



2022 SUSTAINABILITY REPORT

Manaaki te ao, manaaki te tāngata, e tipu pūtea ora.
Care for the planet, care for people, and grow financial wellbeing.



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WHANGAIA KA TUPU KA PUAWAI

**That which is nurtured,
blossoms and grows.**

Our commitments to caring for the planet, caring for people, and growing the financial wellbeing of Aotearoa New Zealand, are important to our core values. By working together with our customers and communities, we can achieve greater outcomes for all New Zealanders.



CHIEF EXECUTIVE INTRODUCTION

As someone who has been in the financial services industry for sometime, I fundamentally believe that banks at their best can be a major force for positive change in the communities they serve. Which is why I was delighted to join Westpac New Zealand, which has a proud legacy in Aotearoa of stepping up, and igniting a debate to drive change in areas which really matter, like inclusion and the climate.¹

As a team, we are determined to build on that legacy, and ensure that we too do our part in stimulating and supporting change which will drive inter-generational benefit.

So – how have we done in 2022?

I think we have made solid progress, in a year when the competing demands on our time and resources are difficult to juggle. And in a year when the challenges facing our customers and businesses are very significant. Rising interest rates, global inflation and high housing costs are putting pressure on customers, while ecosystem degradation and the climate crisis threaten the world we live in. The ongoing impact of Covid-19 is still being felt, impacting some communities more than others, and exacerbating the inequities being experienced by some of our most vulnerable communities.

Westpac has made some great progress this year using our power as a lender to support our customers who want to make tangible actions to reduce their impact on the planet. And we've worked with partners to support innovative solutions to home ownership. But in the context of the challenges outlined above, there is clearly much more work for us to do.

One highlight was expanding our interest-free Westpac Warm Up loans,* which helps customers make their homes warmer and more energy efficient. We also introduced a

personal loan offer for electric vehicles, e-bikes and other modes of electric transport with a lower interest rate than our standard personal loan.*

Our team has continued to work towards our goal of enabling \$10 billion in sustainable finance by 2025, supporting organisations such as Christchurch International Airport, Transpower, Goodman Property Trust and Metlifecare to prioritise sustainability outcomes in their business through sustainable finance.

We're also piloting a sustainable agribusiness loan* and Westpac Group has become part of the Net-Zero Banking Alliance.

But we haven't lost sight of the fact that for many, a business loan, home improvements or a new vehicle are well out of reach. The rising cost of living presents challenges for many in the community.

That's why we've expanded our Extra Care team, which works to make banking more accessible for New Zealanders experiencing vulnerability, and continued to build our network of Managing Your Money financial education facilitators to bring more free workshops to communities, schools, and businesses.

We've worked with iwi, community and government organisations to support more New Zealanders into home ownership through shared equity and other innovative arrangements.

At the same time, we've also continued to nurture a range of other community partnerships, as we know collaboration with organisations on the ground is fundamental to creating meaningful change.

Whether it's teaching money skills at local workshops, or helping newly released prisoners open their first bank



account, we want to help people take control of their money, to establish or embed a firm financial future.

While progress is pleasing, we know there is much more to do.

I'd like to thank our [Sustainability Advisory Panel](#) for supporting and challenging us in equal measure to tackle the big issues. They continue to ensure that in a time when it would be understandable to simply focus more on the more traditional aspects of banking, that we think broadly and longer term about the contribution we can make.

We welcome your thoughts on the content of this report - your feedback is very valued, and shapes the discussions we have as a leadership team and board. Given the challenges ahead, we are even more determined to play our part, in working together to raise our collective contribution to an ever greater Aotearoa.

Catherine McGrath

Chief Executive Officer, Westpac New Zealand.

¹In this report, 'Westpac' and 'the bank', 'we' and 'our' refer to Westpac New Zealand Limited. 'Westpac Group' refers to our parent, Westpac Banking Corporation (ABN 33 007 457 141) and its consolidated subsidiaries.

CHAIR OF WESTPAC NEW ZEALAND'S SUSTAINABILITY ADVISORY PANEL

A hallmark of Westpac New Zealand's sustainability efforts this year has been moving beyond a focus on reducing its own greenhouse gas emissions, to leading action to support its customers to reduce their emissions. It did this across multiple lines of business including setting ambitious emissions reduction targets in four key sectors it lends to, providing competitive loans for EVs and e-bikes,* structuring and financing multiple Sustainability Linked Loans for large customers, and quadrupling how much customers can borrow through its Westpac Warm Up loans.*

The fact that this shift took place while we contended with Covid-19, and as the business farewelled key sustainability leaders Karen Silk, Simon Power and Kate van Praagh, demonstrates how well embedded climate change action is becoming within the bank. It is also testament to new Chief Executive Catherine McGrath's willingness to build on those foundations. She is also strongly committed to inclusion and building the te ao Māori capability of the bank. On her watch we have seen the Sustainability team double in size.

This increase in capacity is a necessary investment as climate change shifts from being a largely discretionary effort to compliance, as climate related disclosure requirements become mandatory, and as ESG oversight and concerns about greenwashing force greater rigour. This capacity will also be necessary as the bank more fully contemplates the important role it wants to play in climate adaptation. Finance is a critical enabler, and this presents an opportunity for the bank – something the panel continues to emphasise.

Although there is rightly much focus on climate change, the broader sustainability context is very challenging, with a cost-of-living crisis and housing affordability affecting many New Zealanders. These have a very direct relationship to the role of a bank. There have been some notable successes, not least being collaboration with Kāinga Ora on the First Home Partnership shared equity scheme which is now enabling lending to first home buyers who might not otherwise be able to get a mortgage. This scheme plus other housing schemes the bank has been involved with have been acknowledged with Westpac New Zealand being a finalist in the 2022 Sustainability Awards. The panel is supportive of the bank finding ways to scale up this positive impact.

The panel continues to encourage the bank to develop deeper understanding and capability with te ao Māori, as well as exploring and more deeply understanding the role Westpac plays in unintentionally reinforcing structural inequities, and what that means for disadvantaged communities. Here the bank has the strong foundations of its long-term work developing its financial literacy programme to build on.

The critical challenge in the years ahead will be taking an integrated approach to the sustainability issues the bank faces. Covid-19, and its ongoing aftermath, have shown us how interconnected the challenges we face are, and that we risk investing in solutions that maximise positive outcomes on one issue, while making matters worse elsewhere. The three pillars of the Westpac New Zealand



Sustainability Strategy (Manaaki te ao – Care for the planet, Manaaki te tāngata – Care for people, and E tipu pūtea ora – Grow financial wellbeing) should provide a strong basis for integrated decision making.

My gratitude and thanks to my colleagues on the panel for their leadership and continued commitment and flexibility during Covid-19, and to the Board and Executive Leadership Team at Westpac New Zealand for their willingness to engage, listen and lead change.

A handwritten signature in black ink, appearing to read 'Abbie'.

Abbie Reynolds

Chair of Westpac New Zealand's Sustainability External Advisory Panel

2022 HIGHLIGHTS



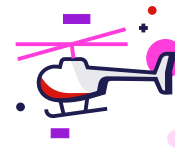
Interest-free Westpac Warm Up loan expanded from \$10k to **\$40k***



Our Extra Care team has supported **4,302** New Zealanders



Launched a **low-interest** Electric Vehicle personal loan offer*



Celebrated **40 years** of supporting the Westpac Rescue Helicopter and raised **\$1.28** million to help this year



Pilot launched for a Sustainable Agribusiness all-of-farm loan*



Westpac NZ Government Innovation Fund granted **\$1 million** to New Zealand innovators to help decarbonise Aotearoa



Launched, **Whanake Tū**, a new app to help our people improve their skills in tikanga and te reo Māori



Reduced the emissions from our operations by **45.7%**, from our 2019 baseline



Money Makes Cents **six-week course** **launched** for people new to money management



Enabled **\$3.87b** sustainable finance



Helped grow financial confidence in **7,760** people through our Financial Wellbeing programme, Managing Your Money



Westpac employees volunteered **11,133** hours in local communities²

² All figures are for the 12 months ended 30 September 2022 unless otherwise stated.

OUR SUSTAINABILITY STRATEGY

Our 2025 Sustainability Strategy, He rau ringa manaaki – Many hands working together, continues our commitment to Manaaki te ao – Care for the planet, Manaaki te tāngata – Care for people, and E tipu pūtea ora – Grow financial wellbeing.

If Aotearoa thrives, we thrive, but the next few years will bring unprecedented challenges for us and our environment.

We are committed to helping Aotearoa deliver on its commitment to the [Sustainable Development Goals](#) – a global 2030 agenda that sets out a roadmap to end extreme poverty, fight inequality and injustice, and protect the planet. Our sustainability targets, which are informed by the Sustainable Development Goals, are where we believe we can have positive impact.

OUR 2025 TARGETS³



E TIPU PŪTEA ORA

Grow financial wellbeing

Enable all New Zealanders to be financially secure and independent.

- 25,000 people to participate in Westpac-facilitated financial education workshops.
- Help 15,000 New Zealanders who are at risk of financial exploitation and exclusion.
- Source 25% of spend from local small & medium sized businesses, including businesses owned by diverse and under-represented communities.



MANAAKI TE AO

Care for the planet

Support Aotearoa's transition to a resilient, net-zero economy for the benefit of all New Zealanders.

- Reduce operational CO₂e by 30% (vs 2019). Offset remaining emissions to stay carbon neutral.
- Enable \$10b in sustainable finance.
- Manage our climate-related financial risks.



MANAAKI TE TĀNGATA

Care for people

Help create thriving local communities, a workforce and society where everyone feels valued.

- Set a cultural diversity in leadership target.
- 1% pre-tax profits invested in communities.
- \$700m in lending to healthy, affordable and social housing.

Our strategy is underpinned by good governance, transparent reporting, and open conversations with everyone we interact with.

OUR UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)



³ For further detail on these targets, refer [Westpac New Zealand 2025 Sustainability Strategy](#).

ABOUT THIS REPORT

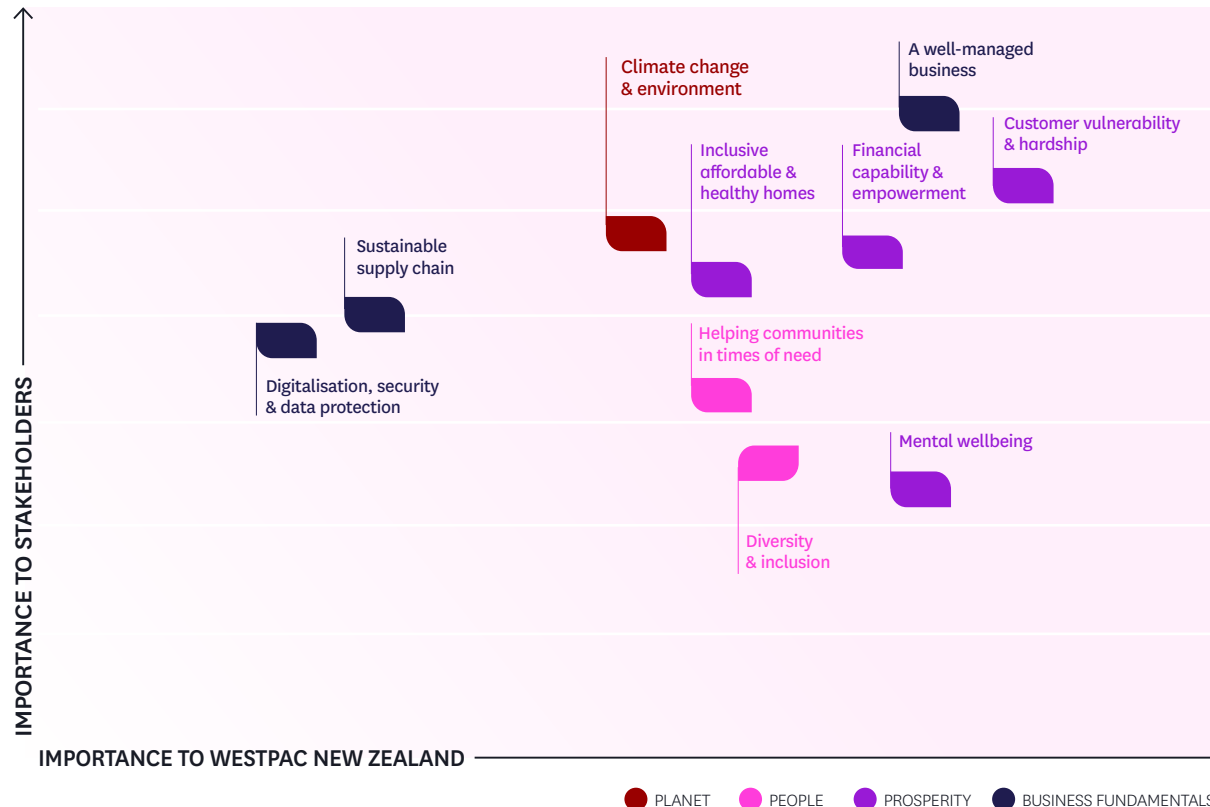
For Westpac, sustainability means ensuring that what we do every day meets our financial, social and environmental responsibilities to our customers, communities and people. We strive to be open, honest, fair, and transparent in everything we do. Our annual Sustainability Reports are our opportunity to share our progress with you.

