



PUBLIC DISCLOSURE STATEMENT

WESTPAC BANKING CORPORATION

**CARBON NEUTRAL STANDARD FOR
ORGANISATIONS**

2020

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Australian Government
Climate Active
Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY: Westpac Banking Corporation

REPORTING PERIOD: 1 July 2019 – 30 June 2020

Declaration

To the best of my knowledge, the information provided in this Public Disclosure Statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.

Signature

Name of Signatory

Carolyn Hoy

Position of Signatory

General Manager – Corporate Services

Date

25 November 2020



Australian Government
Department of Industry, Science,
Energy and Resources

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1. CARBON NEUTRAL INFORMATION

Description of certification

Westpac Banking Corporation is certified carbon neutral by Climate Active Carbon Neutral Standard for its Australian business operations and related Body Corporates for 1st July 2019 to 30th June 2020.

“Westpac’s public voluntary commitment to the Climate Active Carbon Neutral Standard is important for demonstrating best practice in maintaining carbon neutrality.”

Organisation description

Established in 1817, the Westpac Banking Group (“Westpac”) was Australia’s first bank and company. Westpac provides 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. Our vision is to be one of the world’s great service companies, helping our customers, communities and people to prosper and grow.

Westpac’s 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. Westpac recognises that to achieve this vision, sustainability needs to be a core part of the way the organization does business and embedded in strategy, culture and processes.

Westpac’s commitment to sustainability

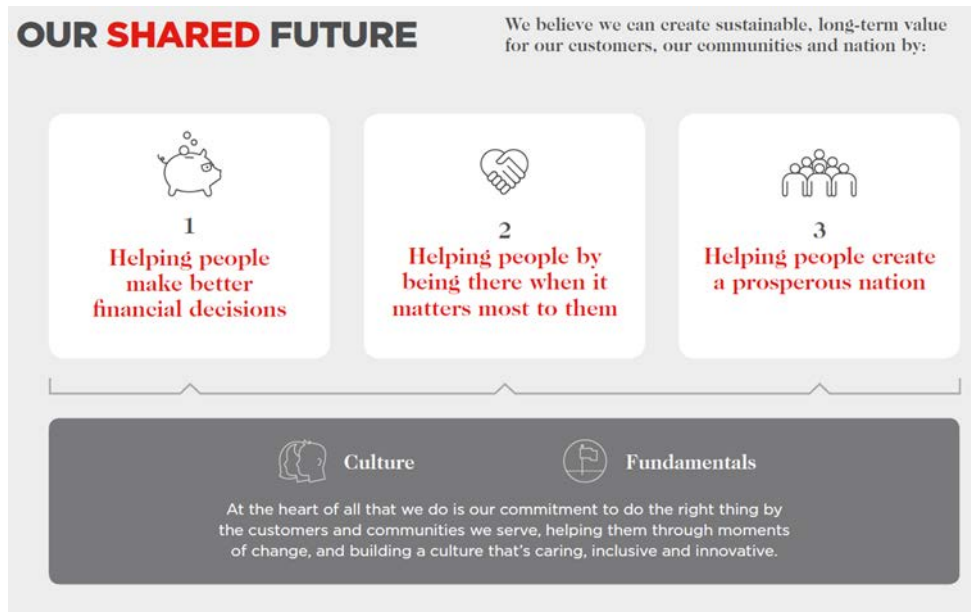
In November 2017, Westpac announced its 2018 - 2020 Sustainability Strategy. Westpac’s actions are guided by this strategy and centre around three priority areas:

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

As noted in our 2020 Sustainability Performance Report, we met or exceeded over 80% of the measures we set out to achieve in late 2017.

Our 2021–2023 Sustainability Strategy, scheduled for release later this year, complements the change agenda described in our 2020 Sustainability Performance Report, and will set out where we believe we can create the most impactful long-term value for our stakeholders over the next three years.

Figure 1. Westpac’s 2018 - 2020 Sustainability Strategy’s three priority areas.



Underpinning these three priority areas is Westpac’s 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.

This strategy continues Westpac’s proud history of environmental leadership, and includes direct environmental targets (see Table 1) and commitments which aim to reduce the environmental footprint of its operations which are continuously monitored and actively managed.

