

We are taking action today to create a better future for the people who bank with us, work with us, invest in us or are part of our broader communities. We believe business should be a positive force in society. If Aotearoa thrives, we thrive.

Businesses should help solve big problems and bring resources and a different lens to the challenges we face.

Our commitment is to help Aotearoa New Zealand take action on climate change, support our people and communities and lift financial wellbeing.

Those ideas sit at the heart of our strategy and align with the purpose of Westpac New Zealand – to ignite financial possibilities.

Our 2018-2020 sustainability strategy has come to a close. This report summarises our performance against our targets, and highlights from 2020.

For our full 2020 Sustainability Report, please visit westpacsustainability.co.nz

Reporting on the issues that matter.

01.



Manaaki te ao.

Care for the planet.

Our aspiration: We want to lead Aotearoa's transition to a resilient, zero-carbon economy for the benefit of all Kiwis.

- **Reduce our own carbon footprint.**
- **Help Aotearoa take action on climate change.**

02.



Manaaki te tangata.

Care for people.

Our aspiration: We want to help create thriving local communities and a workforce and society where everyone feels valued.

- **Thriving communities.**
- **Inclusive workforce.**
- **Responsible supply chain.**

03.



E tipu te pūtea ora.

Grow financial wellbeing.

Our aspiration: We want all kiwis to be financially secure and independent, enabling them to reach their full potential.

- **Grow financial capability.**
- **Grow financial independence.**

We're all in this together – supporting our communities through COVID-19.

We have all been impacted by COVID-19 in different ways. Westpac has donated an extra \$1 million to support Aotearoa New Zealand's rescue helicopters, which are facing a serious fundraising shortfall. We have been actively working with our charity partners to support them through this time.

We know that lockdown increased stress and so we've partnered with Kiwibank to assist Sir John Kirwan with the release of his Mentemia mental health app, free of charge for all Kiwis. Visit mentemia.com to find out more.

Unfortunately, there has been a rise in the number of women and children needing help from domestic abuse charities across Aotearoa. We have added an icon on the bottom of the Westpac New Zealand Limited website which opens a secure, untraceable, online chat with Women's Refuge.





01.

Manaaki te ao.

Care for the planet.

Our aspiration is to lead Aotearoa’s transition to a resilient, zero-carbon economy for the benefit of all Kiwis.

We recognise climate change is a major threat to our environment, economy, and wellbeing. It also presents opportunities for new products and services, technologies, and jobs. We believe business and the financial sector have a major role to play.

How will we achieve this?

Our strategy is to address climate change with urgency by managing climate risks in our business, reducing, disclosing and offsetting our own emissions, helping our customers manage their transition to a low carbon economy and reducing the carbon intensity of our lending and investments over time. We want to ensure capital flows to the parts of the economy where it is needed most to facilitate the transition efficiently and effectively.

- 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.

In 2020 Westpac New Zealand increased its lending to the forestry, renewable energy, and waste sectors. Our total lending includes committed exposure (i.e. the lending we have committed to customers at a point in time). At 30 September 2020, we had lent \$1.6b, falling short of the \$2b target due to the sale of two related businesses and a number of customers no longer meeting the green lending criteria.

TARGETS	PROGRESS
1. Reduce our operational emissions by 30% by 2025 (2019 baseline). ¹	19% reduction
2. Provide \$2 billion in lending to business customers for climate change solutions by 30 September 2020.	\$1.6b

Our targets contribute to United Nations Sustainable Development Goals (SDGs).



¹ 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.



01.

Manaaki te ao.