This 2022 Sustainability Report is structured around topics that have been identified through our sustainability materiality assessment process, a process to understand what matters most to our stakeholders. The report also provides information on our sustainability performance progress

over the last year. This year our report leads with E tipu pūtea ora – Grow financial wellbeing as these topics were rated highly in our materiality assessment.

Through our sustainability materiality assessment process, we identify the issues and opportunities that matter most to our stakeholders, which include business customers, NGO’s, Government agencies and Westpac New Zealand executives and senior leaders. The table below shows our ten most material topics mapped by importance to Westpac New Zealand stakeholders and importance to Westpac New Zealand.

TOP TEN ISSUES FOR 2022



This report supplements Westpac Group’s Sustainability Performance Report, which aligns with the Global Reporting Initiative (GRI) Standards (Comprehensive) and the AA1000 AccountAbility Principles Standard (2018). For more information, please refer to:







- [Westpac New Zealand Environmental, Social, Governance Dashboard](#)
- [Westpac New Zealand 2025 Strategy](#)
- [Westpac Group 2022 annual reporting suite](#)

All figures are for the 12 months ended 30 September 2022 unless otherwise stated. Comparisons are against results for the 12 months ended 30 September 2021 unless otherwise stated. All dollar amounts are in New Zealand dollars, unless otherwise indicated.

HOW WE'RE RESPONDING

TOPIC	DESCRIPTION	HOW WE'RE RESPONDING
 A well-managed business	<ul style="list-style-type: none"> • Clear governance practices, active management of risk and commitment to compliance • Maintaining a healthy financial performance and strong balance sheet • Improving corporate culture and outcomes for customers. 	<ul style="list-style-type: none"> • Robust governance structure and risk culture, tax and economic contributions to New Zealand and conduct and culture policies in place • The section 95 (independent) reviews required by the Reserve Bank in 2021 are complete. The first review related to liquidity risk was completed by Deloitte in May 2022. Deloitte found that Westpac New Zealand had improved its risk controls and culture. The second review related to Risk Governance was completed by Oliver Wyman in November 2021. Oliver Wyman identified deficiencies in our risk governance practices. We have a programme of work underway to address the issues raised, which is being overseen by the Westpac New Zealand Board. We have engaged Oliver Wyman to provide independent assurance that Westpac's remediation has been delivered to an appropriate standard. We are making good progress with this programme of work.
 Climate change and environment	<ul style="list-style-type: none"> • Managing the risks and opportunities of climate change • Supporting collaborative efforts to limit global warming and taking steps to help customers, the economy and communities transition to low-carbon emissions and become more climate-resilient • Measuring and reducing our carbon emissions across our value chain, alongside managing use of high-emissions materials (e.g. plastic) • Understanding our dependencies and impacts on natural capital • Supporting biodiversity and "nature-based solutions" • Reducing waste. 	<ul style="list-style-type: none"> • Westpac Group has joined the UN-convened Net-Zero Banking Alliance • Sustainable Agribusiness Loans pilot launched July 2022* • Expanded Warm Up loan to \$40k to encourage warmer, drier and more energy efficient homes* • Maintained Toitū net carbonzero certification over our operations – measuring, reducing and disclosing our Scope 1, 2 and 3 mandatory operational emissions • Undertook an assessment of our Financed Emissions (Scope 3) • To date, we have enabled \$7.31b of sustainable finance solutions towards our overall 2025 \$10bn sustainable finance target, including \$2.97bn towards climate change solutions⁴ • Launched low interest Westpac EV loan offer* • Issued another voluntary annual Climate Risk Report (climate-risk disclosure) • Reduced air travel (due to Covid-19 restrictions) and continued transitioning vehicle fleet to electric or plug-in hybrids • Purchased permanent native forestry carbon credits sourced from New Zealand native forests to offset our greenhouse gas emissions.
 Customer vulnerability and hardship	<ul style="list-style-type: none"> • Supporting our customers in times of financial hardship and when they find themselves facing vulnerable circumstances. 	<ul style="list-style-type: none"> • Began managing incidents where customers record abusive messages through transaction references • Maintained dementia friendly programme • Partnered with Shine to develop e-learning to understand domestic violence • Expanded our dedicated Extra Care team for customers experiencing vulnerability.
 Digitalisation of banking services	<ul style="list-style-type: none"> • Supporting the digital transformation of banking – moving services online and harnessing digital innovations such as open banking and AI. 	<ul style="list-style-type: none"> • Launched customer verification process via biometric facial comparison.
 Information security and data privacy	<ul style="list-style-type: none"> • Cyber resilience and security • Maintaining customer privacy and consumer protection. 	<ul style="list-style-type: none"> • The Cyber Security Improvement Programme delivered 29 cyber security enhancements over the last year • Privacy Programme stood up with a focus on keeping customer data safe and private • Worked with CERT NZ to support Cyber Smart Week • Began roll out of additional anti-fraud measures to combat financial crime.
 Diversity and inclusion	<ul style="list-style-type: none"> • Providing a safe, welcoming, and supportive environment for our people, customers and communities to succeed, regardless of their background. 	<ul style="list-style-type: none"> • Continued measuring and encouraging women in leadership • Continued operating employee action groups (gender equality, accessibility, cultural, generational, rainbow groups) • Continued Te Waiu O Aotearoa Trust Scholarship, to help Māori students into the banking and finance industry.

⁴The term "Climate Change Solutions" includes lending to projects, assets or activities that are considered consistent with the investment required to achieve the goals of the Paris Agreement and address the impacts of climate change. This includes (but is not limited to) lending to the categories of energy efficiency, green buildings, renewable energy, low carbon transport, waste, forestry, that align to the [Green Loan Principles](#)

TOPIC	DESCRIPTION	HOW WE'RE RESPONDING
 Financial capability and empowerment	<ul style="list-style-type: none"> Ensuring financial inclusion for our diverse communities across different demographic, socio-economic and cultural backgrounds. 	<ul style="list-style-type: none"> Continued offering financial education through our Managing Your Money programme New Start initiative embedded to ensure that when prisoners are released, they have a valid ID, a bank account, a debit card, and can access online banking Established a Middlemore Foundation partnership to co-deliver financial capability to the Manurewa community.
 Helping communities in times of need	<ul style="list-style-type: none"> Supporting communities and charity partners to help those in need, including in times of emergency, as well as initiatives to address complex societal and economic issues. 	<ul style="list-style-type: none"> Raised \$1.28 million for Westpac Rescue Helicopters Westpac ambassador Sir John Kirwan visited flood hit communities in Buller Continued to support employees to volunteer in the community Added and maintained community partnerships such as Kootuitui ki Papakura whose initiatives support access to dry, healthy homes.
 Inclusive, affordable and healthy homes	<ul style="list-style-type: none"> Enabling homes that are inclusive (offering suitable living conditions for everyone regardless of stage in life), affordable and healthy. 	<ul style="list-style-type: none"> Westpac's \$10bn sustainable finance 2025 target includes a \$700m target for healthy, affordable and social housing. To date, Westpac has enabled \$677m towards healthy, affordable and social housing. Below initiatives form part of the \$677m: <ul style="list-style-type: none"> Supported shared equity scheme with Kāinga Ora Supported papakāinga shared-equity model Supported Queenstown Lakes Community Housing Trust scheme Expanded Warm Up loan to \$40k.*
 Mental wellbeing	<ul style="list-style-type: none"> Helping our employees, customers and community take care of their mental wellbeing and resilience. 	<ul style="list-style-type: none"> Westpac ambassador Sir John Kirwan hosted sessions on mental health Partnered with Maia Health Foundation to help build a new child and youth mental health facility in Christchurch Continued offering Benestar wellbeing benefits to Westpac employees Continued to offer five days of Wellbeing Leave each year for Westpac employees.
 Sustainable supply chain	<ul style="list-style-type: none"> Embedding environmental, social and governance (ESG) considerations in the sourcing process including issues such as climate change, human rights and modern slavery, to ensure sustainable outcomes for communities, customers and suppliers through purchasing decisions. 	<ul style="list-style-type: none"> Continued to utilise Westpac Group's Responsible Sourcing Code of Conduct Maintained Living Wage accreditation.
 Sustainable investment	<ul style="list-style-type: none"> Integration of our four guiding sustainable investment pillars: positive outcomes, ESG integration, stewardship and exclusions within our investment decisions. We're committed to investing in line with the Paris Agreement and net-zero greenhouse gas emissions by 2050 or sooner. 	<ul style="list-style-type: none"> Released our Responsible Banking and Investment Position Westpac KiwiSaver Scheme funds, Westpac Active Series and Westpac Premium Investment funds, open for investments, have been certified by the Responsible Investment Association Australasia (RIAA)⁵ BT Funds Management (NZ) Limited named a Responsible Investment Leader in RIAA's 2022 Benchmark Report.

⁵ These funds, except for the Cash Funds, have been certified by RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See responsiblereturns.co.nz for more details. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold a Financial Advice Provider license.

BT Funds Management (NZ) Limited is the manager and issuer, and Westpac New Zealand Limited is a distributor, of the Westpac KiwiSaver Scheme, Westpac Active Series and Westpac Premium Investment funds (Schemes). For a copy of the Product Disclosure Statement for the Schemes visit www.westpac.co.nz.



E TIPU PŪTEA ORA

Grow financial wellbeing



Mā te huruhuru ka rere te manu

Adorn the bird with
feathers and it will fly.

We know we hold a great responsibility to support the wellbeing of our customers, people, and communities. Through our financial wellbeing initiatives, we hope to share meaningful and implementable tools with others to help them flourish and grow.

In Aotearoa, financial wellness allows individuals and their whānau more agency and control in their own communities, enabling stronger contribution to a thriving economy.

Having a strong sense of financial wellbeing also supports whānau to navigate both the expected and unexpected, to ride through financial challenges and maintain control.

Communities throughout Aotearoa are attempting to manage complex inequities that, through recent years and for various reasons, have grown. The long-lingering financial stressors of Covid-19, a turbulent housing market, the cost of living and global events are significant challenges to New Zealanders attempting to build a firm financial future.

At Westpac, we're proud of the steps we've taken to improve New Zealanders' financial wellbeing but acknowledge that there is more to do alongside our customers and communities.





Financial capability:

Grow the financial capability of our customers, communities, and our people.

Target:

- **25,000** people to participate in Westpac facilitated financial education workshops from 2021 to 2025.

Performance against target:

- **22,378** people participated in Westpac facilitated financial education through 2021 and 2022.

How we're enabling all New Zealanders to be financially secure and independent.

Key activities/initiatives in 2022:

- 7,760 people accessing financial education through 197 online and 135 in-person workshops
- Three new courses piloted and written with two launched in 2022:
 1. Money Makes Cents course launched in June, a six-week programme for people new to money management
 2. Mastering Your Money (launching 2023), a six-week programme for those who manage day to day finances well but are looking to further grow their financial future
 3. Facilitator training course launched in March, written for both our Westpac facilitators and for our community facilitators.

Challenges:

- Our Managing Your Money programme is delivered by a passionate volunteer force, and we're proud of that. This is also one of it's challenges. The majority of our facilitators are volunteers who are increasingly time restrained
- We've identified that more governance is important to ensure key decision-makers in the business can deliver broader scope and scale – that we can get it to the communities our customers and people identify as important
- When our 2025 financial wellbeing targets were established, the world was dealing with the early effects of Covid-19. In light of that, we decided to set a conservative target of 25,000 participants, unsure of the effects of Covid-19 on our delivery methods. We anticipate exceeding our participant target early based on strong commitment from our volunteer facilitators and partnership with key community groups so will need to revise our 2025 target.