Table 1. Westpac’s direct environmental footprint measures and commitments as presented in Westpac’s 2018 – 2020 Sustainability Strategy

Target	2016 (Baseline for 2020 Sustainability Strategy)	2020 Target
9% Reduction in GHG emissions (tonnes CO ₂ -e) by 2020; 34% reduction in GHG emissions by 2030	147,620	134,335
40% reduction in water consumption of Australian workplaces (kL)	516,425	438,961
40% reduction in paper used (tonnes)	3,372	2,023
80% diversion of waste from landfill in Australian commercial workplaces	73%	80%
Commitments		
Maintain carbon neutrality (certified carbon neutral since 2012)		
Source the equivalent of 100% of its global electricity consumption through renewable sources by 2025 (announced April 2019)		

Progress against Westpac’s Sustainability Strategy is publicly reported in the Annual Review and Sustainability Performance Report, available on Westpac’s website: www.westpac.com.au. Westpac’s 2020 performance against the direct environmental footprint targets is set out in the 2020 Sustainability Performance Report.

Westpac’s Climate Change Position Statement and 2023 Action Plan

In 2008, Westpac released its first Climate Change Position Statement. The April 2020 release of the Climate Change Position Statement and 2023 Action Plan is the fourth update, where Westpac continues to recognise that climate change is one of the most significant issues that will impact the long-term prosperity of our economy and way of life. This Action Plan is underpinned by five principles and three focus action areas (see Figure 2). Westpac’s Climate Change Position Statement and 2023 Action Plan is available on Westpac’s website: www.westpac.com.au.

Figure 2. Westpac’s Climate Change Position Statement and 2023 Action Plan five underpinning principles to approaching climate change

Our principles.

The principles underpinning our approach to climate change.

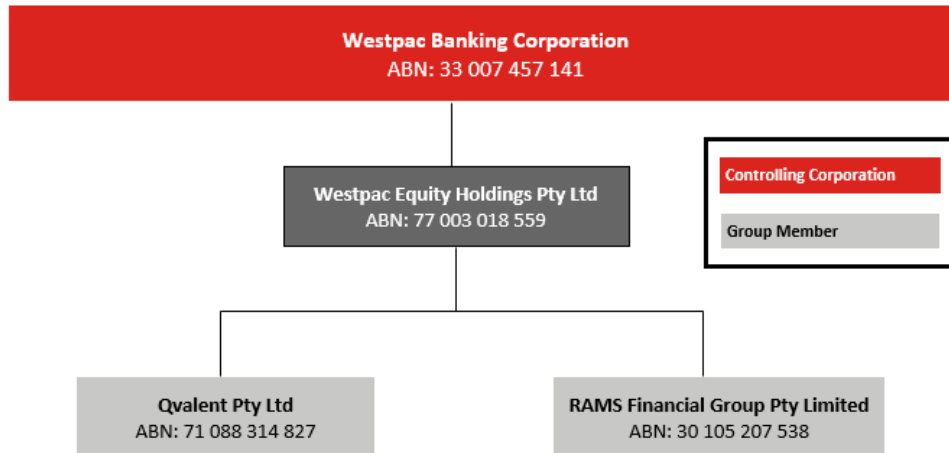
- | | | | | |
|--|---|--|--|---|
| <p>1.</p> <p>A transition to a net zero emissions economy is required by 2050.</p> <p>Net zero emissions means the greenhouse gases emitted globally must equal the emissions captured. This requires initiatives like increased adoption of renewable energy and clean technologies, bio-sequestration, and reducing deforestation.</p> <p>The sooner we can reach net zero emissions, the more opportunity we have to meet the Paris Agreement’s long-term temperature goal. The path to net zero emissions needs to be well planned and occur in an orderly fashion to reduce transition risks.</p> | <p>2.</p> <p>Economic growth and emissions reductions are complementary goals.</p> <p>We seek to play a constructive and responsible role in the development of an appropriate policy response to climate change for the economies in which we operate.</p> <p>While there is an upfront investment required to decarbonise the global economy, our research indicates that policies that incentivise and support early transition will lead to stronger economic growth and resilience over the medium and long term.</p> <p>Westpac’s preferred policy position is that 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.</p> | <p>3.</p> <p>Addressing climate change creates opportunities.</p> <p>Efforts to reduce global greenhouse gas emissions and to address the physical impacts of climate change require changes in investment patterns and a shift in business models.</p> <p>As a major financial institution, Westpac can act as a market facilitator, supporting customers and communities to adopt measures that will support a just transition to a more resilient and prosperous society.</p> | <p>4.</p> <p>Climate-related risk is a financial risk.</p> <p>Risks associated with climate change have environmental, social and economic dimensions and are predicted to impact all aspects of society.</p> <p>These factors have the potential to have financial impacts through property damage, business disruption, human health effects and market dislocation.</p> <p>Westpac has long understood that climate-related risk is a financial risk. This is why we have been taking action on this issue for over a decade and are committed to taking strong action.</p> | <p>5.</p> <p>Collective action, transparency and disclosure matter.</p> <p>Addressing climate change requires collective action, engagement and collaboration with a range of stakeholders. This includes customers, government, investors, regulators, industry initiatives, non-government organisations and community groups.</p> <p>Accurate, timely and relevant information about climate-related risks and opportunities is key to assessing and managing the impacts of climate change.</p> <p>We seek to be transparent about how we are addressing these impacts across our business, and how we work with our customers to manage climate-related risks and opportunities.</p> |
|--|---|--|--|---|

