

HOW WE MANAGE SUSTAINABILITY

November 2021.



Sustainability governance.

Westpac New Zealand’s sustainability governance helps us ensure sustainability is overseen at the highest levels of our organisation and embedded throughout our everyday operations.

Our strategy is overseen by our Sustainability Steering Committee, comprised of our CEO, Executive Team and Chief Economist. Each focus area and target is sponsored by an Executive Team member.

The Westpac New Zealand Sustainability Advisory Panel is a group of independent advisors providing oversight and critique of our sustainability strategy via regular meetings with Westpac’s Executive team. The Panel is chaired by Abbie Reynolds and includes Alistair Davis, Emeline Afeaki-Mafle’o, Rangimarie Hunia, Sam Johnson and Shruthi Vijayakumar. In 2021 we welcomed two new members, Alistair Davis and Shruthi Vijayakumar and farewellled previous Chair Nick Main and Dr Jan Wright.

Key topics of Panel meetings in 2021 included **Westpac New Zealand’s 2025 Sustainability Strategy**, the integration of Te Ao Māori, climate risk, community impact, sustainable and affordable housing and ESG reporting. Annually, the Panel has a separate meeting with Westpac New Zealand’s Board to raise and discuss material sustainability issues.



Issues that matter.

We are committed to creating shared value – for our customers, our shareholders, our people and our communities. We do this through our core business, which is focused on helping our customers grow their financial wellbeing, and more widely by using our financial and economic expertise to generate positive economic, social and environmental outcomes for Aotearoa.

We manage our approach to sustainable business through a suite of **principles, policies and statements**.

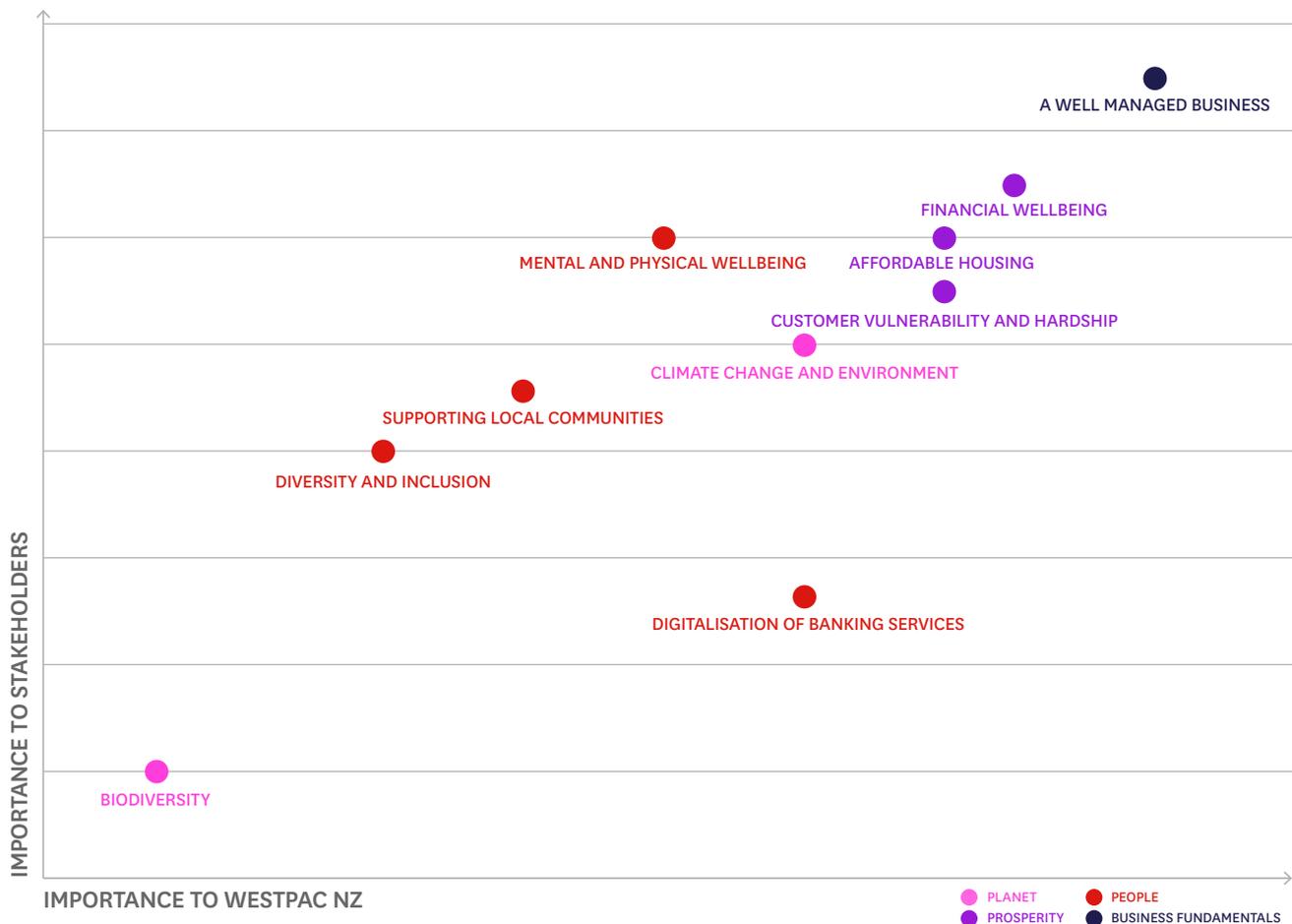
Identifying material sustainability issues.