What we have planned for 2023:

- We have started to engage with a small number of community groups to replicate our train-the-trainer programme utilised in this last year with SeniorNet. We look forward to maturing and expanding this model so we can travel better alongside our participants on their financial wellbeing journey
- Through 2023 and beyond, Managing Your Money will benefit from clear and direct governance through our Extra Care team. Through their existing Extra Care Governance group (which has representation across the bank and chaired at Executive level), Managing Your Money will be able to have key deliverables clearly defined. This will ensure that the programme is inclusive and conscious of the varied and changing needs of the people of Aotearoa.



Inclusive financial services:

Help New Zealanders avoid exploitation and access the mainstream financial system.

Target:

- Help **15,000** New Zealanders at risk of financial exploitation and exclusion from 2021 to 2025.

Performance against target:

- Helped **6,251** New Zealanders at risk of financial exploitation and exclusion through 2021 and 2022.⁶

Key activities/initiatives in 2022:

- Extra Care programme assisted 4,302 financially exploited or excluded New Zealanders
- Expansion of New Start programme to all 18 corrections sites across Aotearoa
- Created a process to stop people using our banking systems to send abusive messages through transaction references.

Challenges:

- The Extra Care team is working on building awareness and capability within the business and within communities to identify how they can directly support customers experiencing vulnerability
- Prior to July 2022, the team was small and balancing both escalations and initiatives. This impacted the number of individuals who may have received specialist Extra Care support, as well as challenged the speed with which initiatives could progress. With more specialists and initiative owners joining the team in the later parts of the year, the Extra Care team will be able to significantly increase their impact.

What we have planned for 2023:

- The Extra Care team are developing a newly refined strategy which will ensure a consistent bank-wide approach to best support customers experiencing vulnerability. This strategy will direct what initiatives are prioritised over the next 18 months.



⁶ The number of people at risk of financial exploitation and exclusion measures the number of people supported through most escalations to the Extra Care team or through Extra Care initiatives. Extra Care initiatives include our New Start initiative for released prisoners, SeniorNet learners accessing Managing Your Money financial wellbeing programme to improve their digital literacy and online safety, MoneyTalks referrals, iSign service uses, tracking abusive messages in payment references, Foxton Budgeting Service Emergency-Loan, and ID Care.



Diverse supply chain:

Help New Zealanders participate in the economy and grow their financial independence.

Target:

- Source **25%** of our purchasing spend from local small and medium sized businesses, including businesses owned by diverse and under-represented communities by 2025.

Performance against target:

- **14.6%** of purchasing spend October 2021 to August 2022 against our 25% target.
- **65.6%** number of suppliers October 2021 to August 2022 are small and medium sized New Zealand businesses.

Key activities/initiatives in 2022:

- Ran an Amotai workshop for some of our procurement employees that focused on diversity within the supply chain
- Sustainability was added to the Technology Supplier Management scorecard, bringing sustainability into focus in monthly technology supplier conversations.

Challenges:

- Offering a relatively large contract to a diverse supplier can lead to that business growing beyond the boundaries of our definition of a diverse supplier. While supporting such growth is one of the reasons for supporting diverse suppliers in the first place, it limits our ability to accurately measure the impacts through our current metric
- Further capability and knowledge is required within business units. Without capability and knowledge uplift, actively embedding supplier diversity may not be consistently considered within the procurement process
- We have identified options that we can use to better embed sustainability into procurement interactions. This will ensure our suppliers' values align with ours, on both social and environmental ambitions.

What we have planned for 2023:

- We intend to review and potentially revise our definition of this target to better track the positive impacts we seek, including promoting sustainable growth of local businesses
- In 2023, more strategic governance of this target will be developed and implemented to support our ability to prioritise supplier diversity and improve the consistency with which we engage our suppliers
- We will also continue workshops and complete mentoring sessions throughout the bank to uplift the ways we can bring sustainability considerations into our interactions with suppliers
- We intend to continue to engage with Amotai and Ākina to strengthen our procurement processes.



Setting young New Zealanders up for success.

This year we proudly launched Money Makes Cents, an additional six-week financial capability course as part of our wider programme. Money Makes Cents is designed for those about to manage their own money for the first time, such as high school leavers, or those re-entering society. The course intends to demystify some of the complexities of financial systems and the banking world, while also supporting learners to establish strong and simple money habits early.

“When we broke it down together, we learned how much more we are impacted by the things we spend. Every dollar counts. I think the most important message we got was that all the small things add up, and sometimes that amounts to hundreds of dollars wasted on random stuff.”

TERENUI NATUA,
MONEY MAKES CENTS PILOT PARTICIPANT



TERENUI NATUA, WESTPAC TEAM MEMBER

Education delivered when and where it is needed.

The new Money Makes Cents programme is one of many free programmes available to all New Zealanders that are being delivered by the Managing Your Money team of volunteer facilitators across the country. Established in 2006, the team has grown year on year and delivers workshops to workplaces, schools, and community groups both in-person and online. The topics include budgeting and debt management, digital banking, first-home buying, KiwiSaver and investments, and retirement savings.



We delivered in-person workshops to **3,690** participants in schools (1724), community groups (1694), and workplaces (272).



We trained **86** new facilitators through our new online training course



We delivered online workshops to **4,070** participants in 2022, 52% of our total



Top 5 topics:

Confidence in staying safe online	2,003
Spending and budgeting	790
Confidence with banking	700
Money Makes Cents	632
Confidence with cards	467



Our partnership with SeniorNet saw them support **3,331** participants this year, compared to 881 last year, with 58% accessing the learning through their online portal SeniorHangouts

Making it easier and safer to do more online.

In June 2022, we launched an enhanced tool to help verify customers digitally, reducing the need for branch visits and improving access to banking services.

The tool uses biometric facial comparison and electronic verification to enable the secure identification of customers.

The first version was launched near the end of 2021 during the pandemic lockdown. These tools have helped to verify more than 5,000 customers so far. The enhanced tool will be used for new and existing customers, extending across the full customer lifecycle.

Reducing harm from cybercrime.

With cybercrime becoming increasingly sophisticated and prevalent, Westpac partnered with IDCARE in 2022 to provide specialist aftercare support for customers impacted by fraud or scams. With free priority access to case managers and counsellors, we hope to reduce the harm experience from compromised personal information.

IDCARE specialise in assisting individuals to respond to risks when their identity has been jeopardized. Their method of delivering education will help our customers to feel understood and supported in the aftermath of what can be an incredibly stressful and financially damaging experience.

“Scam victims are likely to be targeted again and again by criminals, especially if they provided remote access to their device. By equipping them with knowledge and expert advice, we can reduce the harm they could be exposed to.”

While the financial impact of fraud and scams is well-understood, the effect on people’s wellbeing can also be profound. People often feel vulnerable, exploited, and foolish for not spotting the scam, but the reality is that it can happen to anyone. Our job is to educate and empower our customers so they’re confident interacting online again.”

NEIL HALLETT
NEW ZEALAND OPERATIONS MANAGER FOR IDCARE

Helping people who are experiencing abuse make a fresh start.

Family and domestic violence is a multi-faceted societal issue that requires everyone working together to tackle it. Westpac has zero tolerance of violence, becoming the first organisation in Aotearoa to earn the DVFREE Tick in 2017. This accreditation recognises the efforts made to address domestic violence by creating a supportive workplace. While it is something we’ve implemented within our business, over the last year we’ve extended what we’ve learned to our customers.

Throughout 2022, our expanded Extra Care team have continued to develop their partnerships, tools, and initiatives to help people who are, or may be experiencing abuse gain financial independence. This support takes many forms and includes a bespoke process for people to open a bank account. In the last year, our Extra Care team have helped more than 40 people who were experiencing family and domestic abuse (including economic harm) become financially independent.

New processes and mandatory training across the bank have been put in place to enable all our teams to provide extra care consistently and compassionately to customers who may be experiencing family and domestic violence.

Among other initiatives, over the last year we have:

- Trained Westpac’s customer-facing teams to support vulnerable customers facing abuse, including how to monitor abusive and threatening messages that may arise through electronic payments
- Our technical teams continue to work on an automated solution to identify perpetrators and block abusive transactions.

“It was life changing, it was humbling, it was so kind and just so unexpected. It made me feel that there was so much good inside this huge corporation.”

CUSTOMER SHARING THEIR REACTION TO WORKING WITH OUR EXTRA CARE TEAM



EMMA HEAPS AND JARED HUTCHESON, TWO OF OUR NEW EXTRA CARE TEAM MEMBERS



MANAAKI TE AO

Care for the planet



Whatungarongaro te tangata toitū te whenua

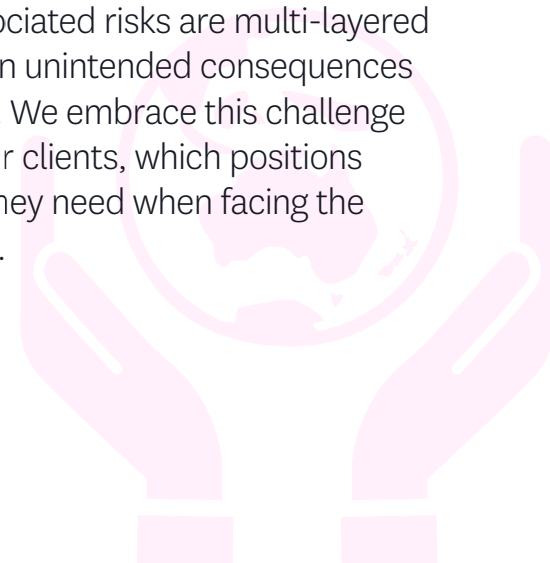
As man disappears
from sight, the land
remains.

We know we are visitors of this land.
Long after we are gone it will remain.
The land nurtures us and we must
nurture it. We aim to remember the
land as taonga in all we do.

As a large organisation that touches the lives of many New Zealanders, we know we have a powerful platform that we can use for good to help shift mindsets and behaviours, especially when it comes to caring for our environment. In early 2022, we included ‘Powering a sustainable New Zealand’ as one of our six new strategic pathways. This further embeds our commitment to helping customers transition to a net-zero economy and adapt to physical climate risks.

As a bank, we recognise the nature of the relationships we have with our customers is unique - we are in it for the long haul. This compels us to look ahead and plan for a world that is different from today. The impacts of climate change are looming large and already forcing a change in the way we live our lives. The nature of our industry means working side-by-side with businesses and communities to support their transition to a low emissions society.

Climate change is complex. The associated risks are multi-layered and simplistic responses can result in unintended consequences for our customers and communities. We embrace this challenge and the connection we forge with our clients, which positions us uniquely to provide the support they need when facing the challenges posed by climate change.





Net-zero operations:

Measure, reduce and report our footprint and encourage suppliers and employees to do the same.

Target:

- Reduce operational CO₂e by **30%** (vs 2019) by 2025.
- Reduce Scope 1, 2, and 3 mandatory emissions to 4,359tCO₂e.

Performance against target:

- **45.7%** reduction in 2022 vs 2019. Offset remaining emissions to be carbon neutral.

How we're supporting Aotearoa's transition to a resilient, net-zero economy for the benefit of all New Zealanders.

Key activities/initiatives in 2022:

- 51% of our fleet is now electric or plug-in hybrid cars
- Reduced greenhouse gas emissions for the shares and listed property portfolios that form part of our KiwiSaver and other diversified funds in line with 1.5°C target compared to March 2019
- Re-engaged with our people on commuting and waste management as more employees return to the office and understand working patterns to expand our scope to include working from home emissions.



Challenges:

- As pandemic restrictions have been lifted, we've needed to adjust our operations and customer interactions. While we were able to transition promptly to digital-only or limited face-to-face interactions through lockdowns, as restrictions have lifted, we have noted an increase in our emissions in response. While this may not be surprising, it is something we are aware of and will need to continue to manage
- We can see that there is a need to expand our engagement with our suppliers in order to improve our procurement processes. In order to consistently engage with our suppliers and ensure their social and climate values align with ours, review of our procurement policies and procedures is required.

What we have planned for 2023:

- Following 2022 employee surveys to understand how our employees are commuting in a less restricted environment, we will begin actively engaging with our employees to encourage them to reduce their own carbon footprint
- Through the next year we will begin bringing environmental considerations into our supplier interactions. This will support our ability to improve understanding of upstream Scope 3 emissions.



Help Aotearoa act on climate change:

Build climate change risk and opportunity into our lending and investment decisions, and help our customers do the same.

