



Westpac Banking Corporation Carbon Neutral Program: Public Disclosure Summary.

1 July 2018 – 30 June 2019.



bankSA



Westpac GROUP

Declaration.

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



Ryan Kane
Environment Manager,
Commercial Services, Westpac Group

Date: 31 October 2019



An Australian Government Initiative

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

Verification.

Date of most recent external verification/audit: **31 October 2019**

Auditor: **PricewaterhouseCoopers.**

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

Introduction.

ABOUT WESTPAC GROUP.

ESTABLISHED IN 1817, THE WESTPAC GROUP (“WESTPAC”) WAS AUSTRALIA’S FIRST BANK AND COMPANY. AS AT 30 JUNE 2019, WE HAD APPROXIMATELY 33,766 FULL-TIME EMPLOYEE EQUIVALENTS SUPPORTING 14.2 MILLION CUSTOMERS IN AUSTRALIA, NEW ZEALAND AND THROUGHOUT THE ASIA PACIFIC REGION.

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

As at 3 October 2019, we have around 610,334 shareholders and are currently in the top five listed companies on the ASX by Market Cap. Our vision is to be one of the world’s great service companies, helping our customers, communities and people to prosper and grow.

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

Westpac has a long history of sustainability leadership, recognised as a global banking leader in the Dow Jones Sustainability Indices (DJSI) World Index for 18 years in a row. As part of the 2019 (DJSI) Review, Westpac has been ranked among the top 10 most sustainable banks in the world and been named Australia’s most sustainable bank.

WESTPAC’S COMMITMENT TO SUSTAINABILITY.

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

In November 2017 we announced our 2018–2020 Sustainability Strategy which builds on extensive consultation and an analysis of the current and emerging issues that matter most to our stakeholders.

Our actions are guided by this Strategy, centred around three priority areas:

- Helping people make better financial decisions
- Helping people by being there when it matters most to them
- Helping people create a prosperous nation.

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

Mid-way through our 2020 Sustainability Strategy, we continue to challenge ourselves on ways to create the most meaningful economic, social and environmental impact.

Figure 1 - Westpac 2018-2020 Sustainability Strategy.



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

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

Table 1 - Westpac 2020 Sustainability Strategy direct environmental footprint measures and commitments.

Target	2016 Baseline	2020 Target
9% Reduction in greenhouse gas (GHG) emissions (tonnes CO ₂ -e) by 2020; 34% reduction in GHG emissions by 2030	147,620	134,335
15% reduction in water consumption of Australian workplaces (kL)	516,425	438,961
40% reduction in paper used (tonnes)	3,372	2,023
80% diversion of waste from landfill in Australian commercial workplaces		80%
Commitments		
Maintain carbon neutrality (certified carbon neutral since 2012)		
Source the equivalent of 100 per cent of its global electricity consumption through renewable sources by 2025 (announced April 2019)		

Implementation of the Sustainability Strategy is led by the Group Sustainability Council, a committee of General Managers from key functions across the business. Progress against our Sustainability Strategy is publicly reported in the Annual Review and Sustainability Report, available on our website: westpac.com.au. Westpac's 2019 performance against the direct environmental footprint targets will be published in our 2019 Sustainability Performance Report.

WESTPAC REPORTING STRUCTURE.

For the period 1 July 2018 – 30 June 2019 (the NCOS Disclosure Year) there has been no change to Westpac’s structure for the purpose of reporting under the National Carbon Offset Standard for Organisations (NCOS).