Westpac Reporting Structure

Westpac Banking Corporation is the controlling corporation for the Westpac Group for the purposes of reporting under the Climate Active Carbon Neutral Standard for Organisations (Climate Active) and is the same as that reported under the *National Greenhouse and Energy Reporting Act 2007* (NGER Act). This is the holding company for the entire Westpac group. Figure 3 shows the corporate structure for Westpac Banking Corporation for the period 1 July 2019 – 30 June 2020.



Figure 3. Westpac corporate structure for reporting under the Climate Active Carbon Neutral Standard for Organisations.



Emissions reduction strategy

Since 1996, Westpac has reported on its emissions and actions for reducing its environmental footprint. This includes maintaining carbon neutrality and transitioning its electricity supply to renewable sources, key environmental footprint commitments which drive Westpac’s approach to reducing greenhouse gas (GHG) emissions under Westpac’s 2018 – 2020 Sustainability Strategy and Climate Change Position Statement and 2023 Action Plan. This year marks 24 years of action in energy and emissions reporting and reductions by Westpac.

In the 2020 Climate Active disclosure year, Westpac’s Australian operations had total GHG emissions of **190,068** tonnes of CO₂-e, representing a 4 per cent decrease in GHG missions since 2018-19. Westpac has decreased carbon emissions by 27 per cent since the 2011-12 carbon neutral reporting baseline (see Table 2).

Table 2. Westpac’s Australian emissions since carbon neutral reporting base year 2011/12

	2011-12 Base Year	2015-16	2016-17	2017-18	2018-19	2019-20
Scope 1	8,587	8,245	6,791	7,112	7,018	5,694
Scope 2	170,500	141,576	121,224	114,669	107,450	95,786
Scope 3	82,187	76,801	91,637	87,690	83,243	88,588
Total GHG Emissions	261,273	226,622	219,652	209,470	197,710	190,068

Electricity consumption GHG emissions (Scope 2) are the major source of emissions for Westpac. In the 2019-20 Climate Active Disclosure Year, Scope 2 GHG emissions represented 50 per cent of our total Australian GHG emissions.

GHG Emission Reduction Actions

To improve the climate performance of our operations, Westpac targets sourcing the equivalent of 100% of our global electricity consumption from renewable sources by 2025. As one of the first Australian companies to make this commitment, Westpac became a member of RE100, a global leadership initiative led by The Climate Group in partnership with Carbon Disclosure Project (CDP), bringing together the world's most influential businesses who have committed to 100% renewable. A power purchase agreement with Bomen Solar Farm, constructed in Wagga Wagga, New South Wales, will help to deliver the first phase of Westpac's transition to meet this 2025 target, with this project estimated to deliver 45% of Westpac's global electricity consumption in 2021.