Target:

- Enable **\$10b** in sustainable finance by 2025.⁷
 - Provide **\$6b** of sustainable lending to customers (e.g. renewable energy, education, low carbon transport).
 - Facilitate **\$4b** of sustainable bonds for our customers and Westpac.

Performance against target:

- Enabled **\$7.31b** in sustainable finance, comprising **\$4.86b** of sustainable lending and **\$2.45b** of sustainable bonds to date.

Target:

- Manage our climate related financial risks.
 - Help our customers and communities transition to the Paris Agreement and adapt to climate change.

Performance against target:

- In 2020, Westpac was the **first New Zealand bank** to release a **Climate Risk Report** based on recommendations from the Task Force on Climate Related Disclosures (TCFD). This has been built on in subsequent annual disclosures. 2021 report [here](#), and 2022 Climate Risk Report [here](#).

Key activities/initiatives in 2022:

- Westpac Group has joined the UN-Convened Net-Zero Banking Alliance
- Pilot launched for a Sustainable Agribusiness loan.* This is an “all-of-farm” loan, assessing a customer’s environmental performance against the standards of the Sustainable Agri Finance Initiative (SAFI)
- Our interest-free Westpac Warm Up loan expanded to \$40,000 to help encourage warmer, drier and more energy efficient homes.* This expansion also included increasing the types of items covered, including electric vehicle chargers and solar batteries
- We launched our low-interest EV personal loan offer, allowing up to \$50,000 to be borrowed towards a new or used electric/hybrid car, e-moped or e-bike*
- Granted \$1m to four New Zealand innovative initiatives that aim to help decarbonise Aotearoa through our Westpac NZ Government Innovation Fund
- Engaged Lincoln University to undertake a comprehensive assessment of climate related risks and opportunities in the agricultural sector and shared the findings with the public
- Westpac KiwiSaver Scheme funds, Active Series and Premium Investment funds, open for investments, have been certified by the Responsible Investment Association Australasia (RIAA)⁸
- Released our [Responsible Banking and Investment position](#).

Challenges:

- While we have an increasing amount of data available to us, accessing suitable data, including on physical climate risks and natural hazards, as well as customers’ emissions, is needed so we can better make change and support our customers
- The emerging climate-risk disclosure standards developed by the External Reporting Board (XRB) challenge us to uplift our internal processes and capability
- Westpac is a strong sustainability leader but there is a recognised need to develop stronger capability and knowledge for our customer-facing employees. This will help us to understand our customers’ climate-related risks
- As mentioned, our employees have started returning to our offices with more frequency as Covid-19 restrictions loosen. We acknowledge a need to leverage opportunities to re-engage with our people on commuting and waste management.

What we have planned for 2023:

- Through 2023, we will be reviewing and updating the way we communicate with our people, creating a specific communications plan to ensure regular and active engagement, sharing key sustainability themes and trends, and looking for opportunities to increase awareness and capability
- Improving our understanding of upstream value chain emissions and engaging with our suppliers to act collaboratively to reduce our upstream emissions
- Improve the assessment of our Financed Emissions by capturing better emissions data from our customers
- Developing an understanding of nature-related risks beyond climate change, in particular biodiversity.

⁷ This is a cumulative target which comprises (a) \$5b for lending to climate change solutions, \$700m lending for healthy, affordable and social housing, and additional environmental, social, and sustainability-linked lending, and (b) facilitation of sustainable bonds.

⁸ These funds, except for the Cash Funds, have been certified by RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See responsiblereturns.co.nz for more details. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold a Financial Advice Provider license.

Leading with our expertise.

We are enormously proud of our many passionate leaders and in-house experts who go the extra mile to spur positive change. We contribute to working groups, research projects, community think tanks and events, and constructively engage in consultations on relevant legislation.

2022 Highlights include:

- Ongoing contribution to [Toitū Tahua \(the Centre for Sustainable Finance\)](#) in 2022 to help shift finance and investments towards sustainable purposes
- Proactive thought-leadership communication including blogs, editorials and speeches, including [Partner Perspective](#), from our Chief Executive Catherine McGrath for the Aotearoa Circle in August, which sums up our aspirations
- Active participation within the [Climate Leaders Coalition](#), including committing to the 2022 Statement of Ambition to measure and report our own greenhouse gas emissions and work with suppliers to reduce emissions
- BT Funds Management (NZ) Limited (BTNZ), our investment arm, is a signatory or member of a variety of international and national sustainable and responsible investment initiatives including [Climate Action 100+](#), to support the world's largest corporate greenhouse gas emitters take necessary action on climate change
- Supporting submissions with feedback on New Zealand's proposed climate-risk disclosure regime which will promote transparency on how large organisations address climate-related risks and opportunities and supported industry initiatives to develop climate scenario analysis for lending and investments
- Actively working with the Sustainable Business Council (SBC) and Sustainable Business Network (SBN) on a number of working groups and initiatives.

Our commitment to sustainable investing.

BTNZ, who is responsible for the investment of the Westpac KiwiSaver scheme, released its new Sustainable Investment Policy in December 2021, outlining its aspiration to establish itself as a leader in the sustainable investment space, to align assets under management with the Paris Agreement and net-zero greenhouse gas emissions by 2050.

Through BTNZ's portfolio, the average carbon intensity has reduced from 1 March 2019 to 30 September 2022 as follows: international shares by 24%, Australasian shares by 22%, international listed property by 31% and Australasian listed property portfolio by 41%. BTNZ was named a Responsible Investment Leader in [RIAA's 2022 Benchmark Report](#) and was also named as a finalist in the Mindful Money Best Net Zero and Climate Action Investor.⁹

BTNZ have continued engagements with the policy makers, industry groups, companies and governments they invest in on climate and sustainability actions. BTNZ has actively supported the introduction and became a founding signatory of the [New Zealand Investment Stewardship Code](#). The Code aims to create and preserve inter-generational value for the people whose money is invested and New Zealanders more broadly, as well as efficiently directing capital where it's most needed for a resilient economy.

In response to the Russian invasion of the Ukraine, BTNZ exited the small amount of Russian government bonds and companies with shares listed in Russia or significant Russian involvement, that it was invested in.¹⁰ BTNZ have also extended exclusions to countries with poor political stability, high corruption and violence levels.

Keeping New Zealanders warm.

In August we expanded our [Westpac Warm Up loan](#) to allow home loan customers to borrow up to \$40,000 interest-free for up to five years.* This loan, previously only up to \$10,000, helps customers to make their home warmer, drier, more sustainable, and energy efficient. In addition to the increased limit, electric vehicle chargers and solar batteries have now been added to the items that can be funded through the loan.

“We’ve already lent more than \$40 million interest-free through Westpac Warm Up and aim to get to \$100 million.* As well as supporting customers to live more sustainably, these loans also help with cost-of-living pressures through the zero-interest charged and, in many cases, reduced energy costs.”

CATHERINE MCGRATH,
CEO, WESTPAC NEW ZEALAND

Personal loan offer puts EVs within reach of more New Zealanders.

In August we launched a personal loan offer aimed at incentivising the transition to Electric Vehicles, including e-bikes. The [EV loan](#) offer allows New Zealanders, regardless of whether they are existing Westpac customers or not, to borrow up to \$50,000 at favourable rates with flexible repayment options.* Our product doesn't require customers to own a house to be eligible.

⁹ We are working to increase coverage across other asset classes as data and tools become available based on information provided by our external data providers for Scope 1-2. Accuracy, coverage, scopes, time of data and changes between estimates and actuals for underlying investments in the funds may vary and may not reflect the full portfolio holdings.

¹⁰ With one small exception which has been written down, which means reducing the value of the shares in the company.

New loans raise the bar for sustainable farming.

In 2022 we launched the pilot of a new Sustainable Agribusiness Loan with a small group of our farming customers.* The loan is unique because it requires the customers to meet all parts of the Sustainable Agriculture Finance Initiative (SAFI), not just a select few components, with significant incentives and wraparound support along the way.

This is the first of its kind in Aotearoa and sets a bold new standard when it comes to sustainable farming, from reducing emissions, improving long-term resilience and delivering more sustainable outcomes in terms of water, waste, pollution, and ecosystems. Once farmers commit to meet the guidance, they have two years to achieve that goal and will be supported with discounted loan pricing. We expect the loans to be rolled out more widely in 2023.

Investing in research for more sustainable farms.

Through 2022, we partnered with Lincoln University to complete a comprehensive climate risk assessment for the agricultural sector. Their findings not only illustrate the wide range of risks to farmers, but also show options to adapt and transition to the expected physical impacts along with highlighting the many opportunities that arise for agriculture from climate change. Furthermore, the research identified a range of viable options to decarbonise the sector, which is critical to maintain access to key export markets, as well as contributing towards Aotearoa's greenhouse gas (GHG) reduction targets while building more systemic resilience in this key sector for Aotearoa.

We look forward to sharing the report and findings with our customers and wider public in coming months, as well as using the insights gained to support our farming customers to adapt and decarbonise.

Westpac New Zealand and the Hydrogen Project.

Westpac is participating in the Hydrogen Project, in which eight leading New Zealand companies over the next two years will be sharing a fleet of Toyota Mirai hydrogen-powered cars. The project is New Zealand's first commercial application of hydrogen fuel cell vehicles which produce zero carbon emissions and aims to establish the use of hydrogen technology to reduce transport emissions.

Westpac is passionate about promoting innovation, new technology and new approaches to reducing Aotearoa's carbon emissions. The Hydrogen Project sits alongside our desire to make more efficient use of vehicles we have on the road in Aotearoa by transitioning to a 100% Electric Vehicle Fleet by 2025.



Helping our customers take action through Sustainable Finance.

Westpac is playing a key role to position Aotearoa to become a thriving, resilient and net-zero emissions society. We are actively building enduring partnerships with our customers so that together, we can help grow more resilient businesses while also building a better future for all.

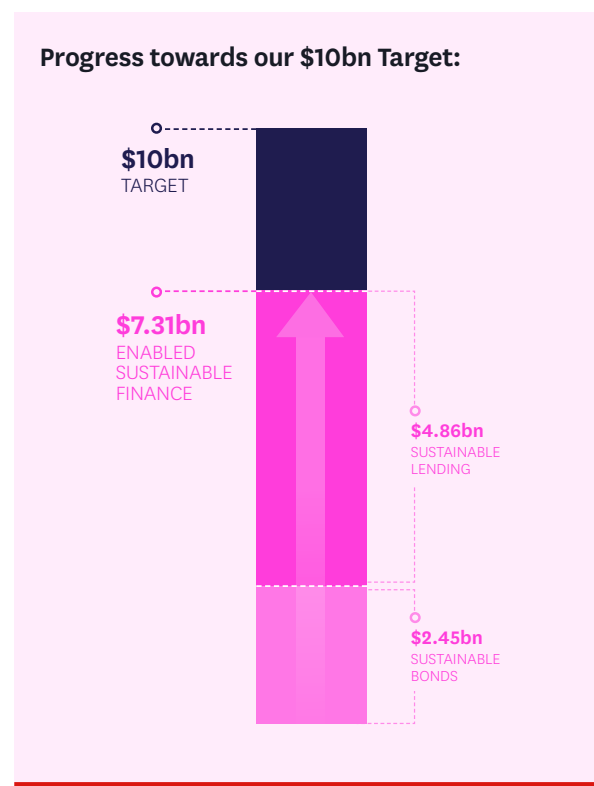
Sustainable finance is an increasingly important and impactful way to do this. When we lend in a sustainable finance format to our business customers, we are helping them move towards more sustainable business models. With sustainable finance, we can help our customers fund climate change solutions, and incentivise them to achieve their sustainability goals.

We are proud to have won all four financial sector awards for leadership in Sustainable Finance – two INFINZ Awards for Excellence in Institutional Banking for ‘Leading and Accelerating Sustainable Finance’ in 2020 & 2022, and two KangaNews Awards for the New Zealand Sustainability Debt House of the Year 2020 & 2021.¹¹

We are committed to supporting our business customers with a range of innovative sustainable finance solutions. By encouraging large and more complex borrowers to commit to innovative, ambitious and market-leading sustainability targets and enabling them to better incorporate sustainability into their balance sheets and strategies, we are raising the bar and growing a credible Sustainable Finance marketplace in Aotearoa. With our help, customers across a range of sectors have executed innovative and credible sustainable finance transactions, paving the way for many others to follow.

Growth in the local sustainable finance market.

