)

% change from previous year
12

Direction of change
Decreased

Please explain
Tonnes CO2-e from paper consumption from operation in Australia, New Zealand, the Pacific and UK.

Description
Other, please specify (Climate-related financial metrics)

Metric value
0

Metric numerator

Metric denominator (intensity metric only)

% change from previous year

Direction of change
<Not Applicable>

Please explain
Please refer page 56 of our 2019 Interim Financial Results (https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/ASX_Interim_Financial_Announcement_2019.pdf), and page 62 of our 2019 Interim Presentation and Investor Discussion Pack (https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/1H19_WBC_presentation_and_IDP.pdf)

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope
Scope 1

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Reasonable assurance

Attach the statement
Westpac NGER FINAL signed Reasonable Assurance pack 261018.PDF

Page/ section reference
Auditors Cover Sheet (pgs. 1-4) and Assurance Report (pgs. 1-5).

Relevant standard
Australian National GHG emission regulation (NGER)

Proportion of reported emissions verified (%)
72

Scope
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Reasonable assurance

Attach the statement
Westpac NGER FINAL signed Reasonable Assurance pack 261018.PDF

Page/ section reference
Auditors Cover Sheet (pgs. 1-4) and Assurance Report (pgs. 1-5).

Relevant standard
Australian National GHG emission regulation (NGER)

Proportion of reported emissions verified (%)
97

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope
Scope 3- at least one applicable category

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Attach the statement
PWC Assurance - Westpac NCOS Pack FY18 signed 261018.PDF

Page/section reference
Auditors Cover Sheet (pgs. 1-3) and Assurance Report (pgs. 1-5).

Relevant standard
Other, please specify (Australian National Carbon Offset Standard)

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Other, please specify (Total Australian Scope 1&2 GHG emissions)	• Australia National Greenhouse and Energy Regulations (NGER Act); • Standard on Assurance Engagements ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information; • Standard on Assurance Engagements ASAE 3410 Assurance Engagements on Greenhouse Gas Statements	Australian Scope 1&2 GHG emissions as reported as part of the Australian Government's National Greenhouse and Energy Reporting. Westpac NGER FINAL signed Reasonable Assurance pack 261018.PDF
C6. Emissions data	Other, please specify (Total Australian Energy Consumption)	• Australia National Greenhouse and Energy Regulations (NGER Act); • Standard on Assurance Engagements ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information; • Standard on Assurance Engagements ASAE 3410 Assurance Engagements on Greenhouse Gas Statements	Australian energy consumption as reported as part of the Australian Government's National Greenhouse and Energy Reporting. Westpac NGER FINAL signed Reasonable Assurance pack 261018.PDF
C4. Targets and performance	Other, please specify (Lending to climate solutions)	Assured by PwC in accordance with the Australian Standard on Assurance Engagements 3000 Assurance Engagements Other than Audits or Reviews ff Historical Financial Information (Revised) (ASAE3000). The firm applies the Australia Standard on Quality Control ASOC Quality Control for Firms that Perform Audits and Reviews Of Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.	Metrics for total attributable financing to climate solutions are third-party assured by PWC in accordance with ASAE3000. See pages 116-117 of the attached 2018 Sustainability Performance Report. 2018 Sustainability Performance Report.pdf
C4. Targets and performance	Other, please specify (Lending to climate solutions)	Assured by PwC in accordance with the Australian Standard on Assurance Engagements 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Revised) (ASAE3000). The firm applies the Australia Standard on Quality Control ASOC Quality Control for Firms that Perform Audits and Reviews Of Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.	Metrics for distribution by technology type for lending to climate solutions are third-party assured by PWC in accordance with ASAE3000. See pages 116-117 of the attached 2018 Sustainability Performance Report. 2018 Sustainability Performance Report.pdf
C4. Targets and performance	Year on year emissions intensity figure	Assured by PwC in accordance with the Australian Standard on Assurance Engagements 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Revised) (ASAE3000). The firm applies the Australia Standard on Quality Control ASOC Quality Control for Firms that Perform Audits and Reviews Of Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.	Metrics for Westpac electricity generation portfolio emissions intensity are third-party assured by PWC in accordance with ASAE3000. See pages 116-117 of the attached 2018 Sustainability Performance Report. 2018 Sustainability Performance Report.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Biomass energy