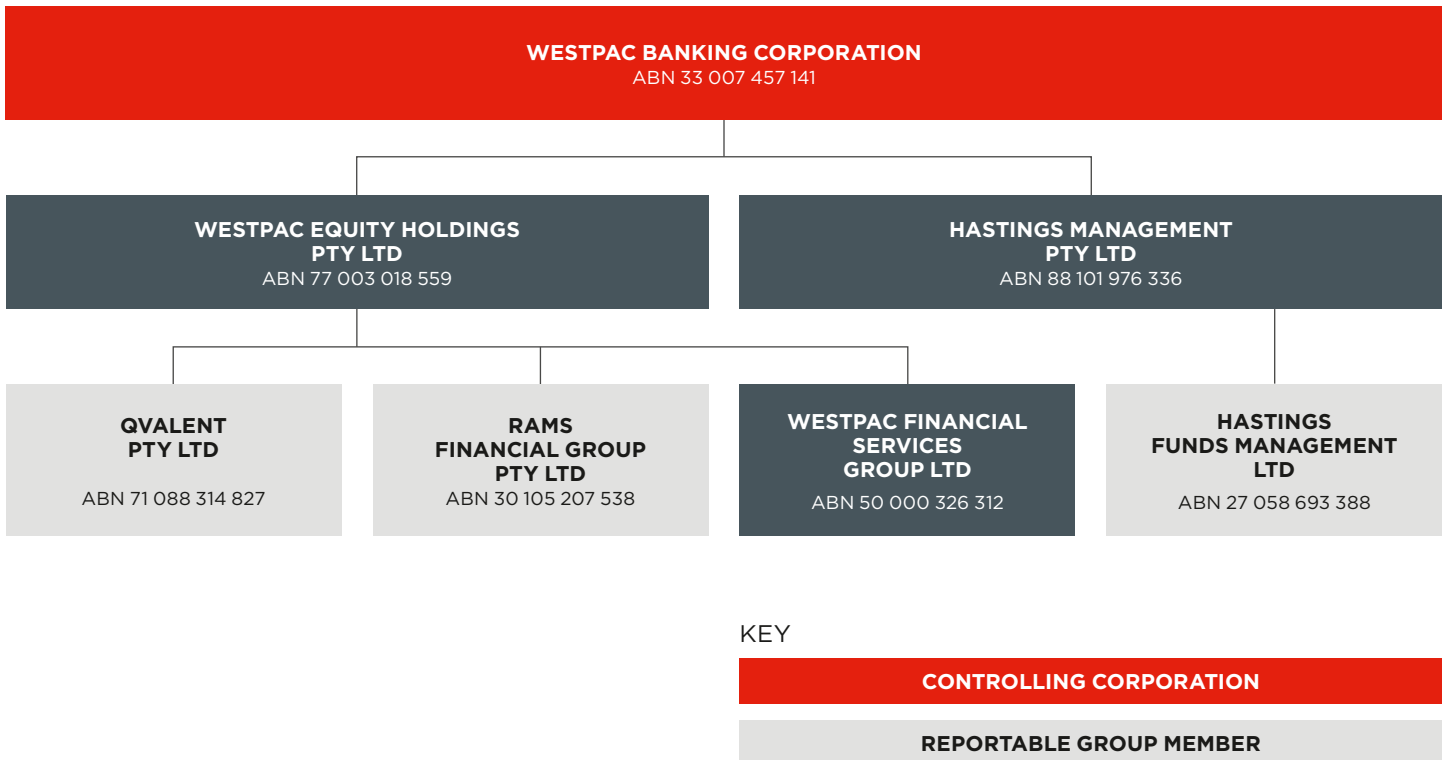
The Westpac Boundary and Organisational Structure (Figure 2) for the program supporting Westpac’s carbon neutral claim is the same as that reported under the *National Greenhouse and Energy Reporting Act 2007* (NGER Act).

The four group members are:

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

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

Figure 2 – Westpac Boundary and Organisational Structure.



CARBON NEUTRAL ACCOUNT BOUNDARY.

Westpac’s certification under the NCOS is for a defined inventory of GHG emissions resulting from the activities of our Australian-based business. Westpac uses an operational control approach to determine facility and reporting boundaries, consistent with the NGER Act. Scope 1 and Scope 2 GHG emissions are calculated and reported in line with the methodologies set out within the National Greenhouse and Energy Reporting Measurement Determination 2008 applicable for the 2018/19 reporting period (the NGER (Measurement) Determination). Scope 3 GHG emissions are reported consistent with the principles outlined in the NCOS.

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

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

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

Table 2 – Westpac Carbon Neutral Account Boundary.

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

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

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

Scope 3 impacts from ‘financed emissions’ are currently not included within the inventory boundary; however, we are exploring emerging methodologies in this area.

CHANGES TO OUR CARBON ACCOUNT.

Westpac has reviewed and updated selected Scope 3 GHG emission factors for 2018-19 NCOS Disclosure Year to ensure transparency, consistency and comparability of Scope 3 emissions reporting.

Other than this, no material changes have been made to the Westpac Australia Carbon Account since our 2018 Disclosure Year.