We have identified a range of current and emerging risks and opportunities that may impact our stakeholders and business. As part of the Sustainability Report Materiality process, we conduct interviews with Westpac New Zealand Executives, senior leaders and external stakeholders to gather insights into material topics (risks and opportunities).

This feedback, together with an assessment of industry trends, internal reports and research feeds into Westpac New Zealand’s assessment of material topics, informing our strategic approach and guiding our reporting in line with internationally recognised sustainability standards and principles (e.g. Global Reporting Initiative and Principles for Responsible Banking).

This graph shows the 10 most material topics mapped by importance to Westpac New Zealand stakeholders and importance to Westpac New Zealand.

Westpac New Zealand 2021 - The issues that matter.



The table below maps our response to the material topics arising from our analysis. For each, references are provided to further information on each topic.

TOPIC	DESCRIPTION	HOW WE'RE RESPONDING
A well-managed business.	<ul style="list-style-type: none"> - Clear governance practices, active management of risk, commitment to compliance, and fair remuneration in our operations, supplier and partner relationships. - Maintaining a healthy financial performance and strong balance sheet. - Maintaining customer confidentiality and the security of our systems. - Focussing on improving corporate culture and outcomes for customers. 	<p>Robust governance structure and risk culture, tax and economic contributions to New Zealand and conduct and culture policies in place.</p> <p>Refer to:</p> <ul style="list-style-type: none"> • Our ESG dashboard. • 2021 Sustainability Report – Westpac at a glance.
Financial wellbeing.	<p>Helping improve the financial capability and resilience of New Zealanders.</p> <p>Ensuring financial inclusion.</p>	<ul style="list-style-type: none"> • Westpac employees facilitating financial education to their communities. • New Start pilot to help released prisoners open bank accounts. • Supporting digital inclusion through SeniorNet. <p>Refer to:</p> <ul style="list-style-type: none"> • 2021 Sustainability Report - Financial wellbeing.
Affordable housing.	<p>Enabling New Zealanders to access warm, dry and affordable housing.</p>	<ul style="list-style-type: none"> • Prebuilt home loan. • Working with Kāinga Ora to launch First Home Partner, a shared equity scheme to help more New Zealanders into their first home. • Westpac Warm Up interest-free home loan top up.
Mental and physical wellbeing.	<p>Helping our employees and the community take care of their overall wellbeing (mental and physical) and resilience.</p>	<ul style="list-style-type: none"> • Five days of Wellbeing Leave each year for Westpac employees. • Westpac ambassador Sir John Kirwan sessions on mental health. • Mentemia app partner. <p>Refer to:</p> <ul style="list-style-type: none"> • 2021 Sustainability Report - Resilience in an uncertain world.
Customer vulnerability and hardship.	<p>Supporting our customers in times of financial hardship and anticipating times when they can become vulnerable.</p>	<ul style="list-style-type: none"> • Customer COVID-19 support e.g. mortgage deferral. • Partnering with FinCap to connect customers to financial mentors. • Training our team to provide extra care to customers who may be affected by family and domestic violence. <p>Refer to:</p> <ul style="list-style-type: none"> • 2021 Sustainability Report - Resilience in an uncertain world.