Project identification

VCSPD784 - 1.6 MW Bundled Rice Husk Based Cogeneration Plant by M/s Milk food Limited (MFL) in Patiala (Punjab) & Moradabad (U.P) Districts. VCU serial numbers: 6094-279014228-279078327-VCU-034-APX-IN-1-784-01012015-31122015-0

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

64100

Number of credits (metric tonnes CO2e): Risk adjusted volume

64100

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Wind

Project identification

VCSPD1679 - Bundled Wind Power Project in Madhya Pradesh, Gujarat and Kerala by D.J. Malpani VCU serial numbers: 6090-278948510-279002509-VCU-034-APX-IN-1-1679-01012017-23122017-0

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

54000

Number of credits (metric tonnes CO2e): Risk adjusted volume

54000

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Solar

Project identification

VCSPD1745 - Bundled Solar Power Project by Vector Green Sunshine Private Limited VCU serial numbers: 6089-278936542-

278948441-VCU-034-APX-IN-1-1745-01012018-31012018-0

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
11900

Number of credits (metric tonnes CO2e): Risk adjusted volume
11900

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Other, please specify (1. Internal carbon price used to stress test institutional loans 2. A range of carbon price assumptions are used conduct scenario analysis as part of climate change risk management 3. Budget for carbon neutral program)

GHG Scope
Scope 3

Application
Carbon neutral program Credit and lending

Actual price(s) used (Currency /metric ton)
435

Variance of price(s) used
Westpac has undertaken multiple climate change scenario analyses to understand the longer term impacts to the Australian and New Zealand economies, including risks and opportunities of limiting global warming to less than two degrees Celsius. The carbon price range of USD20-300 (AUD29-AUD435) used in this analysis is publicly available at: https://www.westpac.com.au/about-westpac/sustainability/news-resources-and-ratings/9-nov-16-climate-change-scenario-analysis-summary-released/ .

Type of internal carbon price
Implicit price
Offsets
Other, please specify (1. Implied price of carbon under climate change scenarios 2. Cost of carbon offsets in carbon neutral program 3. Future carbon price scenarios in lending and risk management)

Impact & implication
Our scenario analysis was conducted to understand the longer term impacts on the Australian economy – including risks and opportunities for Westpac – of limiting global warming to less than two degrees Celsius above pre-industrial levels, meaning the Australian economy reaches net zero carbon emissions by 2050. The research modelled three scenarios and examined the impact of a carbon price ranging from USD20 to USD300 (AUD29-AUD435) over short, medium and long term horizons. This analysis has given Westpac a clearer understanding of growth prospects for sectors of the Australian economy and its role in actively supporting Australia's transition to a low carbon economy. This process helped inform our approach to transitional risks including the policy, legal, technology and; financial impacts related to climate change, as well as the business implications of physical risks such as changes in climate patterns and extreme weather events. It has also underpinned our new ambitious financing targets for climate change solutions which are based on an economy-wide pathway to net zero emissions by 2050. To address climate-related risks, we have enhanced our approach to lending to emissions intensive sectors. We support customers that are in, or reliant on, these sectors and who assess the financial implications of climate change on their business, including how their strategies are likely to perform under various forward-looking scenarios and demonstrate a rigorous approach to governance, strategy setting, risk management and reporting. We have also developed additional criteria for customers in the energy sector, including specific published requirements for electricity generation and thermal coal, and the agribusiness sector given their potential contribution to global greenhouse gas emissions. We will continue to expand the scope of this work to ensure we support customers across a wider range of climate-affected sectors and to respond to the wide range of community concerns on climate change.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement
Climate change is integrated into supplier evaluation processes

