

Taking action on climate change.



At Westpac we care about the environment and climate change is the biggest environmental issue we face. It is a major threat to New Zealand's economy and our wellbeing. But taking steps to tackle climate change also presents opportunities – for new technologies, new business models and new jobs. We believe the finance sector has a major role to play in helping New Zealand transition to a low carbon economy.

We specialise in minimising financial risks and maximising opportunities and we want to help our customers manage the transition. We also want to ensure capital investment flows to the parts of the economy where it is needed. We need to tackle this with urgency – the longer we wait the higher the cost and disruption we could face.

Faster development and uptake of clean technologies through our banking services is the most effective way we can help reduce the use of fossil fuels. That's why we've set green growth lending targets, are developing products that help customers reduce the upfront costs of cutting emissions and are reducing our own environmental footprint.

Our Principles.

The core principles that guide and inform our approach are:

1. A transition to a net zero emissions economy is required by 2050.
2. Economic growth and emissions reductions are complementary goals.
3. Addressing climate change creates financial opportunities.
4. Climate-related risk is financial risk.
5. Collective action, transparency and disclosure matter.

Westpac is the only New Zealand bank to regularly publish its lending exposures to both businesses providing climate change solutions and those involved in fossil fuel extraction and production and the first bank to make a market in the NZ Emissions Trading Scheme (ETS). We currently provide \$2bn in lending to companies providing climate change solutions (e.g. green buildings, forestry, green waste, low carbon transport) and our lending to fossil fuels has decreased by 60% since 2012 over the past five years to \$282m. Westpac has ceased lending to coal mining customers in New Zealand.

What will we do?

- 1. Reduce our own carbon footprint.**
Measure, reduce and report our footprint and encourage our customers, suppliers and employees to do the same.
- 2. Help Aotearoa take action on climate change.**
Build in climate change risk and opportunity into our lending and investment decisions, and help our customers, suppliers and employees take action on climate change.

By 2025 we will:

1. Reduce our operational emissions by 30% (2019 baseline).
2. Provide \$2 billion in lending to climate change solutions.