In 2020, we set an ambitious target to enable \$10bn in sustainable finance by 2025.¹² We have enabled \$7.31bn in sustainable finance, comprising \$4.86bn of sustainable lending and \$2.45bn of sustainable bonds to 30 September 2022. Contributing to this target, Westpac has been mandated as Sole Sustainability Coordinator on more Sustainability-Linked loans than any other bank and established over a third of the Green and Sustainability Bond Programmes in Aotearoa.¹³



Supporting innovation and diversification in the market.

Westpac has brought new sectors to the market including airports with Christchurch International Airport’s Sustainability-Linked Loan, and the telecommunications sector with Spark’s Sustainability-Linked Loan.

We also continued to encourage and support our customers to be innovative in how they issue sustainable debt, utilising various novel routes to market. Two examples of this include our work with both Genesis Energy and Christchurch City Holdings. We supported Genesis Energy to align its Sustainable Finance Framework, Green Bond and Sustainability-Linked Loan to the Climate Transition Finance Handbook, a first for Aotearoa (and the fifth in the world). We also supported Christchurch City Holdings to obtain the first exemption from the Financial Markets Authority to issue a Sustainable Bond without a new Product Disclosure Statement. This paves the way for other issuers to bring sustainable finance to market with full investor disclosure but without the regulatory hurdle of a new Product Disclosure Statement.

Increasing sector capability and development.

Westpac is helping to accelerate progress towards a sustainable and equitable financial system in Aotearoa. Having played a seminal role in the creation of the Sustainable Finance Forum’s 2030 Roadmap for Action (November 2020), Westpac has also driven the formation of Toitū Tahua, the Centre for Sustainable Finance to implement the Roadmap. Westpac is a founding sponsor of the Centre, committing capital and resource to shore up its success.

¹¹ There were no INFINZ awards for Sustainable Finance in 2021; The New Zealand Sustainability Debt House of the House is awarded retrospectively. As at 30 September 2022, the latest titles were awarded in 2022 for 2021 performance.

¹² This is a cumulative target which comprises (a) \$5bn for lending to climate change solutions, \$700m lending for healthy, affordable and social housing, and other environmental, social and sustainability-linked lending (building on Westpac’s FY20 exposure), and (b) facilitation of sustainable bonds (for customers and Westpac New Zealand treasury) by Westpac Banking Corporation (acting through its New Zealand Branch) from 1 October 2020 to 30 September 2025. All lending will meet the eligibility criteria set out in the international sustainable finance principles. Our targets are a total commitment, measuring the cumulative flow of capital to support New Zealand becoming a net-zero emissions society.

¹³ Of the seventeen Sustainability-Linked Loan borrowers to 30 September 2022, Westpac has structured targets for six of them as Sole Sustainability Coordinator: Spark, Genesis, Pāmu (Landcorp), Christchurch International Airport, The Warehouse Group and Contact Energy; Of the sixteen Green and Sustainability Bond Programmes announced to 30 September 2022, Westpac has structured six of them including: Goodman Property Trust (through GMT Bond Issuer Limited), Genesis Energy, Christchurch City Holdings, Meridian Energy, Metlifecare and Westpac New Zealand. Westpac was also the Green Bond Advisor for Transpower’s inaugural Green Bond in June 2022.

SUSTAINABLE FINANCE CASE STUDIES

BONDS

Goodman Property Trust

Goodman Property Trust is a leading real estate investment entity focused on the built environment and the delivery of sustainable property solutions for its customers. In April 2022, Westpac supported GMT Bond Issuer Limited (Goodman), a wholly owned subsidiary of Goodman Property Trust, as Arranger, Sole Green Bond Coordinator and Joint Lead Manager to issue its inaugural 5-year Green Bond for \$150m. Proceeds from the Green Bond issuance will be notionally allocated to develop five new properties that have been verified as targeting a New Zealand Green Building Council 5 Green Star Design and/or Built rating.

Transpower

Demonstrating leadership in its industry, Transpower was the first national grid operator to obtain Climate Bonds Initiative (CBI) certification of its Green Financing Framework and Green Debt Programme, including its \$175m inaugural Green Bond issued in June 2022, under the CBI Electrical Grids and Storage Criteria. In doing so, Transpower evidenced it met both the rigorous mitigation and adaptation and resilience criteria established by the Climate Bonds Standard and established a path for others to follow. Westpac supported Transpower as Green Bond Advisor and Lead Manager for this inaugural Green Bond.

LOANS

Britomart Group

The cornerstone of Britomart Group’s business philosophy is to endeavour to make decisions with the assumption of long-term ownership and stewardship so it can focus on creating positive environmental, social and economic outcomes for its Britomart Community. Further amplifying this commitment, in September 2022, Britomart Group

mandated Westpac as Sole Sustainability Coordinator and Facility Agent to establish its Green Borrowing Programme and convert its loan facilities into Green Loans. In doing so, Britomart Group commits to notionally allocate the Green Loan proceeds towards properties with high environmental performance and green building certification levels which target a minimum rating of at least Green Star 5 Design and/or Built rating and/or a NABERSNZ 4 Star rating.

Metlifecare

In December 2021, Metlifecare became the first operator in the Australasian retirement village and aged care sector to be fully debt funded by sustainable financing through its Sustainability Bond and Sustainability-Linked Loans. Metlifecare’s \$1.25bn Sustainability-Linked Loan marks New Zealand’s largest Sustainability-Linked Loan. The Sustainability-Linked Loan included targets to address New Zealand’s aging population and the growing need for dementia care, as well as constructing quality villages with a low environmental impact, meeting the highest rating achievable under the New Zealand Green Building Council of Green Star 6.

Christchurch International Airport

Christchurch International Airport successfully completed the re-financing on an existing debt facility with Westpac in December 2021, at the same time converting this into its first Sustainability-Linked Loan. This is the first step in Christchurch International Airport taking the opportunity to incorporate its ambitious sustainability targets into its financial strategy. The Sustainability-Linked Loan means the financial terms of the Westpac loan are linked to whether the airport achieves its ambitious goals for carbon reduction, renewable energy generation on its campus and energy efficiency, whereby Christchurch International Airport received lower funding costs where targets are met, and higher premiums where they are not.

Supporting innovation in decarbonisation.

In 2022 the Westpac NZ Government Innovation Fund granted \$1.075 million to four projects aimed at decarbonising Aotearoa. The four projects are:

1. Daisy Lab: Creating dairy-identical proteins through fermentation using microbes
2. Seagrass Restoration: Cawthron Institute are developing a blueprint for seed-based seagrass restoration
3. Students decarbonising schools (Auckland Council): Supporting the next generation of climate innovators to create change in schools
4. Infrastructure Sustainability Council: The development and roll out of a globally recognised sustainability performance standard for smaller (<\$100m) infrastructure projects in Aotearoa and around the globe.

The Innovation Fund is jointly governed by Westpac and the New Zealand Government. It seeks to fund a select number of initiatives each year that are difficult to



finance through conventional means and drive meaningful outcomes for New Zealanders. By making funding available in support of innovative ideas it can accelerate positive change for all New Zealanders.

The Fund is now evaluating applications for its next intake focused on innovative solutions for bringing quality homes within reach of more New Zealanders.

“We want to help our funded partners innovate and take their initiatives from ‘just an idea’ to a successful proposition, effecting meaningful change.”

SIMON ROGERSON
DIRECTOR OF THE WESTPAC NZ
GOVERNMENT INNOVATION FUND

Setting a new standard in sustainable events to spur big change in business.

We were proud to support the annual Climate Change and Business Conference as the Foundation Sponsor. The in-person event, held at Auckland’s Aotea Centre over two-days in September 2022, attracted a record breaking 500 delegates and focused on concrete action taken by businesses towards net-zero by 2050.

Westpac was excited to showcase our capabilities in sustainable finance at this event with a panel session focusing on sustainable finance .

“Aligning financial flows with low-emission, resilient development pathways is now more critical than ever to set Aotearoa up for a prosperous future. We’re pleased to be working together with big businesses to help make that happen.”

JOANNA SILVER
HEAD OF SUSTAINABLE FINANCE

We also hosted our annual Sustainable Finance Summit in November attended by over 260 people including issuers and investors, engaging in a broad dialogue on the role of sustainable finance to support issuers to play their part in the climate transition and address broader sustainability challenges.

Joining the Net-Zero Banking Alliance.

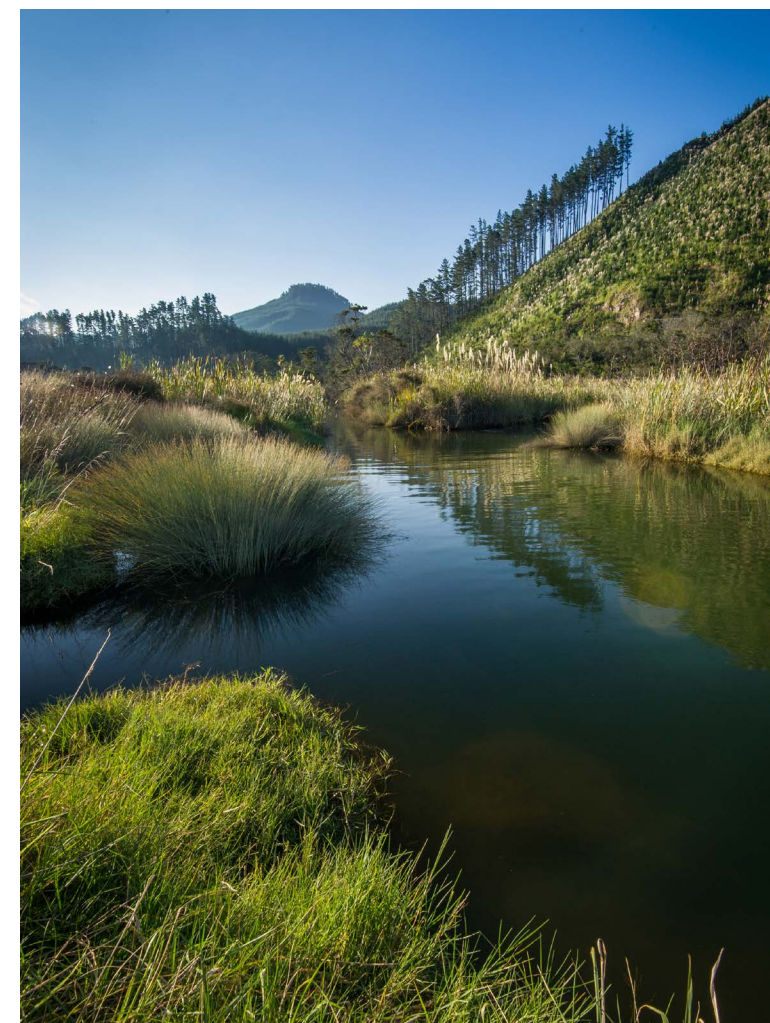
We were proud for Westpac Group to become a member of the UN-convened Net-Zero Banking Alliance, which was launched in 2021. It now unites more than 100 banks from 41 countries representing about 40% of global banking assets in their commitment to aligning their lending and investment portfolios with net-zero emissions by 2050.

It signals our strong commitment to addressing environmental issues and integrating sustainability concerns into mainstream financial decision-making, especially in the way we lend.

Westpac Group has set sector emissions targets that apply to Westpac New Zealand, spanning power generation, upstream oil and gas, and cement production. Other sector targets will be announced in future. Westpac New Zealand undertake an annual assessment of our financed emissions by calculating the proportion of our customers’ emissions that are attributable to our lending. We are now working on improving the accuracy of this data to help us target our lending toward initiatives that reduce our customers’ emissions. We believe that this is one of the most effective ways we, as a major lender, can support New Zealand’s transition to a low emissions future.

Our ongoing commitment to net carbon zero operations.

Westpac is proudly Aotearoa's first Toitū net carbonzero certified bank. In 2022 we continued to actively reduce our operational emissions, in line with our 2025 target, and maintained our Toitū net carbonzero certification by offsetting the remainder through the purchasing of New Zealand native permanent forestry carbon credits from Owenga Reserve and Tairua Forest through the Government-run Permanent Forest Sink Initiative (PFSI).



Challenges with reducing our operational emissions – pushing out into our Scope 3 emissions.

Scope 3 emissions extend the view of our emissions beyond our immediate operations and into aspects of our business we have less control over, but some influence on. As an example, we can't control the types of vans our courier contractors use but we can assert some influence by making their emissions part of our decision-making process when deciding which company we use.

Our operational Scope 3 emissions include:

- Purchased goods and services – e.g. the services we obtain from 3rd parties
- Business travel – e.g. the emissions caused by flying to meet a customer in another part of the country
- Employee commuting – how our employees travel to and from work
- Waste disposal – emissions from waste to landfill.

With Covid-19 restrictions easing, we expect some increases in our emissions profile. One of our biggest challenges has been striking the right balance between reconnecting with customers in-person and through video conferencing. Likewise, adjusting to working in our offices or remotely, using video conferencing to reduce employees travel while also attempting to maintain important connection and team culture.

We will be working in the next 12 months to ensure that we are reducing our emissions through initiatives to optimise our employees travel and the energy efficiency of our buildings. We will also be working to improve our understanding of upstream value chain emissions and engaging with our suppliers on their sustainability journey.

Understanding our Financed Emissions

Compared to most businesses, banks generally have a relatively small operational emissions footprint. However, through their lending and procurement banks' influence

reach well beyond the doors of their branches and corporate offices. Understanding the emissions-intensity of our lending, also known as Financed Emissions, is therefore a key focus for Westpac.

This year we undertook a full assessment of this portion of our Scope 3 emissions, engaging external partners to estimate our customers emissions and our attributable share of those. This helps us to understand our climate-related financial risks, as emissions-intensive customers are more likely to be affected by the necessary transition to net-zero. Additionally, the insight gained from this assessment helps us to target our lending at sectors and customers that need capital to rapidly cut their emissions.

The assessment showed that over 60% of Westpac's Financed Emissions are attributable to our agricultural customers. This is one of the reasons we focus our sustainable finance efforts on this sector, piloting an innovative solution based on the Sustainable Agriculture Finance Initiative (SAFI).

A guiding light for an uncertain future.

As a bank, climate risk is financial risk. We take our responsibilities seriously when it comes to improving our understanding and disclosure of climate-related risk.

We were the first bank in Aotearoa to disclose our climate-related risk which has culminated in the production of an annual [Climate Risk Report](#) every year since 2020, based on the recommendations of the Taskforce for Climate-Related Financial Disclosures (TCFD).

These disclosures built on our 2018 [Climate Change Impact Report](#), which looked at different scenarios for Aotearoa to transition to a low carbon economy. We will be working to ensure that future disclosures align with New Zealand Climate-related Disclosures regime and the External Reporting Board's reporting standards. Early action is better for everyone, helping us avoid the increased costs and negative impacts on society from disorderly transitions caused by delayed decarbonisation.





MANAAKI TE TĀNGATA

Care for people



Waiho i te toipoto, kaua i te toiroa

Let us keep close
together, not wide apart.

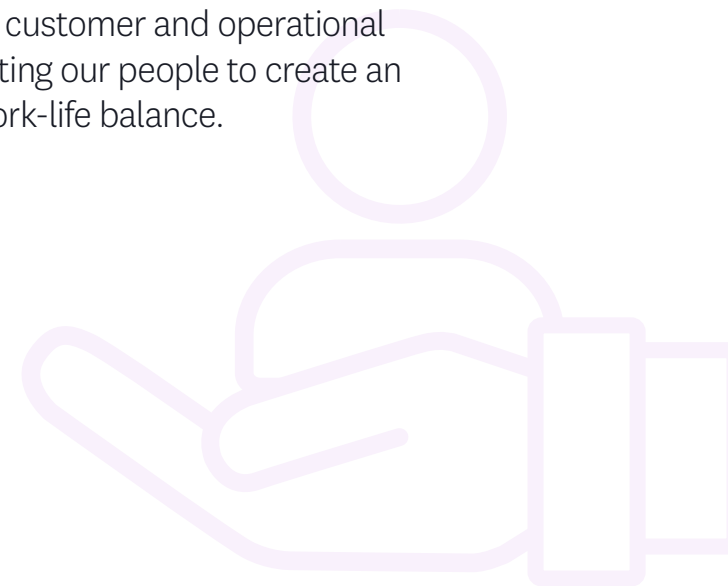
We know we are stronger and greater together. When we move forward as one, we create an inclusive environment where we can celebrate each other's differences and feel safe. As a cohesive, caring community, we are better able to reach goals faster and create aspirational, brave change together.

At Westpac, care and inclusion are at the heart of everything we do.

We care deeply about providing fairer access and greater opportunities for all. We celebrate diversity and are committed to enriching our own cultural understanding to build trust and authentic connection.

We were particularly encouraged to see more of our employees increase their understanding of te reo Māori and tikanga this year, helped in large part by our new employee app, Whanake Tū.

With Covid-19 disruptions persisting through much of the year, we continued to embrace flexible working in 2022. This strongly supports the availability and utility of flexible work practices, which meet customer and operational requirements, while supporting our people to create an effective and sustainable work-life balance.





An inclusive culture and diverse leadership:

Increase the cultural diversity of our leadership teams.

Target:

- Set a cultural diversity in leadership target.

Performance against target:

- Work to collect data is ongoing, with targets to be set within the next 6-18 months.

How we're helping create thriving local communities and a workforce and society where everyone feels valued.

Key activities/initiatives in 2022:

- Ongoing commitment to gender equality through leadership representation (53.5% Women in Leadership) and addressing our gender pay gap (27.4% as at 30 September 2022)
- Our This is Me diversity and inclusion survey resulted in a 74% inclusion score and gave us some great insights into the diversity of our Westpac whānau
- Supported rangatahi professional development through our Youth Network Employee Action Group, Igniting Futures programme and Te Waiu O Aotearoa Tertiary study scholarships
- Continued support of people with accessibility needs through our Be.Lab mentoring and internship programme, providing hands-on corporate experience and opportunities to transition to permanent work
- Re-launched our Women of Westpac Employee Action Group, with a new mentoring programme.



Challenges:

- Progress on this target has been delayed due to challenges in collecting sufficient employee data in line with best practice
- Diversity and inclusion initiatives are driven by our strong and highly engaged Employee Action Groups. Our challenge is to enable effective embedding of those initiatives within our organisational operating rhythms over the long term.

What we have planned for 2023:

- Through FY23 we will continue to focus on maintaining our proportion of Women in Leadership and reducing our gender pay gap. We will also integrate diversity and inclusion questions into our organisational culture survey, helping us to better understand the diversity of our Westpac whānau and their experiences at work
- We'll continue to leverage partnerships with accrediting bodies (e.g. YWCA GenderTick, RainbowTick, Be Able, DVFREE Tick) to demonstrate inclusion practices and grow our talent pools, with a particular focus on growing our Māori talent pipeline to better reflect the communities we serve.



Thriving communities:

Improve the financial, environmental, and mental wellbeing of our communities through partnership, volunteering and sponsorships.

Target:

- 1% pre-tax profit invested in communities by 2025.¹⁴

Performance against target:

- 0.57% (\$8.26m) in 2022.

Key activities/initiatives in 2022:

- Westpac team members volunteered 11,133 hours in our local communities
- \$88k donated by Westpac via employee gift matching to 67 charities through Givealittle
- Through our partnership with Shine, we help ensure their helpline is available for people experiencing family or domestic violence.



Challenges:

- As with our supplier diversity and social housing targets, community investment has not been wrapped into existing governance, or being managed within its own governance structure. This has meant that initiatives may not be prioritised to help progress us towards our community investment target
- Our volunteering and community efforts have been affected by Covid-19 interruptions and by our need to support and enable our people to take their volunteering leave during busy periods, including those teams with less resource to cover periods out of office i.e. frontline staff
- Achievement of target partly relies on level of profit so this needs to be monitored closely to ensure we meet spending requirements.

What we have planned for 2023:

- Governance of our community investment target is a key focus for FY23. By ensuring this target receives the spotlight with key leaders within the business we will be able to prioritise and progress initiatives. Concurrently, we will be completing research to help us determine where our customers, our people, and our stakeholders want us to invest for impactful change
- In FY23, our people will be empowered to take two days per year to volunteer in their communities, choosing to spend their time on community events that are important to them. We have also implemented additional volunteer days for our trained Managing Your Money facilitators, allowing them five days to volunteer in workplaces, community groups, and schools with our financial wellbeing material. Prior to mid-November, 2022, our people have had one day of paid volunteering.

¹⁴ Community investment is made up of: monetary contributions (charitable gifts, matched giving and community partnerships), time contributions, in-kind gifts and donations, and management costs. It excludes commercial sponsorships.



Healthy and affordable homes:

Integrate social and environmental factors into our finance offerings for housing.

Target:

- **\$700m** in lending to healthy, affordable and social housing from 2021 - 2025.

Performance against target:

- **\$677m** to date.¹⁵

Key activities/initiatives in 2022:

- As at 30 September 2022, Westpac had provided \$42m across 4,767 Westpac Warm Up loans*
- First major bank to support housing loan scheme on leased land in Queenstown with the Queenstown Lakes Community Housing Trust.

Challenges:

- Increased cost of living, interest rates and construction costs limit customers' ability to purchase a property in their community of choice
- Lack of dedicated operational and management resources prevents scaling innovative and specialised housing offerings such as shared equity or leasehold, given the unique features of individual schemes and community needs.

What we have planned for 2023:

- Increase the uptake of Westpac Warm Up loans (target \$100m)*
- Continue to expand our specialist housing offering by supporting more innovative ownership schemes
- Westpac NZ Government Innovation Fund will be investing up to \$1m into housing with their funding round launched at the end of FY22 focused on 'Bringing quality homes within reach of more New Zealanders'.



¹⁵ This target is included within our other target, Enable \$10b in sustainable finance by 2025.

Providing extra care for our customers when they need us most.

Although banks have been supporting customers in Aotearoa for over 160 years, we've mainly focused on more general segments like homeowners and established business owners. Those on the margins haven't been deliberately excluded, but they've often been overlooked.

At Westpac, our specialist Extra Care team is charged with understanding how we can better support our communities and ensure our services are inclusive for all. We have a long road ahead of us, but we're working hard to be more inclusive.

As a bank, we have a unique opportunity to help people through all stages and key moments in their lives – this includes the highs and the lows. While all our people are trained to have an extra care mindset, our specialist Extra Care team actively work to engage with complex customer needs, driving initiatives that will make impactful change to larger customer groups, and improving our processes so they are inclusive for everyone.

The Extra Care team have grown from a team of two to ten within this last year, giving us the opportunity to focus on customers experiencing vulnerability more than ever before:

- The Extra Care team have supported 4,302 New Zealanders who are at high risk of financial exploitation and exclusion
- 407 of these were complex escalations, which is four times more than in 2021. Our highest escalations revolved around domestic violence, dementia/elderly confused, and mental illness
- This year we also piloted a Financial Wellbeing and Community Outreach Manager role, focused on connecting with vulnerable communities who need support to overcome various barriers on the journey to financial wellbeing.

Increasing our impact.

Last year we piloted an initiative to open accounts for prisoners ahead of their release. This year the New Start initiative between Westpac and Ara Poutama Aotearoa Department of Corrections makes it easier for even more people who have served their time to reintegrate into the community. Our New Start initiative has now been embedded within our business process, and all 18 Corrections sites can engage with us to help achieve greater outcomes for released prisoners. Prisoners across New Zealand can obtain correct ID and apply to open a bank account ahead of their release.

“I’m so impressed with the work Westpac has done with us and the support they are providing to the men. Being able to do something like opening a bank account just removes so many barriers.”

TRACEY NEILSON-FRENCH
CASE MANAGER – TONGARIRO PRISON

The success of this initiative has allowed us to identify that there is significant unmet need across many different customer groups. This allows us the opportunity to widen our programme. As a next step we have started work with Oranga Tamariki to support rangatahi in the foster system to open bank accounts.

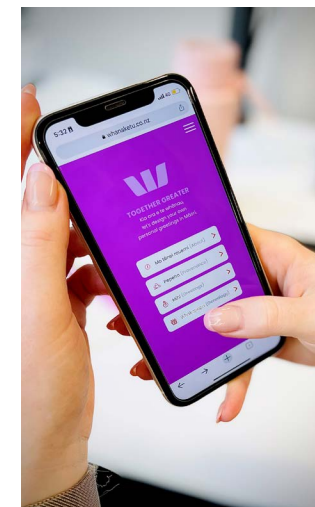


WESTPAC, CORRECTIONS, AND TONGARIRO PRISON REPRESENTATIVES AT TONGARIRO PRISON

Growing the cultural confidence of our people.

At Westpac we realise we have an opportunity to better engage with and learn from the communities we serve. Although our journey supporting our people to understand Aotearoa's unique cultural heritage is far from over, we are continuing to support our people to grow their cultural confidence and deepen their understanding of te ao Māori.