% of suppliers by number
100

% total procurement spend (direct and indirect)
77

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement
Assessment of compliance against the Responsible Sourcing Code of Conduct through an assessment process that tailors questions to suppliers' circumstances & specific sustainability risks. In FY18, assessment for our Top 100 Suppliers by spend was completed, ensuring these suppliers are covered by the risk analysis - including economic, environmental, & social risks. Suppliers included within the 'Top Suppliers assessed in Australia under the Westpac Responsible Sourcing Program (%)' are the top 100 suppliers to the Bank by spend for the 12 months ended August 2017. This process was also applied to new market engagement activities and existing supplier relationships managed within our Australian supplier portfolios. This represented approximately 77% of the total supply chain spend in 2018. The assessment requires suppliers to confirm the steps they have taken within their operations and supply chain to identify, eliminate and manage their social and environmental risks. These steps may have included steps related to labour and workplace practices, occupational health and safety practices, promoting a diverse and inclusive workforce, risk management, management of environmental issues, corporate governance and ethics, supply chain management and community engagement. We have not captured % of Scope 3 emissions for FY18.

Impact of engagement, including measures of success
The Westpac Group expects its suppliers to minimise the environmental impacts associated with their products and services, and from their operational footprint, including offices, manufacturing and processing facilities, and transport and distribution. Impacts relating to greenhouse gas emissions, air quality, energy efficiency, water and wastewater, waste and hazardous materials, biodiversity impacts, life-cycle impacts of products and services, and packaging, where relevant, should be measured, monitored, managed and minimised. Suppliers are encouraged to source and supply credible third party certified products. Mitigation plans are utilised for our suppliers, whose activities are outside of our operational control, but where we can exert a degree of influence to address rights issues and breaches.

Comment
The Westpac Group expects its suppliers to commit to the principles, values and spirit of its Responsible Sourcing Code of Conduct (RSCoc), and adhere to these expectations within any contract agreed between itself and the Westpac Group. The RSCoC better supports us to manage and mitigate risks within Westpac supply chain through an improved understanding of issues associated with specific sourcing categories, and beyond supplier risk, to incorporate commodity, sector, country and reputational risk. It focuses management effort more towards material issues and impacts identified through the assessment process. It includes provisions for validation and corrective and preventative actions. Suppliers are required to comply with Westpac Group processes that seek to demonstrate or validate compliance, including responding fully and honestly in relation to any requests for information, providing reasonable access to relevant documentation and supplier premises, and acting promptly on issues identified by the Westpac Group. The Responsible Sourcing Assessment process is active and integrated within market engagement processes within Australia. Westpac Group has incorporated the principles of our RSCoC into sourcing frameworks in New Zealand and undertook a baseline assessment of our sourcing practices in the Pacific jurisdictions that we operate in. This assessment took place following the establishment of our Global Responsible Sourcing Steering Committee in 2017. Adherence to the RSCoC is reported annually.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Other, please specify (Education/information sharing: climate-related risks and opportunities)

Details of engagement
<Not Applicable>

% of customers by number
100

% Scope 3 emissions as reported in C6.5
0

Please explain the rationale for selecting this group of customers and scope of engagement
Explanation of ‘100%’, above. We engage customers that are relevant to the implementation of our climate-change position statement. This may be in relation to climate opportunities and/or climate risks. Opportunities: We engage relevant customers on climate opportunities. The transition to a net zero emissions economy is reliant on the availability of cost effective low carbon solutions. In our role as a financial intermediary we act as a market facilitator and partner to existing and new customers, backing financially viable, affordable, low carbon solutions that will drive the transition to a net zero emissions economy whilst accelerating the reduction in emissions. Risks: Engaging our customers on climate risks, the transition to a net zero emissions economy may pose policy, legal, technology and market risks to our customers. We believe that the most constructive role we can play is to work with customers in emissions-intensive sectors, and support them as they manage through the transition. Our approach to lending to emissions-intensive sectors is grounded in principles, clear benchmarks and underwriting standards that we apply to all sectors that we bank. It is based on a thorough assessment and understanding of the industry life cycle of the particular sector. We will support customers in, or reliant on, emissions-intensive sectors that assess the financial implications of climate-related risks and opportunities in their business, including how their strategies are likely to perform under various forward-looking scenarios; and demonstrate a rigorous approach to governance, strategy setting, risk management, and reporting on climate-related risks and opportunities.