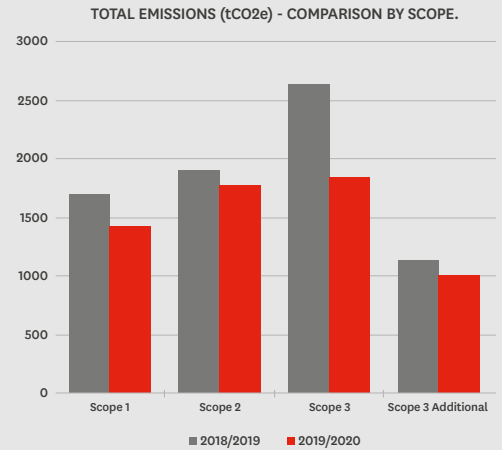
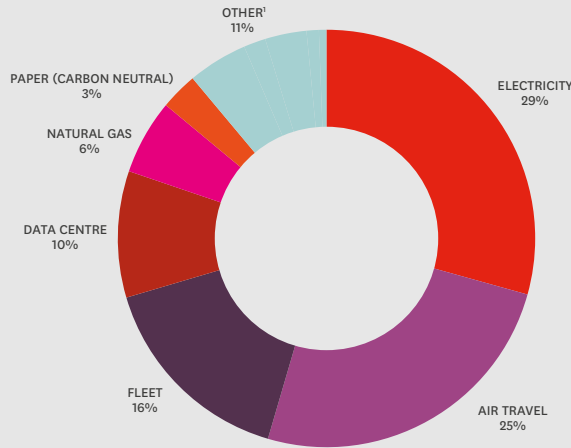
Care for the planet.

Key highlights for the year to 30 September 2020 include:

BECOMING A CARBONZERO ORGANISATION.



Becoming the first bank in Aotearoa to be Toitū carbonzero certified. To achieve this, we are reducing our greenhouse gas emissions by 30% by 2025, and offsetting the remainder by purchasing native permanent forestry carbon credits.



¹OTHER includes paper (non carbon neutral), electricity transmission and distribution losses, refrigerant, personal vehicle, accommodation, taxi, waste, rental car and LPG.

HELPING OUR CUSTOMERS TAKE ACTION ON CLIMATE CHANGE.



Launching 'Westpac Warm Up', which offers our home loan customers an interest-free loan of up to \$10,000 for five years to improve their homes' energy-efficiency by installing heat pumps, solar panels, ventilation, double glazing and insulation. At 30 September 2020, 2,531 customers have applied for the loan, with a total of \$14.45m drawn down.



Partnering with CoGo, an app that makes sustainable and ethical living easy. Westpac NZ has partnered with CoGo to incorporate a new real-time carbon footprint tracker in the app.

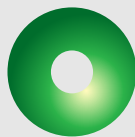


Entering into a \$50 million, four-year sustainability-linked loan facility with Contact Energy, the first such loan issued by Westpac NZ and one of the first of its kind in Aotearoa.



Enabling Meridian Energy to launch its Green Finance Programme converting Meridian's existing retail bonds to green bonds as certified by the Climate Bonds Standard.

HELPING AOTEAROA TAKE ACTION ON CLIMATE CHANGE.



The Aotearoa Circle

Co-chairing the Sustainable Finance Forum, which published its Report on how to make NZ's financial system more sustainable. theaotearoacircle.nz/sustainablefinance



Hosting the third KangaNews Westpac Sustainable Finance Summit attended by more than 200.

Completing a scenario analysis to better understand the Bank's exposure to climate risk and sea level rise. The outcome will be disclosed in line with the recommendations of the Taskforce for Climate-Related Financial Disclosure in late November, 2020.



02.

Manaaki te t ngata.

Care for people.

Our aspiration is to help create thriving local communities and a workforce and society where everyone feels valued.

Many Kiwi businesses don't reflect the diversity of our society as well as they could. We know that as a large business, employer and corporate citizen we have the responsibility to care for our people and communities, which we have been part of for more than 150 years.

How will we achieve this?

We interact with more than 1.3 million customers, 4,000 employees and communities nationwide. We try to use this position to build resilience and care for our people and communities.

1. Support our local communities.
2. Promote an inclusive workforce and society.
3. Source our goods and services responsibly.

Our targets contribute to United Nations Sustainable Development Goals (SDGs).



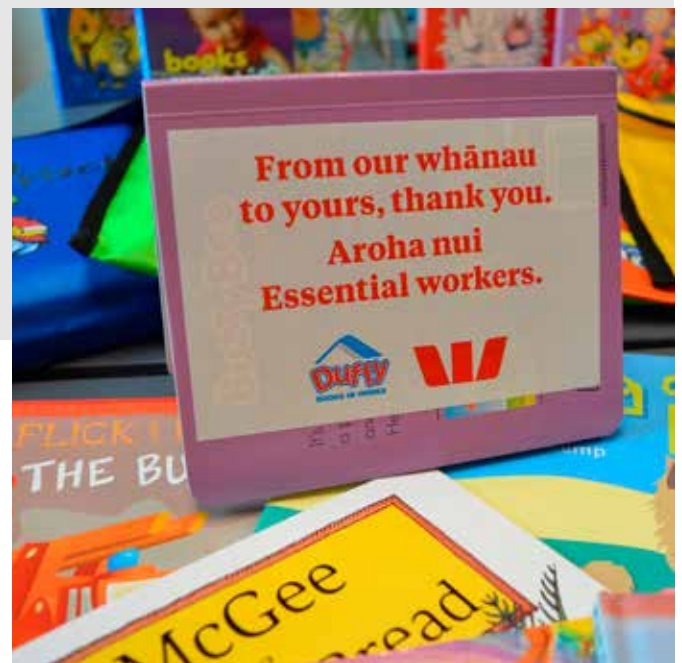
TARGETS	PROGRESS
1. Raise \$3 million for Westpac Rescue Choppers from 2018 - 2020.	\$3.13m
2. Maintain 50% Women in Leadership.	50.4%

Key highlights for the year to 30 September 2020 include:

- Receiving the Gender Tick, for initiatives including a gender inclusive culture, parental leave, safe workplace, flexible work, equal pay and leadership representation.
- Donating 1,000 children's books to the children of essential workers at Middlemore Hospital as part of our Duffy Books in Homes partnership in June 2020. The books were specifically given to non-clinical essential workers at the hospital who have children at home and who worked through the COVID-19 lock-down period.



- Piloting a circular economy approach with social enterprise Will&Able. Westpac is collecting used milk bottles from two corporate offices to be recycled into bottles for cleaning products packaged by people with disabilities. We are then purchasing the finished cleaning products to use in our offices.





03.

E tipu te p tea ora. Grow financial wellbeing.

Our aspiration is for all Kiwis to be financially secure and independent, enabling them to reach their full potential.

Increased economic participation and inclusive prosperity is beneficial to all. One in four Kiwi children live in low-income homes, which can mean lower levels of education, poorer health and higher rates of criminal offending in adulthood. Growing poverty leads to poor social outcomes, which reduces prosperity.

In 2020 we've worked to develop more inclusive and innovative affordable housing solutions such as Shared Equity and Pre-fab. However we slightly fell short of our three-year target for lending to social and affordable housing, which remains an ongoing focus for Westpac NZ.

How will we achieve this?

- 1. Grow financial capability.**
Provide financial education and help our customers manage their money better.
- 2. Grow financial independence.**
Help Kiwis participate in the economy and grow their wealth.

TARGETS	PROGRESS
1. 20,000 financial education workshop participants from 2018 - 2020.	20,434
2. Introduce a new product or service to tackle financial exclusion.	One complete (New Start), one in progress.
3. Provide \$300m in lending to social and affordable housing. ²	\$280m

² Does not include Kiwibuild or shared equity.

Our targets contribute to United Nations Sustainable Development Goals (SDGs).



Key highlights for the year to 30 September 2020 include:

- Collaborating with New Zealand Housing Foundation to enable Waikato-Tainui to create a shared equity scheme for their tribal members to buy their own homes.
- Hosting the Inclusive Growth Symposium with Mastercard attended by over 100 key stakeholders from the private, public and non-profit sector.
- Partnering with SeniorNet to support seniors throughout Aotearoa to be digitally confident and engage with online banking safely.
- New Start initiative to ensure released prisoners have a valid ID, a bank account, a debit card, and can access online banking. We're continuing to work on other products and solutions to support those excluded from the financial system.
- Partnering with MyMahi (an app to help young people become work-ready) on financial wellbeing.



How we manage sustainability.

We strive to be open, honest, fair and transparent in everything we do. Read more on our how we manage sustainability on [westpac.co.nz](https://www.westpac.co.nz), searching 'How we manage sustainability'.

The Government's bank.

Westpac New Zealand has been serving Kiwis since 1861 and is today one of the country's largest full-service banks with more than 1.35 million customers.

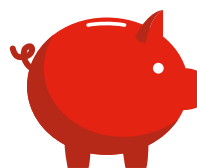
We provide a full range of retail and commercial financial services including home and business lending, funds management and treasury services.

As the Government's main bank since 1989, we provide main banking services to over 200 entities including 40 key government agencies.

We process the payroll for **94,000** teachers and support staff, in around **2,500** schools.



We help to collect **\$80** billion tax each year.



We enable **809,000** superannuation payments each fortnight.

We help collect more than **\$470** million in **CHILD SUPPORT** payments each year.



\$585m

reinvested in NZ businesses.

\$661m

paid to suppliers.

\$444m

tax paid to NZ Govt.

Key business data.

		2020	2019	2018
BUSINESS.	Cash earnings (\$m)	649	1,042	1,017
	Number of customers (m)	1.34	1.35	1.35
	Digitally active customers	844,348	824,878	803,646
	Branches	143	155	163
	Branches with 24/7 capabilities	69	62	59
	ATMs	495	513	538
	Smart ATMs (%)	36	35	33
	Change in customer complaints from prior year (%)	+5.8	+1.9	-15.7
	Total supply chain spend (\$m)	661	597	613
	Employees (headcount)	4,436	4,177	4,210
	Employees (FTE)	4,354	4,140	4,182
MANAAKI TE AO. CARE FOR THE PLANET.	Lending to climate change solutions (\$b)	1.6	1.6	1.6
	Total operational emissions tCO2e (tonnes of carbon dioxide equivalent)	6,014	7,347	6,333
	Total Scope 1 emissions (tCO2e)	1,420	1,691	1,987
	Total Scope 2 emissions (tCO2e)	1,764	1,901	2,222
	Total Scope 3 emissions mandatory (tCO2e)	1,828	2,633	1,458
	Total Scope 3 additional emissions (tCO2e)	1,003	1,122	665
MANAAKI TE TĀNGATA. CARE FOR PEOPLE AND COMMUNITIES.	Funds raised for Rescue Helicopter (\$m)	.65¹	1.26	1.22
	Women in leadership (%)	50.4	50.7	52.1
	Women as a % of the workforce	60.3	61.6	61.8
	Median age of employees	42.6	43	43.2
	Average Tenure with the Organisation (years)	8.6	8.6	8.5
	Employees completing unconscious bias training (%)	100	100	99
	Community investment (\$m)	7.53²	5.90	5.24
	Community investment as a % of pre-tax profit	.79	.38	.34
	Volunteering (value of hours in \$)	389,179³	580,806	567,740
E TIPU PŪTEA ORA. GROW FINANCIAL WELLBEING.	Financial education workshop participants	4,224	10,343	5,527
	Financial education participants including workshops, online tutorials and digital tools	120,870⁴	118,502	106,479
	Number of approved applications for financial assistance from customers experiencing financial hardship	1,739⁵	-	-

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

² The \$1m Rescue Helicopters donation is included in the community investment total.

³ Volunteering was heavily impacted by the COVID-19 lockdown period.

⁴ COVID-19 impacted delivery of face to face Managing Your Money workshops.

⁵ Previous years' data not provided as new methodology introduced in 2020.

What's next?

Work has commenced to update our 2025 Sustainability Strategy. The objective is to raise Westpac NZ's overall sustainability ambitions and identify areas with the most effective impact. COVID-19 has given us the chance to look at new ways to create a healthier environment, society and economy. Our 2025 Sustainability Strategy will continue to help Aotearoa take action on climate change, support our people and communities and help lift financial wellbeing.

Our commitment is *manaaki te ao, manaaki te tāngata, e tipu pūtea ora*.



For more detail on our 2020 sustainability activity visit westpacsustainability.co.nz



“Our challenge as a country is to face into climate change, inequality and social exclusion with the same resilience and energy with which we’ve worked to contain COVID-19.”

David McLean

Chief Executive Officer, Westpac New Zealand