Our partnership with Auckland University of Technology has provided us with the guidance and support for this journey. To this end, we launched a new app, Whanake Tū, in time for Matariki. The app has the tools to support our people to be confident when hosting or being hosted. Our next step is providing te reo Māori and tikanga lessons to then be able to practice with others.



“People once feared using the language. It’s been an honour to watch them grow in knowledge and confidence and creating a safe space for them to do so. It’s a big journey in humility – allowing yourself to be led.”

FONTEYN MOSES-TE KANI, POUTIAKI
DIRECTOR OF MĀORI STRATEGY & INDIGENOUS INCLUSION

Scholarships pave the way for careers in banking.

The Te Waiu o Aotearoa Trust Scholarships, administered by Westpac, are designed to financially support Māori students who are actively involved with their Iwi and Māori communities, to pursue studies in economics, business and banking.

In 2022, four scholarships worth \$5,000 each were awarded to students attending tertiary institutions across the country.

One of this year's scholars, Metiria-Hinekorangi Doyle, is in her second year of a conjoint Bachelor of Law and Commerce, majoring in Finance and minoring in Economics at Victoria University.

“Personally, it was very difficult going into my second year while also working part time because the university workload increases. This scholarship means that I can now actually focus on my papers instead of working.”

METIRIA-HINEKORANGI DOYLE



Making home ownership a reality for more New Zealanders.

We know that home ownership can help New Zealanders develop a deep sense of belonging, as well as providing financial security. As a lender, we have a big role to play in making the dream of home ownership a reality. In 2022 we focused on education for first-home buyers through year-round online and in-person workshops. At the same time, we evolved and expanded our affordable housing initiatives.



Our ongoing work with Kāinga Ora

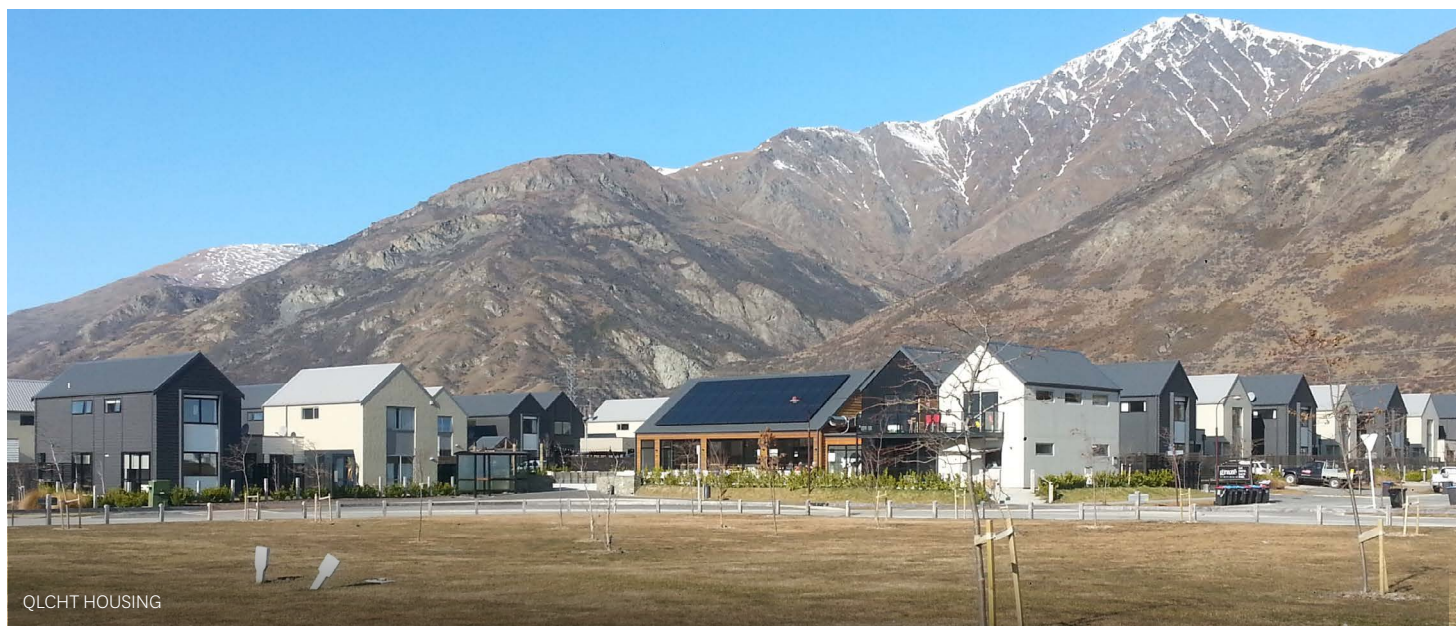
Westpac has continued to work with Kāinga Ora to deliver a shared equity model that is helping more New Zealanders to purchase their own homes.

Under the First Home Partner product, eligible homeowners can apply to Kāinga Ora for an equity contribution of up to 25% of the purchase price or \$200,000, whichever is lower, on a new home before approaching the bank for lending. In July 2022, the model was amended to remove caps on house prices (previously there were regional house caps applied which meant customers were restricted to certain home values). A new income cap category was also introduced.

New housing initiative in Queenstown

In July 2022 we launched our partnership with the Queenstown Lakes Community Housing Trust (QLCHT) housing scheme.

The QLCHT provides leasehold ownership opportunities to participants who are unable to afford to purchase a freehold home. Westpac will support participants by financing the purchase of the lessee's interest with a standard Choices home loan.



Fostering connection in a caring and inclusive culture.

The people of Aotearoa hail from many cultures and backgrounds, and have a wide range of values, skills and experiences. Westpac draws on this enormous talent pool to cultivate a team that is rich in ability and empowered to reach its full potential. A survey completed in May, 2022, showed that we're an incredibly diverse workforce with 39% identifying as culturally diverse, 44% multilingual and 8% identifying with a diverse gender and/or sexuality.

Our teams and Diversity and Inclusion Employee Action Groups create opportunities for development and connection through a broad range of internal and external initiatives.

In 2022, we:

- Continued to support those with accessibility needs through our Be.Lab mentoring and internship programme, providing hands-on corporate experience and opportunities to transition to permanent work
- Collaborated with Rainbow Tick to deliver Rainbow Literacy 101 workshops to grow greater Rainbow awareness with our leaders, along with making improvements to our learning offer which we delivered to more than 200 employees
- Continued to support rangatahi professional development through our Youth Network Employee Action Group, Igniting Futures (School Leavers) programme, and Te Waiu O Aotearoa Tertiary study scholarships.

Wellbeing for everyone.

We know that when our people are supported with their own wellbeing, they are in a better position to support our customers. In October, 2021 we introduced Wellbeing Leave to acknowledge the challenges our people had faced through the Covid-19 pandemic. This took the form of five additional days of leave for people to use as they wish, with encouragement to use them for things that nurture their own wellness or that of their families and communities. The extra provision is now delivered year on year and over 4,500 employees are benefiting.

“As a working mum, I tend to put everyone else first. I use my annual leave to cover school holidays and sick leave if I am unwell. Having the option to take a wellbeing day gives you the opportunity to do something that makes you feel happy and good about yourself – guilt free!”

TIFFANY RYAN
CHIEF OF ENTERPRISE RISK

We have also applied what we learnt during the Covid-19 pandemic to support our people in achieving balance in their lives, including working within a hybrid model. We continue to ensure our people feel supported, connected and able to meet the needs of our customers, whether that is from one of our branches or offices, or from their own home office or living room.

Supporting women into leadership.

We re-launched our Women of Westpac Employee Action Group and a new mentoring programme to support the growth and development of emerging female leaders within our organisation. The programme, with over 100 mentoring pairs, matches women in the early stages of their careers with women in senior leadership roles. They will work closely together over a six-month period to help mentees progress their career development plans.

In 2022, we were also a Founding Partner of Mentor Walks in Auckland, with Pip Greenwood, Catherine McGrath and Tania O'Brien representing Westpac as mentors. Mentor Walks gives women access to female leaders to connect, talk, and share their experiences during an early morning walk.

We have also worked hard to champion gender equality at Westpac and were delighted to win the Supreme Award at the last Women's Empowerment Principles' White Camellia awards. These awards celebrate organisations that are taking positive steps to ensure Aotearoa's workplaces are fair, equal, and offer the opportunity for all to succeed.



MENTOR WALKS IN AUCKLAND

Our ongoing commitment to gender equality.

Gender pay gap.

The gender pay gap is the gap between the median pay of men and women across all roles in an organisation. With focussed attention, the gender pay gap at Westpac is improving consistently over the years. As at 30 September, 2022 it is 27.4%, down from a gap of 28.5% in 2021 (and 29.1% in 2020).

We believe our gender pay gap largely reflects historical characteristics which are common to our industry. Traditionally, in banking, management roles were predominantly filled by men, and front-line service roles by women. Despite our efforts to promote balance in recent years, including growing more than half of our leaders to be women, a disparity remains.

Our gender pay gap includes all pay for all employees, including base pay, bonuses, overtime and superannuation. We think this is the fairest and most honest measure of the pay gap for our organisation.

The national gender pay gap is 9.2%, according to figures published by Statistics NZ in August 2022, a figure that does not include superannuation. If we followed the Statistics NZ methodology, our gender pay gap in September 2022 is 26% (26.8% as of 30 September 2021 and 26.2% as of 30 September 2020).

Closing the gap.

In 2019 we made a range of commitments towards closing the gender pay gap, including reporting annually on our gap, addressing the gender imbalance in branch and contact centre roles, and continuing to detect and address any disparities in pay equity. We have also pledged to increase the proportion of our top three tiers of management who are women to 50% by 30 September 2025. (This figure was 37% in 2019, rose to 47% in 2021 and is now at 44%).

What are we doing?

- Continue to publish a comprehensive annual gender pay analysis
- Increase the proportion of our top three tiers of management who are women to 50% by 30 September 2025
- Continue to detect and reduce any disparities in pay equity
- Address the gender imbalance in branch and contact centre roles
- Regularly review related policies and processes to ensure they support gender pay
- Increased our paid parental leave to 100% of an employees pay for 26 weeks (topped up after the government parental leave payments)
- Applied for YWCA Gender Tick accreditation (achieved in March 2020) and work with other organisations that hold the Gender Tick on gender pay best practice.

Bumper Chopper Appeal helps keep our rescue helicopters flying.

Westpac's support of New Zealand's rescue helicopter trusts has been keeping communities safe for four decades. In May we delivered one of our strongest ever Westpac Chopper Appeals raising more than \$1.28m for the 15 regional rescue helicopter trusts.

The choppers provide a vital service to New Zealanders in times of need, flying nearly 10,000 missions and saving countless lives in 2021. The Westpac Chopper Appeal is an action-packed month of employee-led fundraising activity to support these missions. It continues to be a unique way of bringing our people and communities together.



The 2022 Appeal included many unique fundraising events, including:

- Westpac Chopper bike ride from Queenstown to Invercargill raising **\$46,000**
- 10th annual Matamata Branch quiz night raising over **\$30,000**
- 17-year-old endurance swimmer Caitlin O'Reilly completing a double-crossing of Lake Taupo, raising **\$7,700**

A huge thank you to everyone who took part in the events, helped raise funds, or donated to this important cause.

Caring for communities across the country.

Aotearoa can only thrive when our communities are thriving. Westpac has a footprint in almost every community and had another big year of supporting people and helping them succeed. Highlights included:

- Inspiring young people to be the best they can be and handing out more than 2,000 balls through our partnership with iSPORT Foundation
- Mental health ambassador Sir John Kirwan visiting flood-affected locals in Buller, and unveiled a stunning new mural with Māia Health Foundation at Christchurch's child and youth mental health outpatient unit

- As the foundation partner of BLAKE, helping them take their NZ-VR school programme nationwide to educate our rangatahi about our precious marine environment
- Ambassador Richie McCaw fronting our Rescue Rashies campaign, which aims to keep kids safe around the water
- Supporting Pūkaha National Wildlife Centre to provide a sanctuary for precious native species
- Providing insights and inspiration to our SME customers through our Westpac Business Smarts partnership with local Chambers of Commerce.

Modern slavery reporting and legislation.

Annually, Westpac New Zealand also contributes to Westpac Group's annual [Modern Slavery Statement](#) (included within their annual reporting suite). Collectively, we recognise that we have a responsibility to respect human rights, and identify opportunities to positively impact human rights, across our operations and supply chain. Modern slavery legislation is not yet in place in New Zealand, however consultation on proposals closed in June 2022, and Westpac New Zealand contributed to an industry submission through the New Zealand Banker's Association.



MENTAL HEALTH AMBASSADOR SIR JOHN KIRWAN

KO NGĀ PAE TAWHITI WHĀIA KIA TATA, KO NGĀ PAE TATA, WHAKAMAUA KIA TINA

The potential for tomorrow depends on what we do today.

As we stand in this place, we are reminded to always look forward, to consider where we are and where we are going, and to appreciate the opportunity we have to make a positive impact on all we touch.



APPENDIX

ABOUT WESTPAC NEW ZEALAND

As a large New Zealand business and employer, Westpac New Zealand Limited touches the lives of more than 1.3 million customers, over 5,000 employees, and many communities and businesses nationwide.

We've been serving New Zealanders since 1861 and are one of the country's largest full-service banks.

We provide a comprehensive range of retail and commercial financial services, including home lending of \$63.8b, business lending of \$32.2b, and investment management.

As the Government's bank, we also provide banking services to more than 200 entities including 40 government agencies.

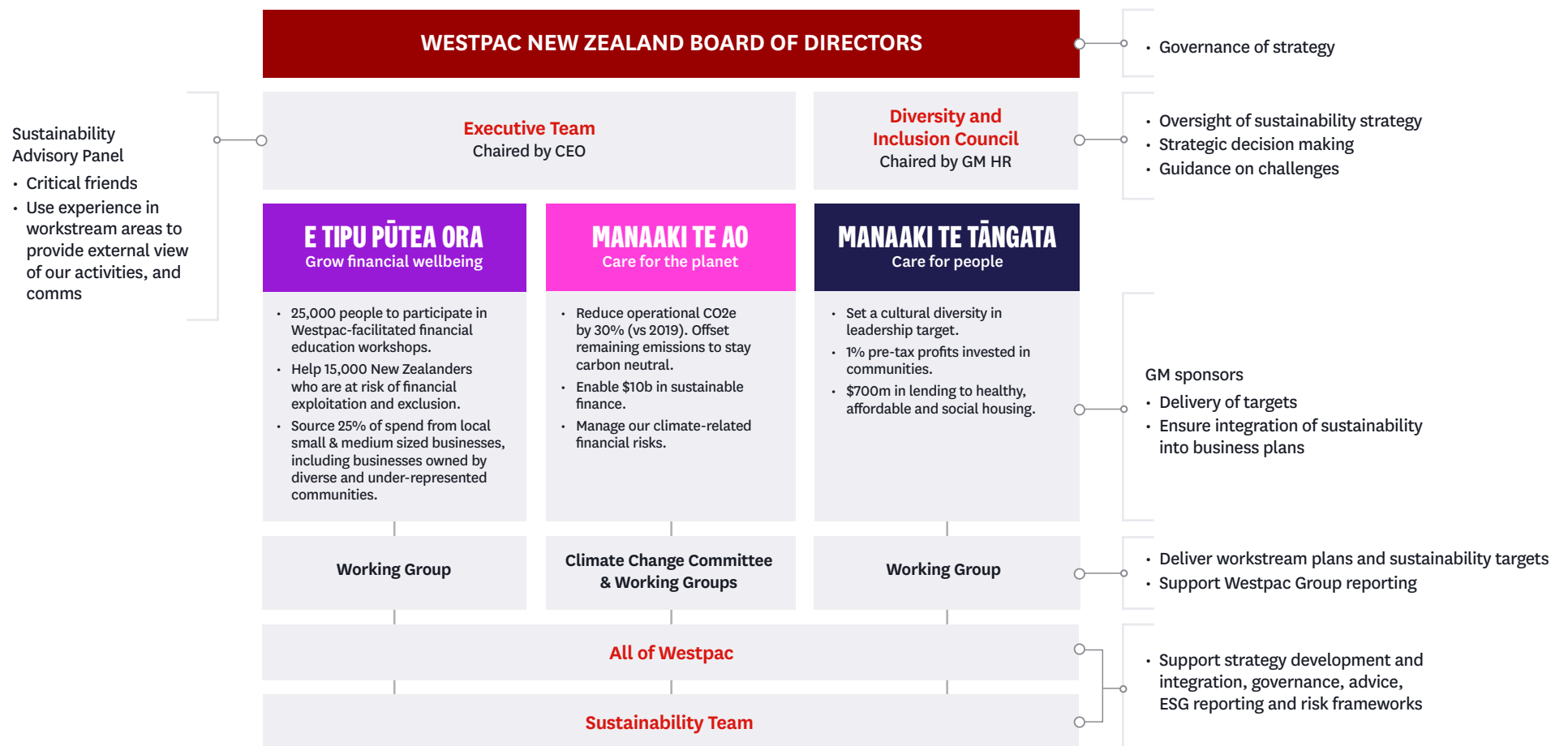
We support Aotearoa in a range of ways beyond our core business and are focused on helping solve some of our country's biggest long-term challenges.



SUSTAINABILITY GOVERNANCE

Westpac’s sustainability governance helps us make sure sustainability is overseen at the highest levels of our organisation and embedded throughout our everyday operations. Our strategy is overseen by our Executive team including our CEO. Each focus area and target is sponsored by an Executive team member.

Our Sustainability Advisory Panel provides an outside perspective to Westpac and is a group of sustainability leaders who independently advise, and provide oversight and critique of our sustainability performance via meetings with Westpac’s Executive team and Board. The Panel is chaired by Abbie Reynolds and includes Alistair Davis, Emeline Afeaki-Mafle’o, Rangimarie Hunia, Sam Johnson and Shruthi Vijayakumar.



GRI CONTENT INDEX

Westpac has reported the information cited in this GRI content index for the period 1 October 2021 to 30 September 2022 with reference to the GRI Standards.

GRI STANDARD DISCLOSURE	DISCLOSURE	DESCRIPTION AND/OR PAGE NUMBER
Organisational profile	2-1-a	Legal name of the organisation Westpac New Zealand Limited
	2-6-a	Operations Full-service bank with retail and commercial financial services including home and business lending, funds management and government banking services
	2-1-c	Head office 16 Takutai Square, Auckland, New Zealand
	2-1-d	Country of operation New Zealand
	2-1-b	Legal type of entity Limited liability company
	2-1-d	Markets served New Zealand
	2-1-d	Scale of the organisation National
	2-7-a	Workforce 5,070 (FTE) employees
Strategy	2-22-a	CEO statement Page 3
Ethics and integrity	2-22-a	Values, principles, standards Page 6 – see Sustainability Strategy
Governance	2-9-a	Governance Page 41
Stakeholder engagement	2-29-a	Stakeholders Materiality Page 7
		Key topics raised through stakeholder engagement Materiality Matrix Page 7
Reporting practice	2-2-a	Entities included Westpac New Zealand Limited Westpac Banking Corporation – NZ Branch BT Funds Management (NZ) Limited
	2-2-a	Basis of report content Materiality Page 7
	3-2	List of material topics Materiality Page 7
	2-3-a	Report period 1 October 2021 to 30 September 2022
	2-3-c	Report date November 2022
	2-3-a	Reporting cycle Annual
	2-3-d	Contact information sustainability@westpac.co.nz
	GRI context index This page	

MATERIAL TOPICS	RELATED INDICATORS		
Economic	201-2	Financial implications and other risks and opportunities due to climate change	Managing the risks and opportunities of climate change Climate Risk Report linked into SR Pages 20-26
Environmental	305-1	Greenhouse gases (GHG) emissions Scope 1	Page 44
	305-2	GHG Scope 2	As above
	305-3	GHG Scope 3	As above
	308-1	New suppliers that were screened using environmental criteria	Page 9 material topic, Sustainable supply chain Responsible Sourcing Code of Conduct Embedding environmental, social and governance (ESG) considerations in the sourcing process including issues such as climate change, human rights, and modern slavery, to ensure sustainable outcomes for communities, customer and suppliers through purchasing decisions
Social	405-1	Diversity of governance bodies and employees	Providing a safe, welcoming, and supportive environment for our people, customers, and communities to succeed, regardless of their background Pages 29, 32 and 34
	413-1	Operations with local community engagement, impact assessments and development programmes	Supporting our customers in times of financial hardship and when they find themselves facing vulnerable circumstances Supporting communities and charity partners to help those in need, including in times of emergency, as well as initiatives to address complex societal and economic issues Pages 12, 15, 16 and 30-36

KEY BUSINESS DATA

	2022	2021	2020
BUSINESS			
Cash earnings (\$m) ¹	1,165	1,013	649
Number of customers (m)	1.37	1.32	1.34
Digitally active customers	891,865	865,054	844,348
Branches	115	116	143
Branches with 24/7 capabilities	81	72	69
ATMs	439	464	495
Smart ATMs (%)	43	36	36
Change in customer complaints from prior year (%)	-21.5	-9	+5.8
Total supply chain spend (\$m)	730	679	661
Employees (headcount)	5,447	5,035	4,436
Employees (FTE)	5,070	4,830	4,354
E TIPU PŪTEA ORA Grow financial wellbeing			
Financial education workshop participants	7,760	14,618	4,224
Number of people at risk of financial exploitation and exclusion helped	4,302	1,960	-
MANAAKI TE AO Care for the planet			
Sustainable Finance (\$b), towards our \$10b 2025 goal	7.31	3.44	-
Total operational emissions tCO ₂ e (tonnes of carbon dioxide equivalent) ²	4,658	4,960	6,014
Total Scope 1 emissions (tCO ₂ e)	988	1,315	1,420
Total Scope 2 emissions (tCO ₂ e)	1,615	1,730	1,764
Total Scope 3 emissions mandatory (tCO ₂ e)	740	996	1,828
Total Scope 3 additional emissions (tCO ₂ e)	1,314	919	1,003
MANAAKI TE TĀNGATA Care for people			
Funds raised for Rescue Helicopter (\$m)	1.28	1.1	.65 ³
Women in leadership (%)	53.5	51.9	50.4
Women as a % of the workforce	51	51	60.3
Gender pay ratio (%)	27.4	28.5	29.1
Employees completing unconscious bias training (%)	98.8	99.6	100
Community investment (\$m) ⁴	8.23	7.36	7.53
Community investment as a % of pre-tax profit	.57	.57	.79
Volunteering (value of hours in \$)	540,596	521,166	389,179
Lending to social and affordable housing (\$m), towards our \$700m 2025 goal	677	389	280

¹ Cash earnings are a measure of performance used by the Westpac Group, which adjusts statutory profit for any material items that do not reflect ongoing operations, items that are not considered when dividends are recommended and accounting reclassifications between line items that do not impact reported results. Cash earnings are not presented in accordance with Generally Accepted Accounting Practice ("GAAP") and are not audited or reviewed in accordance with International Standards on Auditing (New Zealand). Westpac New Zealand is a segment of Westpac Banking Corporation. The financial results of Westpac New Zealand Limited will be available in the Westpac New Zealand Limited Disclosure Statement, with a reconciliation between the two results also provided in the Westpac New Zealand Summary Financials section of the accompanying media release. Westpac New Zealand includes, but is not limited to, Westpac New Zealand Limited, Westpac Banking Corporation (New Zealand Branch), and BT Funds Management (NZ) Limited. Westpac Life-NZ- Limited was included in Westpac New Zealand until 28 February 2022 when the completion of the sale by Westpac Financial Services Group-NZ- Limited (a subsidiary of Westpac Banking Corporation) to Fidelity Life Assurance Company Limited occurred.

² Environmental year runs 1 July to 30 June. CO₂e results include all Westpac business units based in New Zealand. In 2019, we changed the way we measure and report carbon emissions, to align with the Greenhouse Gas Protocol (2004) and ISO 14064-1:2006 Specification as required by Toitū Envirocare, our carbonzero programme certifier, which also resulted in setting a new 2025 target.

³ Due to COVID-19, Westpac Rescue Helicopters had a fundraising shortfall in 2020. Westpac NZ donated an extra \$1m above the 2020 fundraising amount.

⁴ Community investment is made up of: monetary contributions (charitable gifts, matched giving and community partnerships), time contributions, in-kind gifts and donations, and management costs. It excludes commercial sponsorships.

We hope you enjoyed reading about our sustainability journey this year.
We encourage you to let us know what you think by contacting us at
sustainability@westpac.co.nz



**TOGETHER
GREATER**

Westpac New Zealand Limited.