Impact of engagement, including measures of success
Opportunity: In FY18, as a measure of success, our lending to climate solutions was at 9.1billion, up from 7.0 billion in 2017 (as at 31 March 2019 our total committed exposure was at $10.1billion, exceeding our 2020 target). As an impact of our lending in FY18, renewable energy projects financed in part by our climate bonds had the potential to generate 4.3 million megawatt hours (MWh) of clean energy and reduce annual greenhouse gas emissions (GHG) by 3,603,550 tCO2e (tonne of carbon dioxide equivalents). Westpac’s estimated share of this is 1,289,112 (tC02e). Buildings financed in part by Westpac Climate Bonds have, on average, 28% lower emissions intensity than the Climate Bond Initiative’s benchmarks. As at 31 March 2019 we continued to be the leading financier to new renewable energy projects in Australia, providing more than $390 million of new financing to seven projects in the last 12 months. Risk: We have maintained compliance with our thermal coal portfolio quality thresholds and emissions intensity of lending to the power generation sector over the last 12 months.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

Engagement with our customers, investors, employees, government, suppliers, NGOs and communities helps ensure our strategy and reporting meets the expectations of our key stakeholders. We participate in a range of multi-stakeholder forums including the Investor Group on Climate Change, Australian Business Roundtable for Disaster Resilience & Safer Communities, UNEP FI Principles for Responsible Banking Stakeholder Advisory Group, and more.

Our approach to engagement on climate change is guided by our stakeholder engagement framework, materiality assessments and our Climate Change Position Statement. Our stakeholder engagement framework sets out Westpac Group’s approach to engaging with its stakeholders to deepen its understanding of evolving expectations, priorities and concerns, to help ensure we are responding appropriately. Our materiality assessment takes on feedback obtained via stakeholder engagement, together with an assessment of industry trends, internal reports and independent research, grounded in both the Global Reporting Initiative Standards and the AA1000 AccountAbility Principles Standard (2018). Our Climate Change Position Statement and 2020 Action Plan was developed using these methods and sets out the principles and key actions to guide our priorities for climate-related engagement over a three-year period. The Climate Change Position Statement sets our company specific climate-related engagement strategy, our methods of engagement, how we prioritise these engagements and how we measure our progress.

Westpac’s sustainability performance is regularly benchmarked by a number of third-party ratings and awards, including the Dow Jones Sustainability Indices (DJSI), where the group has been recognised as global leader as a member of DJSI World for 17 years in a row. Other measures of success can include feedback from investors; competitor benchmarking and industry ranking by independent reports; feedback from NGOs, shareholders and the nature and frequency of campaign activity.

A specific example of engagement with partners in our value chain beyond suppliers and customers is the development of TCFD-aligned reporting materials which feature in our financial and sustainability reporting. Westpac has expressed public support for the TCFD and has aligned its reporting to this framework to assist a wide range of partners, including investors, to engage with our climate work.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Adaptation or resilience	Support	As a member of the Australian Business Roundtable for Disaster Resilience and Safer Communities (ABR), Westpac advocates for better policy and funding for resilience and adaptation. Over the past 5 years the ABR has delivered 5 research reports examining the issue of disaster resilience in Australian communities, the latest was released in 2017 - Building Resilience to Natural Disasters in our States and Territories. These reports have served to inform public discourse and policy development on resilience.	As articulated in the reports and press released found at: http://australianbusinessroundtable.com.au/
Other, please specify (climate-related risks and opportunities)	Neutral	We know that the policy response to climate change, both globally and domestically, will influence the speed of the transition, the industries that will be impacted and ultimately the economic outcome. For well over a decade, Westpac has been an active participant in the development of an appropriate policy response for Australia and New Zealand, and during this time Westpac’s preferred policy position has remained consistent. We will continue to provide information and insight from our experience to help drive policy outcomes aligned to net zero emissions and support an effective global response; work with peer organisations, industry groups and non-government organisations to collaborate and share information; and continue to advocate for a broad market-based price on carbon, as the most effective, affordable, flexible and equitable means of achieving emissions reductions, at the least cost, across the economy.	Westpac's core position is set out in our Climate Change Position Statement approved by the Board and Executive Team. Our position: 1. An effective policy response to climate-related issues requires a suite of complementary policies. 2. These policies need to be capable of achieving the Nationally Determined Contributions (NDCs) that represent each country’s committed global reductions targets in the short and medium term and give consideration to the long-term target of reducing emissions to net zero in the second half of the 21st century. 3. Policies should consider: (a.) Strategies to develop and deploy low-emissions technology that are able to deliver a clear framework and provide certainty over a timeline sufficient to match investment horizons which are, by nature, long-term; and (b.) Strategies to increase resilience and promote adaptation for impacted communities, companies and sectors. 4. A broad market-based price on carbon is the most effective, affordable, flexible and equitable means of achieving emissions reductions at the least cost across the economy.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Business Council of Australia