Climate change and environment.	<p>Managing the risks and opportunities of climate change; supporting collaborative efforts to limit global warming, while also taking steps to help the economy and communities transition to low-carbon emissions and become more climate-resilient.</p> <p>Measuring and reducing our carbon emissions across our value chain, alongside managing material use.</p>	<ul style="list-style-type: none"> • Toitū carbonzero certified operations – measuring, reducing and disclosing our Scope 1, 2 and 3 mandatory operational emissions, and assessing emissions beyond our operations. • Assessing our climate change risk including physical (e.g. flooding, droughts) and transition risk (e.g. decarbonisation, consumer preferences). Refer to our 2021 Climate Risk Report. • Providing sustainable finance for climate change solutions e.g. World's first certified Green Loan for the shipping industry, Australasia's first Social Loan. Sustainability-Linked Loans for Pāmu, Genesis, The Warehouse Group and Summerset. <p>Refer to:</p> <ul style="list-style-type: none"> • 2021 Sustainability Report - Care for the Planet.

TOPIC	DESCRIPTION	HOW WE'RE RESPONDING
Supporting local communities.	Supporting local 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"> • Raising \$1.1M for Westpac Rescue Helicopters. • More than 7,500 hours in communities through our Volunteer Programme. • Our community partnerships such as supporting young people through iSport Foundation and BLAKE. • Supporting New Zealand communities through COVID-19. Refer to: <ul style="list-style-type: none"> • 2021 Sustainability Report – Care for people. • Partnership for prosperity and Resilience in a uncertain world.
Digitalisation of banking services.	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"> • Supporting our customers to transition to online and phone banking. • Partnership with SeniorNet to help older New Zealanders with digital banking. Refer to: <ul style="list-style-type: none"> • 2021 Sustainability Report – Financial wellbeing and Changing world of banking.
Diversity and inclusion.	Providing a safe, welcoming, and supportive environment for our people to succeed, regardless of their background.	<ul style="list-style-type: none"> • Measuring and encouraging women in leadership • Championing diversity through accreditations and Employee Actions Groups. • Undertaking an employee survey to determine the cultural makeup of our workforce. • Partnership with Amotai – purchasing from Māori and Pacific owned businesses. Refer to: <ul style="list-style-type: none"> • Our ESG dashboard (Accreditations and partnerships). • 2021 Sustainability Report - Diversity and Inclusion.
Biodiversity.	Biodiversity and 'nature-based solutions' play an essential role in addressing climate change.	<ul style="list-style-type: none"> • Purchasing permanent native forestry carbon credits. • Funding native tree-planting through Trees That Count. • Celebrated our second Toitū carbonzero anniversary by planting 2,245 native trees at Turihana Station for every youth account opened in April. • Worked with our banking peers and agri-sector partners to develop the Sustainable Agri Finance Initiative (SAFI) to develop a set of standards to help direct capital towards sustainable purposes in the agricultural sector. Refer to: <ul style="list-style-type: none"> • 2021 Sustainability Report – Care for the planet.