GHG emission **reduction** measures.

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

The decision to pursue carbon neutrality continues Westpac’s proud history of environmental leadership. Having commenced reporting of emissions in 1996, this year marks over 23 years of action in energy and emissions reporting and reductions by Westpac.

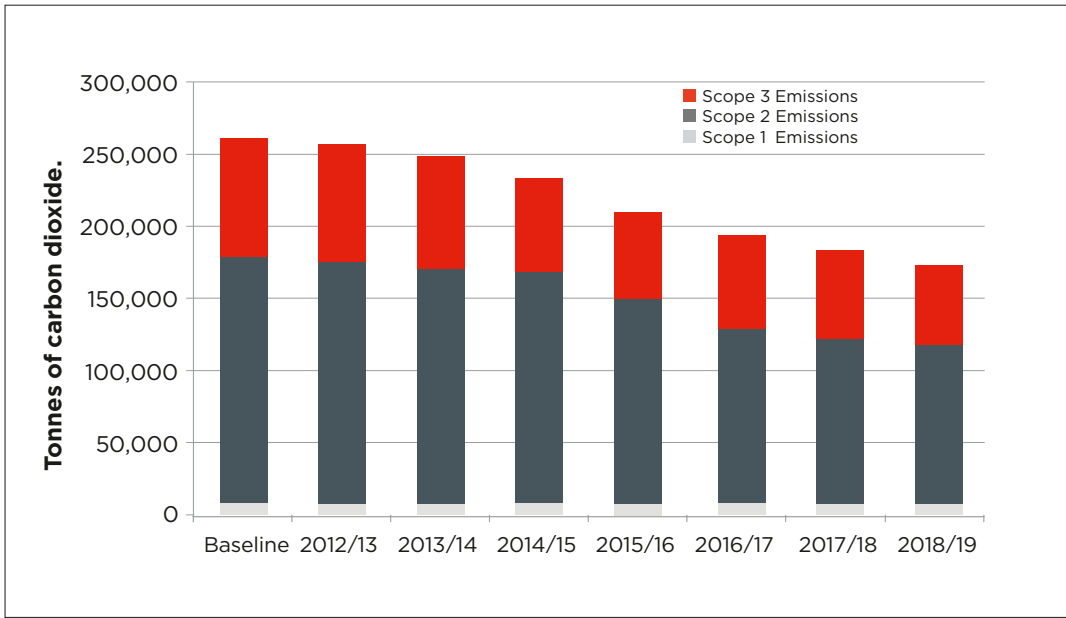
In the 2019 NCOS Disclosure Year, Westpac’s Australian operations had total GHG emissions of **173,012** tonnes of CO₂-e, representing a 6.4 per cent decrease in GHG emissions since 2017-18. Since the carbon neutral reporting base year of 2011-12, Westpac has decreased carbon emissions by 34 per cent.

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

	2011-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19
Scope 1	8,587	7,497	7,289	7,772	8,245	6,791	7,112	7,018
Scope 2	170,500	167,953	163,351	160,240	141,575	121,224	114,669	107,450
Scope 3	82,187	81,433	78,044	64,933	60,163	66,525	62,688	58,543
Total GHG Emissions	261,273	256,884	248,685	232,945	209,984	194,267	184,876	173,012

Scope 2 GHG emissions from electricity consumption are the major source of emissions for Westpac. In the 2019 NCOS Disclosure Year, Scope 2 GHG emissions represented 62 per cent of our total GHG emissions. Figure 3 shows the reduction in our Scope 1, 2 and 3 GHG emissions since the base year.

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



GHG EMISSION REDUCTION ACTIONS

A key highlight during the year was committing to source 100% of our global electricity consumption from renewable sources by 2025. As one of the first Australian companies to make this commitment, we became 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. The first phase of our transition will be achieved through a power purchase agreement with Bomen Solar Farm, to be constructed in Wagga Wagga, New South Wales, and expected to be operational by mid-2020.

However, Westpac also continues to drive emission reductions through its focus on energy efficiency, on-site renewable energy and consolidation of our property and ATM portfolio to more efficient workplaces. This year we implemented on-site renewable energy projects at selected commercial offices in New South Wales and South Australia, a number of lighting upgrades in our retail branch network, finalised a number of major commercial building refurbishments, and consolidated commercial, retail and ATM sites for greater efficiency. This drove emissions reductions impacting the Westpac Australia Carbon Account 2018-2019.

Table 4 - Westpac Group Emissions Reduction Actions.

Emission Source	Reduction Measure	Scope	Savings (tCO₂-e)
Electricity	On-Site Solar PV	2	245
Electricity	Energy Efficiency Initiatives	2	536
Electricity	Property and ATM Consolidation	2	2,815
Total expected GHG emission reductions			3,596

GHG emissions summary.

For the period 1 July 2018 – 30 June 2019 total GHG emissions across Scope 1, 2 and 3 GHG emission sources was **173,012** tonnes of CO₂-e. The major sources of emissions were Scope 2 and Scope 3 GHG emissions from purchased electricity, which accounted for 71 per cent of GHG emissions. Scope 3 GHG emissions associated with base building operations, air travel and paper were the other major sources of GHG emissions.

Figure 4 – Westpac Group GHG emission sources.

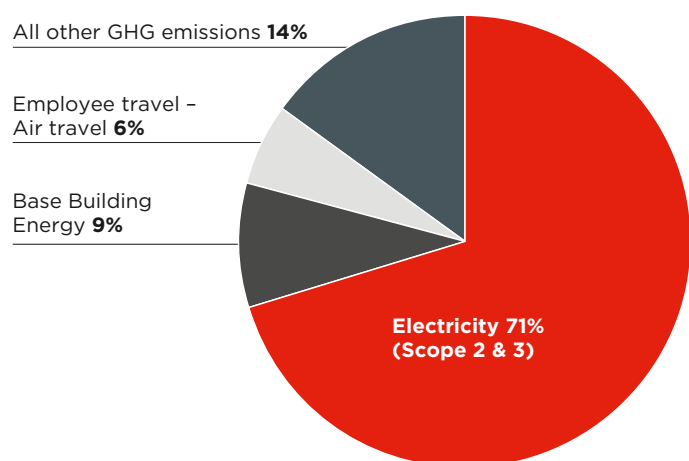


Table 5 presents a detailed breakdown of the GHG Carbon Account for 2018-19 by scope. No GreenPower was purchased nor were any Large Scale Generation Certificates (LGCS) voluntarily surrendered by Westpac during the reporting year.

GHG emissions estimation methodologies.

- ¹ NGER (Measurement) Determination.
- ² National Greenhouse Accounts July 2018.
- ³ Greenhouse Gas Protocol.
- ⁴ *Government emission conversion factors for greenhouse gas company reporting* issued by the UK Department of Environment, Food & Rural Affairs July 2018.
- ⁵ *EPA Victoria's greenhouse gas inventory management plan: 2012-13 update.*

Activity data.

- ⁶ Invoice.
- ⁷ Equipment Register.
- ⁸ Supplier Statement/NABERS Ratings.
- ⁹ Supplier Carbon Calculator.
- ¹⁰ Financial records.
- ¹¹ Invoice based estimates and waste audits.

Table 5 – Westpac Australian Carbon Account.

Scope	GHG Emission source	t CO ₂ -e
1	Natural Gas (Stationary) ^{1,6}	771.93
1	Diesel (Stationary) ^{1,6}	362.97
1	LPG (Stationary) ^{1,6}	0.87
1	Diesel (Transport, Post 2004 vehicles) ^{1,6}	3,213.69
1	Unleaded Petrol (Gasoline, Post 2004 vehicles) ¹	415.18
1	HFC-134a (Building Refrigerant) ^{2,7}	644.14
1	HFC-143a (Building Refrigerant) ^{2,7}	804.60
1	HFC-23 (Building Refrigerant) ^{2,7}	7.99
1	R407C (Building Refrigerant) ^{2,7}	193.31
1	R32 (Building Refrigerant) ^{2,7}	0.26
1	R410A (Building Refrigerant) ^{2,7}	137.18
1	HCFC-123 (Building Refrigerant) ^{2,7}	5.68
1	HCFC-22 (Building Refrigerant) ^{2,7}	459.87
2	Purchased electricity ^{1,6}	107,449.92
3	Purchased Electricity - Out of Operational Control ^{1,6}	1,323.19
3	Electricity transmission and distribution losses ^{2,6}	13,248.38
3	Natural Gas transmission and distribution losses ^{2,6}	171.02
3	Diesel (Stationary) extraction & distribution losses ^{2,6}	18.61
3	LPG (Stationary) extraction & distribution losses ^{2,6}	0.05
3	Vehicle Fleet petrol extraction & distribution losses - Unleaded Petrol (Gasoline, Post 2004 vehicles) ^{2,6}	22.1
3	Vehicle Fleet diesel extraction & distribution losses - Diesel (Transport, Post 2004 vehicles) ^{2,6}	164.11
3	Base Building ^{2,8}	15,423.17
3	Business Logistics - Couriers ^{2,9}	3,221
3	Business Travel - Hire car ^{3,6}	73.55
3	Business Travel - Taxi ^{4,10}	259.47
3	Business Travel - Air ^{4,6}	11,213.93
3	Business Travel - Hotel ^{4,6}	2,177.78
3	Water ^{4,6}	535.85
3	Paper Consumption - Carbon Neutral Paper ⁶ (Winc A3 and A4 Carbon Neutral Certified Copy Paper)	0
3	Paper Consumption - Non-Carbon Neutral Paper ^{5,6}	1,237.65
3	Paper - Disposal ^{2,6}	7,885.39
3	Waste Disposal ^{2,11}	1,567.94
Total Footprint (net)		173,011.34
Green Power		0
Total Footprint (gross)		173,011.34

Carbon offsets.

In 2018/19, Westpac procured and retired an additional 180,000t CO₂-e of Verified Carbon Units (VCUs) to offset its liability. The VCUs were issued in accordance to Verified Carbon Standard protocols. Westpac utilised 8,029t CO₂-e of VCUs retired in advance in 2017/18 and 164,355t CO₂-e of VCUs to offset the total GHG emissions of its Australian operations for the period 1 July 2018 to 30 June 2019. In addition, 3,254t CO₂-e of VCUs were surrendered to offset GHG emissions of our international

operations with the remaining 11,763t CO₂-e of VCUs retired in advance for the 2019/20 reporting year.

Westpac's carbon offsets approach is in line with the Australian Government's National Carbon Offset Standard requirements for eligible offsets. There is an annual retrospective reconciliation process of Global Scope 1, 2, and 3 GHG emissions to carbon offsets retired for the reporting year.

Table 6 – Westpac Offset Summary.

Offset Type	Registry	Year Retired	Serial Numbers	Quantity
VCU	APX VCS Registry	2018	VCSPD1745 6089-278940413-278948441-VCU-034-APX-IN-1-1745-01012018-31012018-0	8,029
VCU	APX VCS Registry	2019	VCSPD1163 6884-356318434-356336527-VCU-050-APX-IN-1-1163-01012017-31122017-0	18,094
VCU	APX VCS Registry	2019	VCSPD251 7103-370328429-370374306-VCU-034-MER-IN-1-251-01012014-31122014-0	45,878
VCU	APX VCS Registry	2019	VCSPD251 7102-370275030-370328151-VCU-034-MER-IN-1-251-01012015-31122015-0	53,122
VCU	APX VCS Registry	2019	VCSPD706 6873-353303285-353304876-VCU-050-APX-IN-1-706-06062018-30092018-0	1,592
VCU	APX VCS Registry	2019	VCSPD706 6354-297169470-297177877-VCU-050-APX-IN-1-706-01012018-05062018-0	8,408
VCU	APX VCS Registry	2019	VCSPD682 6970-361622108-361651864-VCU-034-APX-IN-1-682-01012013-31122013-0	29,757
VCU	APX VCS Registry	2019	VCSPD682 6971-361651865-361675013-VCU-034-APX-IN-1-682-01012014-31122014-0	23,149
Balance of Offsets 2018–19 retired in advance				8,029
Total Offsets Retired July 2019				180,000
Total Offsets Held				188,029
Total Australian Emissions for 2018–19				173,012
Total International Emissions for 2018–19 (Pacific and UK)				3,254
Total Emissions for 2017–18				176,266
Net Emissions after Offsetting				0
Net Carbon Credits Held for 2019–20				0
VCU	APX VCS Registry	2019	VCSPD682 6971-361663251-361675013-VCU-034-APX-IN-1-682-01012014-31122014-0	11,763