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association’s position

The BCA’s policies on energy and climate can be found at: https://www.bca.com.au/energy_and_climate

How have you influenced, or are you attempting to influence their position?

Westpac is a longstanding member and participant of the BCA. In 2019 Westpac undertook a review of its membership of industry associations, in line with our Industry Association Principles, with a focus on climate change and energy policy, lobbying and advocacy. For our full Industry Association Review, see:
https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/Westpac_Industry_Association_Review.pdf

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Trade association

Australian Financial Markets Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association’s position

AFMA engages with regulatory and government authorities on a number of aspects of the technical design, implementation and operation of the Australian carbon market and related impacts.

How have you influenced, or are you attempting to influence their position?
Westpac participated in policy engagement via the Carbon Markets Committee and as a member of the AFMA Electricity Committee. As an active market participant, we actively engage in formulating core positions based on practical market experience.

Trade association
New Zealand Financial Markets Association (NZFMA)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Information on the NZFMA can be found at https://www.nzfma.org/site/

How have you influenced, or are you attempting to influence their position?
WBC is on the board of the NZFMA Carbon Markets Committee and actively engaged in formulating core positions based on practical market experience.

Trade association
Investor Group on Climate Change (IGCC)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
IGCC's position on climate change and related issues can be found at: https://igcc.org.au/

How have you influenced, or are you attempting to influence their position?
Through BT's membership in the IGCC we support the development of investment practices that seek to address the risks and opportunities of climate change.

Trade association
The Carbon Market Institute (CMI)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The CMI's policies can be found at: http://carbonmarketinstitute.org/policy/

How have you influenced, or are you attempting to influence their position?
Westpac is an active Corporate Member, which involves speaking at CMI's flagship, annual Australasian Emissions Reduction Summit and engaging in policy and private finance working groups.

Trade association
New Zealand Sustainable Business Council (SBC)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Information on the New Zealand Sustainable Business Council can be found at https://www.sbc.org.nz/

How have you influenced, or are you attempting to influence their position?
Our General Manager Commercial, Corporate & Institutional WNZL is Co-Chair of the SBC. WNZL provided input to SBC's submissions on relevant government policy options.

Trade association
Climate Bonds Initiative

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Information on the Climate Bonds Initiative can be found at: https://www.climatebonds.net/

How have you influenced, or are you attempting to influence their position?
Through our global commitments, partnerships and participation in leading indices, surveys and awards, including the Climate

Bonds Initiative we are helping frame the sustainability conversation while contributing to the development of sustainability standards.

Trade association
Australian Banking Association

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The ABA's policies on energy and climate can be found at: https://www.ausbanking.org.au/submission/position-on-climate-change/

How have you influenced, or are you attempting to influence their position?
Westpac is a longstanding member of the ABA and contributes regularly to relevant working groups and consultation on climate change matters.

Trade association
Climate Leaders Coalition (CLC)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Information on the Climate Leaders Coalition can be found at https://www.climateleaderscoalition.org.nz/

How have you influenced, or are you attempting to influence their position?
WNZL is one of 13 founding corporate members of the CLC. Our General Manager Commercial, Corporate & Institutional WNZL co-chairs the CLC.

