



SUMMARY OF TOITŪ NET CARBONZERO
CERTIFICATION¹

FOR WESTPAC NEW ZEALAND



Summary for 01 July 2021 to 30 June 2022

TOITŪ NET CARBONZERO ORGANISATION CERTIFIED: WESTPAC BANKING CORPORATION - NZ BANKING GROUP

Toitū net carbonzero means committing to ongoing reductions while achieving annual measurement and compensation for at least the Toitū mandatory emissions.ⁱⁱ



Measured emissions to **ISO 14064-1:2018** and **Toitū requirements**



Managing and reducing against **Toitū requirements**



Compensated remaining emissions following **Toitū requirements** and covering minimum of **total Toitū boundary**

This report provides a summary of the annual greenhouse gas (GHG) emissions inventory and management report for Westpac New Zealand as part of the annual work to achieve Toitū net carbonzero certification. Additional details of the annual achievements, commitments, and verification are available on request from Westpac New Zealand.

The purpose of this report is to measure and manage our GHG emissions, which contributes to our operational emissions target under our 2025 Sustainability Strategy.

ACHIEVEMENTS

These achievements have been verified in line with ISO 14064-3:2019 and Toitū net carbonzero Programme Technical Requirements for the 01 July 2021 to 30 June 2022 measurement period.

EMISSIONS MEASUREMENT

Westpac New Zealand's greenhouse gas emissions for this year (01 July 2021 to 30 June 2022) were 4,658.12 tCO₂e. Westpac New Zealand has measured the emissions resulting from its operational activities, purchased energy, and selected impacts from its value chain activities, including business travel, freight, and waste sent to landfill.

The annual inventory is detailed in the following table. Emissions and reductions are reported using a location-based methodology.iii

Category (ISO 14064-1:2018)	Scopes (GHG Protocol)	GHG emissions (tCO ₂ e)		
		Base Year 2018/2019	Previous Year 2020/2021	Current Year 2021/2022
Category 1: Direct emissions	Scope 1	1,673.85	1,306.21	981.92
Category 2: Indirect emissions from imported energy (location-based method*)	Scope 2	1,901.04	1,730.23	1,615.14
Category 3: Indirect emissions from transportation	Scope 3	2,591.20	863.07	1,055.16
Category 4: Indirect emissions from products used by organisation	Scope 3	1,180.55	1,060.61	1,005.89
Category 5: Indirect emissions associated with the use of products from the organisation	Scope 3	0.00	0.00	0.00
Category 6: Indirect emissions from other sources	Scope 3	0.00	0.00	0.00
Total gross emissions*		7,346.63	4,960.13	4,658.12
Category 1 direct removals		0.00	0.00	0.00
Total net emissions		7,346.63	4,960.13	4,658.12

*Gross and net emissions are reported using a location-based methodology. Contact Westpac New Zealand for full details.

The operational GHG emission sources included in this inventory are shown in Figure 1 below.

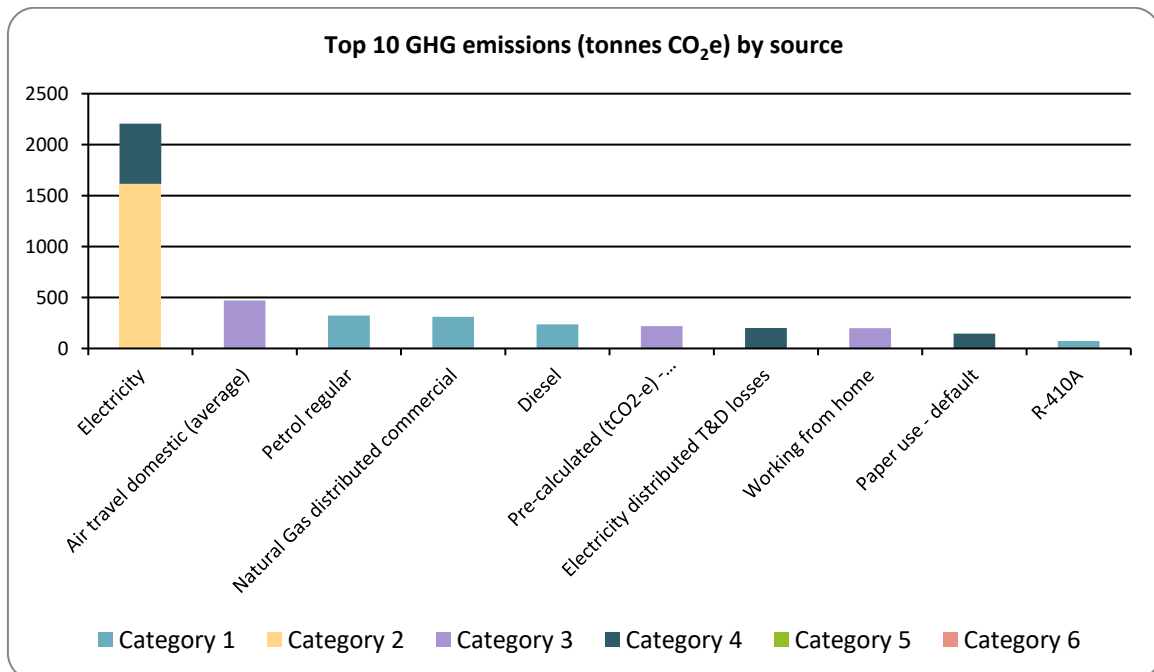


Figure 1: Top 10 GHG emissions (tonnes CO₂e) by source

SCOPE OF MEASURED INVENTORY

CONSOLIDATION APPROACH

An operational control consolidation approach was used to account for emissions. Organisational boundaries were set with reference to the methodology described in the GHG Protocol and ISO 14064-1:2018 standards.^{iv}

Westpac New Zealand has applied an operational control consolidation approach, which aligns with the direct operational footprint of all its businesses in New Zealand.

The criteria we used to define organisational boundaries consisted of mapping an organisational chart to show our New Zealand operations, including the legal structure of those entities. The chart has been further supplemented with our physical sites to give a complete picture of substance of the organisation.

BOUNDARIES

Westpac Banking Corporation, which is headquartered in Australia, is the ultimate owner of Westpac New Zealand.

The figure below shows the direct operational footprint of all Westpac Banking Corporation Group businesses within New Zealand including Westpac New Zealand, Westpac Banking Corporation – NZ Branch, BT Funds Management (NZ) Limited (BTNZ) and Westpac Life.

The figure was developed based on physical sites occupied by the organisation including corporate sites, branches, standalone ATMs and third-party data centres.

Branches and standalone ATMs in scope include active sites and non-active sites which still have a lease commitment.

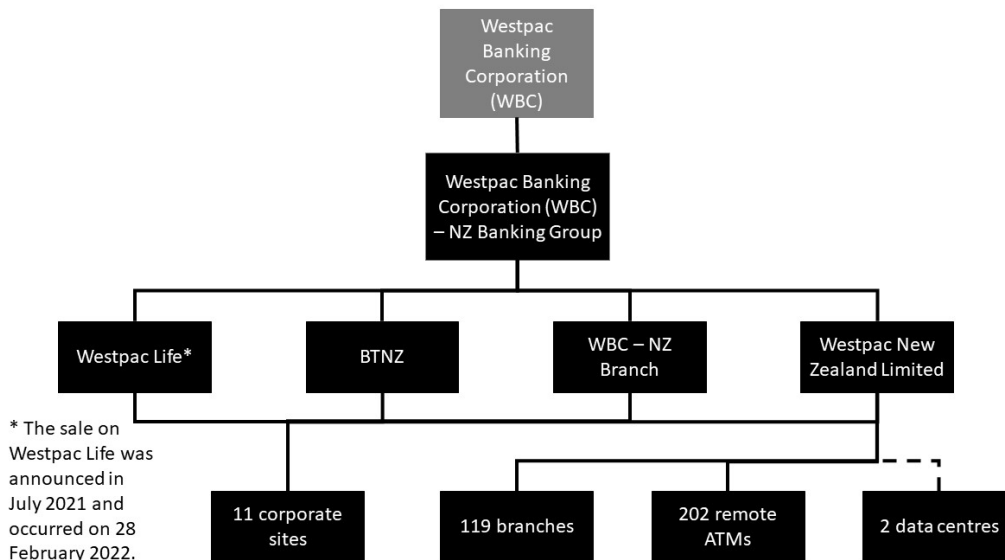


Figure 2: Organisational structure showing business units included and excluded

No business units have been excluded from the GHG emissions boundary. Excluded emissions do not exceed 5% of the total footprint within the organisation boundary stated.

MANAGING AND REDUCING

This is the 4th year of reporting under the Toitū net carbonzero programme. An absolute reduction in Category 1 and 2 emissions of 977.82 tCO₂e has been achieved against base year. A reduction in emissions intensity (for Category 1, 2 and mandatory Category 3 and 4 emissions) of 0.55 tCO₂e/\$M has been achieved based upon a 4-year rolling average, adjusted for inflation.

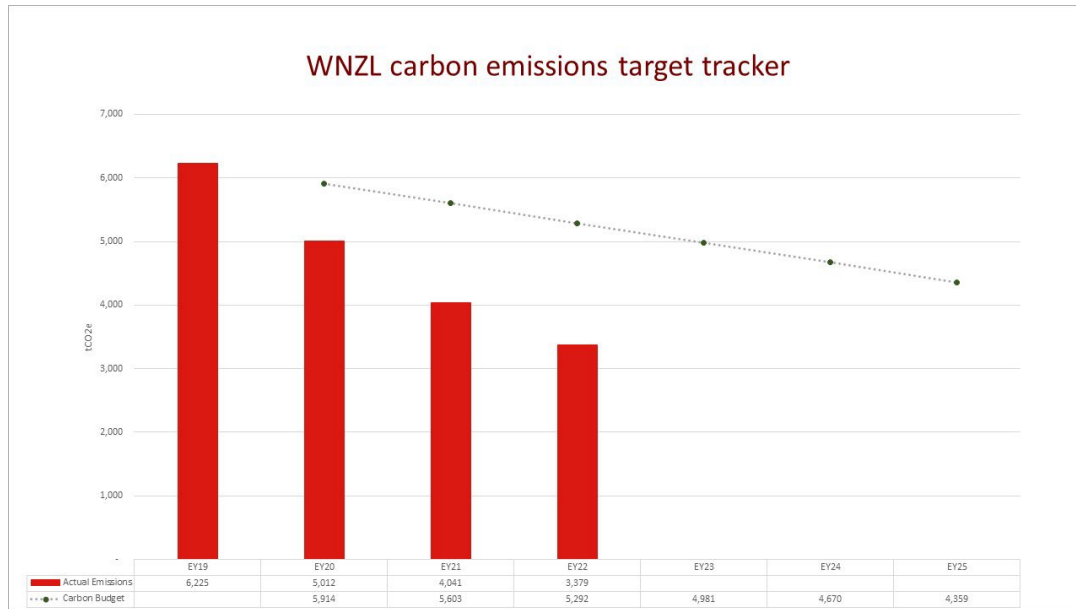


Figure 3: Performance against target since the base year

The Greenhouse gas (GHG) emissions for Westpac New Zealand for the current reporting period are detailed in the table below. There was a decrease of 2,688 tCO₂e (gross emissions) compared to the base year across all Categories with a decrease of 977 tCO₂e (gross emissions) compared to the base year for Category 1 and 2 and a decrease of 1,536 tCO₂e (gross emissions) compared to the base year for Category 3.

The most significant decreases achieved for fuel consumption in the vehicle fleets, and business travel. More detail on these results is provided in the emange inventory spreadsheet.

The performance against our targets has been largely driven by the impact of Covid-19 alert levels throughout the year, which resulted in reduced operating hours and reductions to business travel, exacerbating our reductions.

Target name	Baseline period	Target date	Type of target (intensity or absolute)	Current performance (tCO ₂ e)	Current performance (%)	Comments
Reduce total category 1 and 2 emissions in compliance to Toitū Rule R6.4a	2019	2025	Absolute	2,603.40	27.2%	The ongoing electrification of our motor vehicle fleet has had an impact on the reductions, however this performance is skewed due to the impact of Covid-19 alert levels throughout the year, which resulted in reduced operating hours.
Reduce total Scope 1, 2 and 3 mandatory emissions, Toitū carbon boundary	2019	2025	Absolute	3,379.27	45.7%	This performance has been largely skewed by Covid-19 alert level restrictions, which resulted in reduced operating hours and reductions to business travel.

COMPENSATION FOR EMISSIONS

Westpac New Zealand is committed to doing no harm while working on reducing emissions. Accordingly, Westpac New Zealand has invested in carbon credit projects to compensate for the Toitū mandatoryⁱⁱ emissions resulting from their operations this year.

Removal credits: 4,617 (770, #0314, PFSI Waikene, 1000, #0404, PFSI Owenga, 1,500, #0402, PFSI Tairua Forest and 1,347, #0400, PFSI Totaranui, Clova Bay)

All carbon credits have been cancelled on the Toitū Envirocare register and will be cancelled (or equivalent) on the relevant external registry within one month of certification. Specific details of cancellation, including serial numbers, will be available on the external registry: insert the appropriate (NZETR) www.epa.govt.nz/industry-areas/emissions-trading-scheme/market-information/voluntary-unit-cancellations

41.78 tCO₂e were not required to be offset as emissions were from carbon neutral certified paper supplied by Climate Active.

COMMITMENTS

REDUCTION TARGETS

Westpac New Zealand is committed to managing and reducing its emissions. Westpac New Zealand's commitments, including GHG emissions reduction targets and plans, have been reviewed and are in line with Toitū net carbonzero programme requirements.

During the development of our target, we referred to and assessed relevant policy and initiatives, including our Climate Leaders Coalition membership.

There is an emphasis on supply chain engagement, to create a cascading measurement and management of emissions along our full value chain.

Organisation commits to reduce absolute category 1 and 2 GHG emissions by 30% by the year 2025 from a 2018-19 base-year, and to reduce absolute category 1-6 emissions by 30% by the year 2025 from a 2018-19 base-year. The target for Category 1 and 2 emissions meets science aligned ambition levels for 1.5°C warming.



Looking ahead, Westpac New Zealand is currently focused on the following projects.

Objective	Project	Responsibility	Completion date	Potential co-benefits	Potential unintended consequences	Actions to minimise unintended consequence
Electricity from general operations	Initiatives to ensure energy efficient appliances and HVAC services have been installed in line with our capital budgets to reduce the load we require from the grid.	Justin Brochocki, Head of Property and Procurement	On-going	Reduced operating costs through lower electricity use.	None anticipated.	n/a
Data Centre	Infrastructure refresh to improve energy efficiency of storage	Shane Kuzmanic, Service Group Owner - Core Infrastructure	On-going	Reduced energy usage in our Data Centres	Potential waste from removed infrastructure.	Removed infrastructure is scrubbed for security purposes, after which it is recycled through our partnership with remarkIT.
Fleet EV Transition	100% of car fleet electric vehicles or plug in hybrid.	Justin Brochocki, Head of Property and Procurement	30/09/2025	Improved staff education through the increased understanding of PHEV and EV's and reduced operating costs.	Increased Electricity requirements.	Ongoing exploration potential actions to minimise unintended consequences.
Waste (Takutai Square)	Staff education through a waste audit and improved signage to reduce waste to landfill	Justin Brochocki, Head of Property and Procurement	30/09/2022	Improved staff education leading to improved waste behaviour both at work and outside of work.	None anticipated.	n/a
Air Travel	Pilot carbon budgets in FY23 for individual Business Units, and encouraging tele or video conferencing use where appropriate.	Tania O'Brien, CFO	30/09/2023	Improved staff education leading to improved travel behaviour both at work and outside of work.	None anticipated.	n/a

CERTIFICATE DETAILS

Certification status:	Toitū net carbonzero certified organisation
Certificate number:	2022253J, Year 1 of 3 year certificate period
Valid until:	25 October 2025
Measurement period:	01 July 2021 to 30 June 2022
Base year:	01 July 2018 to 30 June 2019
Audited by:	Toitū Envirocare
Level of assurance:	Reasonable for categories 1 to 4 except for Limited mandatory Category 3 (freight of cash)

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Disclaimer: This Certification Summary Statement is a summary of the information (validated and verified for relevant components of the certification) considered for certification and the certification decision. It should not be taken to represent the full submission for certification. Whilst every effort has been made to ensure that the information in this Statement is accurate and complete, Enviro-Mark Solutions Limited (trading as Toitū Envirocare) does not, to the maximum extent permitted by law, give any warranty or guarantee relating to the accuracy or reliability of the information.

ⁱⁱ The mandatory sources that must be included in any Toitū carbon programme inventory include:

- All direct emissions from the activities of the organisation, or the part of the organisation being certified. Direct emissions come from assets owned or controlled by the organisation, such as emissions from fleet vehicles, boilers, generators and HVAC systems.
- All emissions from imported energy (electricity, heat and steam)
- Emissions from business travel and freight paid for by the organisation
- Emissions associated with waste disposed of by the organisation, as well as the transmission and distribution of electricity, and natural gas

ⁱⁱⁱ All purchased and generated energy emissions are dual reported using both the location-based method and market-based method in the certified Inventory Report and appendices. This summary document presents the information using the location-based method. Note that reductions and any required compensation are assessed using that method. Dual reporting illustrates the role of supplier choice, onsite renewable energy generation and contractual instruments in managing indirect emissions from energy alongside any ongoing energy efficiency and reduction efforts. This dual reporting aligns with ISO 14064-1:2018 and the GHG Protocol. Please contact this organisation for the dual reporting details applicable to this inventory.

^{iv} Control: the organisation accounts for all GHG emissions and/or removals from facilities over which it has financial or operational control. Equity share: the organisation accounts for its portion of GHG emissions and/or removals from respective facilities.