Westpac also continues to drive emission reductions through its focus on energy efficiency, on-site renewable energy generation and consolidation of its property and ATM portfolio to more efficient workplaces. During this reporting period, Westpac achieved emission reductions through the following initiatives:

- a number of commercial building and branch refurbishments that improve energy efficiency;
- consolidation of commercial, retail and ATM sites for greater efficiency; and
- on-site renewable energy projects at selected commercial offices.

2. EMISSION BOUNDARY

Certification boundary

Westpac's certification under Climate Active is for a defined inventory of GHG emissions resulting from the activities of our Australian operations. 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 2019/20 reporting period. Scope 3 GHG emissions are reported consistent with the principles outlined by Climate Active.

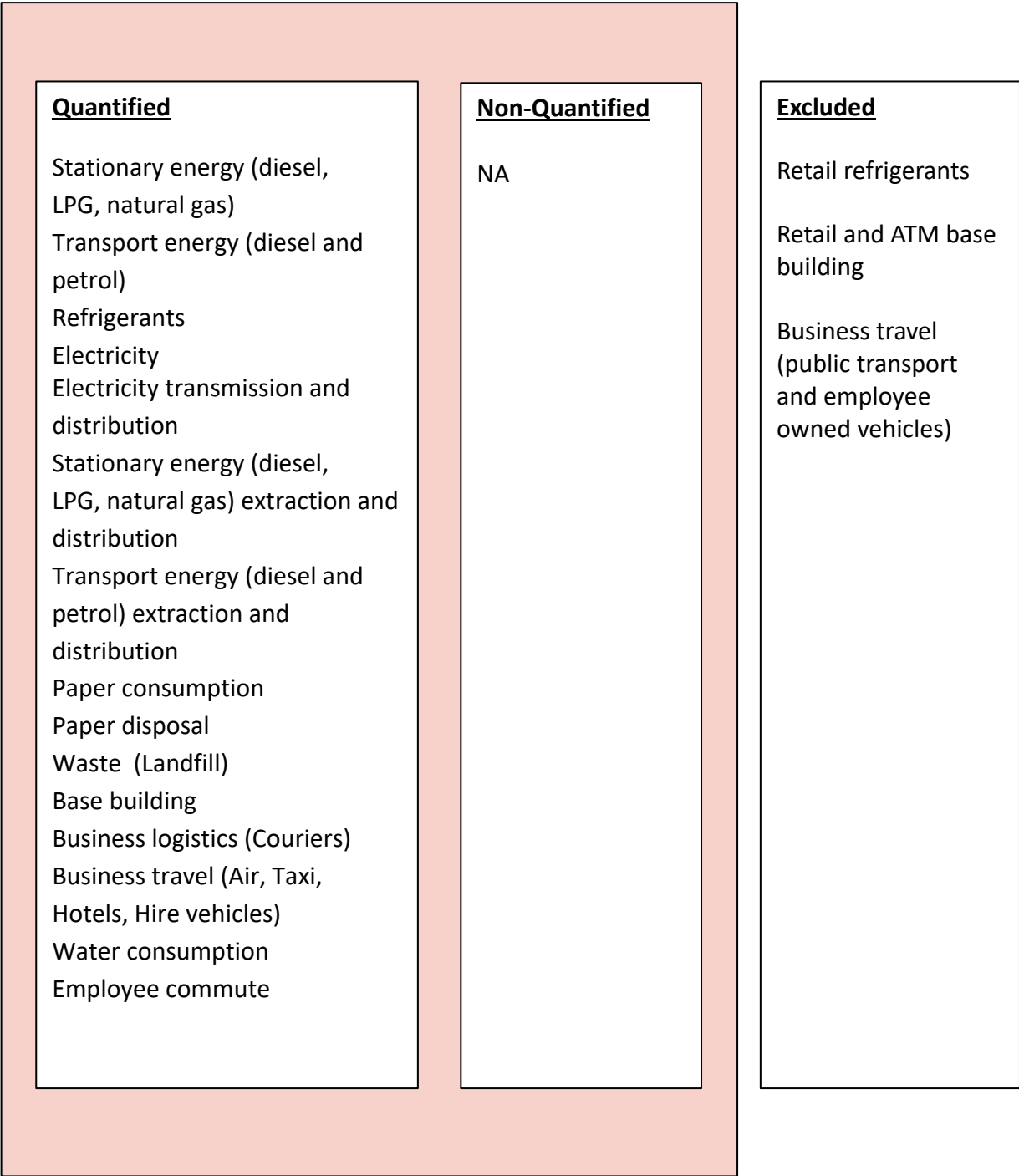
Westpac's carbon neutral boundary includes the direct operational footprint of all Westpac's Australian businesses and brands within its operational control and other emissions which can be influenced by Westpac and are assessed as relevant, including:

- retail branches
- commercial offices
- customer contact centres
- business banking centres
- stand-alone and in-store ATMs
- data centres
- tool of trade vehicles; and
- travel emissions including business travel and employee commute

Table 3. Westpac's Carbon Neutral Account Boundary

Scope 1	Scope 2	Scope 3
Diesel (Stationary) LPG (Stationary) Natural gas (Stationary) Diesel fleet (Transport) Petrol fleet (Transport) Refrigerants	Electricity	Electricity – Third party data centre and ATMs Electricity – Transmission and distribution losses Natural gas (Stationary) – Transmission and distribution losses Diesel (Stationary) – Extraction and distribution losses LPG (Stationary) – Extraction and distribution losses Diesel fleet (Transport) – Extraction and distribution losses Petrol fleet (Transport) – Extraction and distribution losses Paper consumption Paper disposal Waste – Landfill Base building Business logistics – Couriers Business travel – Air, Taxi, Hotels, Hire vehicles Water consumption Employee commute

Diagram of certification boundary



Non-quantified sources

All of Westpac's emission sources, identified as being relevant under the Climate Active Carbon Neutral Standard for Organisations, have been quantified. Westpac considers an emission source to be relevant where two or more of the following Climate Active criteria are met:

- The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.
- The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
- If key stakeholders deem the emissions from a particular source are relevant.
- The responsible entity has the potential to influence the reduction of emissions from a particular source.
- The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

Excluded sources (outside of certification boundary)

The following GHG emission sources are excluded from the inventory boundary as they have been assessed as not relevant according to the relevance test per section 2.3.1 of the Climate Active Carbon Neutral Standard for Organisations.

- Refrigerants from retail branch sites;
- Base building emissions from retail branch sites and ATMs;
- Business travel between office sites – where public ground transport or employee owned vehicles are used.

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

3. EMISSIONS SUMMARY

Emissions summary (inventory)

Scope	Emission source category	Tonnes CO ₂ -e
1	Natural gas (Stationary)	738
1	Diesel (Stationary)	158
1	LPG (Stationary)	0
1	Diesel Fleet (Transport)	2,681
1	Petrol Fleet (Transport)	26
1	HFC-134a (Building Refrigerant)	657
1	HFC-143a (Building Refrigerant)	807
1	HFC-23 (Building Refrigerant)	8
1	R407C (Building Refrigerant)	414
1	R407D (Building Refrigerant)	1
1	R32 (Building Refrigerant)	0.1
1	R410A (Building Refrigerant)	199
1	R404A (Building Refrigerant)	5
2	Purchased electricity	95,786
3	Purchased electricity – Third party data centre and ATMs	11,656
3	Purchased electricity – Transmission and distribution losses	12,484
3	Natural gas (Stationary) – Transmission and distribution losses	165
3	Diesel (Stationary) – Extraction and distribution losses	8
3	LPG (Stationary) – Extraction and distribution losses	0
3	Diesel Fleet (Transport) – Extraction and distribution losses	137
3	Petrol Fleet (Transport) – Extraction and distribution losses	1
3	Base building	14,840
3	Employee commute	26,681
3	Business logistics – Couriers	2,802
3	Business travel – Hire vehicles	85
3	Business travel – Taxi	352
3	Business travel – Air	8,618
3	Business travel – Hotels	1,432
3	Water consumption	297
3	Paper consumption – Carbon neutral paper (Carbon Neutral Certified Copy Paper)	0
3	Paper consumption – Non-carbon neutral paper	1,963
3	Paper disposal	5,908
3	Waste – Landfill	1,159
<i>Total Gross Scope 1, 2 & 3 Emissions from Australian Operations</i>		190,068

Carbon neutral products

Westpac purchased the following carbon neutral products during FY2019-20:

- Winc A3 and A4 Carbon Neutral Certified Copy Paper
- Reflex A3, A4 and A5 Carbon Neutral Certified Copy Paper
- Planet Ark A4 Carbon Neutral Certified Copy Paper

Electricity summary

Electricity was calculated using a location-based approach in line with the Climate Active electricity calculator tool.

Location-based approach electricity summary for 2020

State/ Territory	Electricity inventory items	kWh	Full Emission Factor (Scope 2 +3)	Emissions (kg CO ₂ e)
ACT/NSW	Electricity Renewables	1,206,503	-0.90	-1,085,852
ACT/NSW	Electricity Carbon Neutral	-	-0.90	0
ACT/NSW	Netted off (exported on-site generation)	-	-0.81	0
ACT/NSW	Electricity Total	102,893,246	0.90	92,603,921
SA	Electricity Renewables	-	-0.54	0
SA	Electricity Carbon Neutral	-	-0.54	0
SA	Netted off (exported on-site generation)	-	-0.44	0
SA	Electricity Total	13,741,366	0.54	7,420,338
Vic	Electricity Renewables	-	-1.12	0
Vic	Electricity Carbon Neutral	-	-1.12	0
Vic	Netted off (exported on-site generation)	-	-1.02	0
Vic	Electricity Total	15,743,874	1.12	17,633,139
Qld	Electricity Renewables	-	-0.93	0
Qld	Electricity Carbon Neutral	-	-0.93	0
Qld	Netted off (exported on-site generation)	-	-0.81	0
Qld	Electricity Total	10,086,731	0.93	9,380,660
NT	Electricity Renewables	-	-0.71	0
NT	Electricity Carbon Neutral	-	-0.71	0
NT	Netted off (exported on-site generation)	-	-0.63	0
NT	Electricity Total	720,101	0.71	511,272

State/ Territory	Electricity inventory items	kWh	Full Emission Factor (Scope 2 +3)	Emissions (kg CO ₂ e)
WA	Electricity Renewables	-	-0.73	0
WA	Electricity Carbon Neutral	-	-0.73	0
WA	Netted off (exported on-site generation)	-	-0.69	0
WA	Electricity Total	6,863,133	0.73	5,010,088
Tas	Electricity Renewables	-	-0.17	0
Tas	Electricity Carbon Neutral	-	-0.17	0
Tas	Netted off (exported on-site generation)	-	-0.15	0
Tas	Electricity Total	1,475,061	0.17	250,760
	<i>Total net electricity emissions</i>			131,724,324

4. CARBON OFFSETS

Offsets summary

1. Total offsets required for this report				193,409					
2. Offsets retired in previous reports and used in this report				0					
3. Net offsets required for this report				193,409					
Project description	Eligible offset units type	Registry unit retired in	Date retired	Serial number (including hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO ₂ -e)	Quantity used for previous report	Quantity to be banked for future years	Quantity to be used this report
Cordillera Azul National Park REDD+ Forest Protection Project, San Martin, Loreto, Huánuco & Ucayali, Peru	VCU	Verra VCS Registry	14-Oct-20	5570-246323225-246326224-VCU-024-MER-PE-14-985-08082013-07082014-1	2014	3,000	0	0	3,000
Ucayali Community Forest Management with Indigenous Communities Project, Ucayali, Peru	VCU	Verra VCS Registry	14-Oct-20	8040-449371515-449371914-VCU-042-MER-PE-14-1360-01072013-30062014-1	2014	400	0	0	400
Bundled Wind Power project in Tamil Nadu (Enercon I), India	VCU	Verra VCS Registry	14-Oct-20	5371-228202414-228210404-VCU-050-APX-IN-1-281-11022015-07122015-0	2015	7,991	0	0	7,991
Clean Energy Generation, renewable wind energy, in Gujarat, India	VCU	Verra VCS Registry	14-Oct-20	7352-386354179-386355411-VCU-034-APX-IN-1-1081-01012014-31122014-0	2014	1,233	0	0	1,233

Bundled Wind Power Project in Karnataka (Enercon), India	VCU	Verra VCS Registry	14-Oct-20	5769-258634161-258634936-VCU-034-APX-IN-1-384-01102014-31122014-0	2014	776	0	0	776
RMDLT Portel-Para REDD Project, Brazil	VCU	Verra VCS Registry	14-Oct-20	8466-22263143-22313142-VCS-VCU-259-VER-BR-14-977-01012014-31122014-1	2014	50,000	0	0	50,000
Grid Connected Wind Energy Generation in Andhra Pradesh, India	CER	ANREU	14-Oct-20	196743,388 - 196,782,930	CP2*	39,593	0	38,382	1,211
Bundled Wind Energy Power Projects in Rajasthan, India	CER	ANREU	14-Oct-20	214,538,988 - 214,582,174	CP2*	43,187	0	0	43,187
Enercon Bundled Wind Farms Project in Karnataka (33MW), India	CER	ANREU	14-Oct-20	216,870,747 - 216,956,357	CP2*	85,611	0	0	85,611
Enercon Bundled Wind Farms Project in Karnataka (73.60MW), India	CER	ANREU	14-Oct-20	215,693,072 - 215,705,250	CP2*	12,209	0	12,209	0
100 MW Wind Power Project at Anantapur, Andhra Pradesh, India	GS VER	Gold Standard Impact Registry	14-Oct-20	GS1-1-IN-GS4557-12-2017-6744-135956-170955	2017	35,000	0	35,000	0
Wind Based Power Generation by Mytrah Energy (India) Limited, India	VCU	Verra VCS Registry	14-Oct-20	7410-393106221-393181220-VCU-034-APX-IN-1-1521-01012019-01082019-0	2019	75,000	0	75,000	0
Wind Power Project at Anthiyur, Tamil Nadu	VCU	APX VCS Registry	19-Sep-19	6971-361663251-361675013-VCU-034-APX-IN-1-682-01012014-31122014-0	2014	23,149	11,386	11,763	0
<i>Total Gross Australian Emissions for 2019-20</i>									190,068
<i>Total offsets retired for Australian Operations for 2019-20</i>									(190,068)

<i>Net Australian Greenhouse Gas Emissions</i>	0
<i>Total Gross International Emissions for 2019-20 (Pacific and UK)</i>	3,341
<i>Total offsets retired for International Operations for 2019-20 (Pacific and UK)</i>	(3,341)
<i>Net International Greenhouse Gas Emissions (Pacific and UK)</i>	0
<i>Total offsets retired and banked for future reporting periods</i>	172,354

*Note: The Doha Amendment defines CP2 CERs as offsets generated from CDM projects during the Kyoto Protocol's second commitment period, which covers 1 January 2013 to 31 December 2020, please see https://unfccc.int/kyoto_protocol. Therefore, in the Australian National Registry of Emission Units (ANREU) administered by the Clean Energy Regulator, CER offsets generated between 2013 and 2020 are listed as having a vintage of "CP2" in the registry, not the specific year of generation.

5. USE OF TRADE MARK

Description where trademark used	Logo type
Public Disclosure Statement	Certified organisation
Investor Discussion Pack	Certified organisation

1.APPENDIX 1: EXCLUDED EMISSIONS

To be deemed relevant an emission must meet two of the five relevance criteria. Excluded emissions are detailed below against each of the five criteria.

Excluded Emission	Relevance Test				
	<i>The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.</i>	<i>The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.</i>	<i>Key stakeholders deem the emissions from a particular source are relevant.</i>	<i>The responsible entity has the potential to influence the reduction of emissions from a particular source.</i>	<i>The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.</i>
Refrigerants from retail branch sites	✘	✔	✘	✘	✘
Base building emissions from retail branch sites and ATMs	✘	✔	✘	✘	✘
Business travel – public transport, employee owned vehicles	✘	✔	✘	✘	✘

✘ - Not relevant

✔ - Relevant