Trade association
Australian Sustainable Finance Initiative (ASFI)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Information on ASFI can be found at https://www.sustainablefinance.org.au/

How have you influenced, or are you attempting to influence their position?
A number of our senior employees participate in various aspects of ASFI's activities including its steering committee and working groups.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Westpac is a member of, and participates in, a number of industry associations. Participating in these associations provides the Group opportunities to engage with other businesses and organisations, share insights, support advocacy, and consider and discuss potential industry standards.

We have principles for engagement with key industry associations where we are a member which include:

- We generally seek broad alignment with the policy positions and any advocacy/lobbying

- Membership does not preclude Westpac from taking different policy positions to those associations, particularly where we believe that our position is in the best interests of our customers, shareholders, employees and the economy more broadly

- When our position varies significantly to an industry association, we engage directly

- We regularly review our memberships of industry associations to ensure our participation meets the expectations of our broader stakeholders.

Through our Sustainability and Government & Industry Relations teams will continue to monitor our memberships for future evidence of significant differences on policy and advocacy; regularly assess our membership in relation to our Industry Association Principles, and outcomes arising from our engagement; and disclose our approach to industry associations and alignment on climate change as part of our annual sustainability reporting.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
ASX_Interim_Financial_Announcement_2019.pdf

Page/Section reference
2.6 Sustainability Performance (52-54): Sustainability governance, strategy 2.6.1 Climate-related financial disclosures (55-56): Governance, strategy, risks & opportunities, emissions figures, emission targets Risk factors – Climate change (100): Risks and opportunities

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In other regulatory filings

Status
Complete

Attach the document
1H19_WBC_presentation_and_IDP.pdf

Page/Section reference
Continued sustainability leadership (57): Other metrics Climate-related metrics (58): Emission figures and targets Climate-related disclosures – scenario analysis (59): Scenario analysis metrics

Content elements
Emissions figures
Emission targets
Other metrics

Comment

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
2018_Westpac_Annual_Report.pdf

Page/Section reference
Risk and Risk Management - Climate change may have adverse effects on our business (119): Risks & opportunities Risk and Risk Management - Sustainability Risk (124-125): Governance, strategy, risks & opportunities 2.6 Sustainability Performance (131): Emissions figures, other metrics 2.6.1 Climate-related financial disclosures (135-136): Governance, strategy, risks & opportunities, Emissions figures, emission targets, other metrics

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In other regulatory filings

Status
Please select

Attach the document
1H18_WBC_presentation_and_IDP.pdf

Page/Section reference
Strategy - Sustainability Leadership (38): Strategy Sustainable Futures (56-57): Emission figures, Other metrics Climate-related metrics (58): Emission figures, emission targets, Other metrics Climate-related disclosures - scenario analysis (59): Strategy, risks & opportunities

Content elements
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In voluntary sustainability report

Status
Complete

Attach the document
2018 Sustainability Performance Report.pdf

Page/Section reference
Lending and banking solutions (41-42): Strategy Financing impact investment solutions (42): Strategy Climate Change (55): Governance, strategy, Emissions figures, emission targets, other metrics Scenario Analysis (56): Risks & opportunities Sustainability governance framework (61-62): Governance Performance metrics - Sustainable lending and investment (83): other metrics Performance metrics - Environment (86-90): Emissions figures, other metrics Assurance report (115-116)

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In other regulatory filings

Status
Complete

Attach the document
2018_NCOS_report.pdf
2018_NCOS_Audit_Report.pdf

Page/Section reference
National Carbon Offset Standard (NCOS) Report and Audit report, containing information on emissions figures, emission targets, and other metrics.

Content elements
Emissions figures
Emission targets
Other metrics

Comment

Publication
In other regulatory filings

Status
Complete

Attach the document
2018_NGER_Audit_Report.pdf
2018 Greenhouse_Gas_and_Carbon_Neutral_Reporting_Guidelines.pdf

Page/Section reference
National Greenhouse and Energy Reporting (NGER) Report and Audit report, containing information on emissions figures, emission targets, and other metrics.

Content elements
Emissions figures
Emission targets
Other metrics

Comment

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Group Executive, Customer and Corporate Relations	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms