



2016-2017

Westpac Banking Corporation.

**Carbon Neutral Program.
Public Disclosure Summary.**



An Australian Government Initiative

Westpac

bankSA

st.george

BT Financial Group

RAMS

Bank of Melbourne

200

Westpac GROUP

Declaration.

FOR THE WESTPAC GROUP, SUSTAINABILITY IS NOT A STATIC AGENDA. WE KNOW THAT THE ISSUES THAT IMPACT OUR CUSTOMERS, EMPLOYEES AND THE BROADER COMMUNITY WILL ALL EVOLVE OVER TIME.

As one of our region's largest financial services organisations, we have an important role to play in addressing emerging societal issues affecting customers, communities, the environment and our own people and operations. This requires us to embrace new ways of doing business, ultimately designed to drive sustainable growth, better social outcomes and a stronger economy.

Our actions are guided by our Sustainability Strategy, which includes the target to establish and maintain carbon neutrality over the period 2013–2017. As we come to the end of the 2017 Sustainability Strategy, we continue our commitment to maintain carbon neutral through our Climate Change Position Statement and 2020 Action Plan. I am therefore pleased to present Westpac Group's Public Disclosure Summary, detailing our commitment to and achievement of carbon neutrality over the 12 months to 30 June 2017.

To the best of my knowledge, the information provided in this Public Disclosure Summary is true and correct and meets the requirements of the National Carbon Offset Standard Carbon Neutral Program.



Simon LeGear
Chief Procurement Officer,
Strategy and Enterprise Services Westpac Group

Date: 27 October 2017

Type of carbon neutral certification: **Organisation**

Verification

Date of most recent external verification/audit: **October 2017**

Auditor: **PWC**

Introduction.

ABOUT WESTPAC GROUP.

ESTABLISHED IN 1817, THE WESTPAC GROUP (“WESTPAC”) WAS AUSTRALIA’S FIRST BANK AND COMPANY. AS AT 30 JUNE 2017, WE HAD APPROXIMATELY 35,280 FULL-TIME EMPLOYEE EQUIVALENT SUPPORTING 13.8 MILLION CUSTOMERS IN AUSTRALIA, NEW ZEALAND AND THROUGHOUT THE ASIA PACIFIC REGION.

We provide consumer, business and institutional banking services, wealth management and insurance services, through trusted brands including Westpac, St. George, BankSA, Bank of Melbourne, RAMS and BT.

As at 25 October 2017, we have around 633,570 shareholders and are currently in the top five listed companies on the ASX. Our vision is to be one of the world’s great service companies, helping our customers, communities and people to prosper and grow.

Our strategy seeks to deliver on our vision by providing superior returns for our shareholders, building deep and enduring customer relationships, being a leader in the community and being a place where the best people want to work. We recognise that to achieve this vision, our approach needs to make sustainability a core part of the way we do business, embedded in our strategy, culture and processes.

Westpac was assessed as the most sustainable bank globally in the 2017 Dow Jones Sustainability Indices (DJSI) Review. Westpac has been recognised as a global leader for banks in the DJSI annually since the awards inception in 2002 and has achieved the global sector leadership position ten times.

WESTPAC’S COMMITMENT TO SUSTAINABILITY.

As one of our region’s largest financial services organisations, we have an important role to play in addressing emerging societal issues affecting customers, communities, the environment and our own people and operations. This requires us to embrace new ways of doing business, ultimately designed to drive sustainable growth, better social outcomes and a stronger economy.

Our actions are guided by the Westpac Sustainability Strategy which has three focus areas, underpinned by measurable objectives set over five years to 2017.

Figure 1 – Westpac Sustainability Strategy.



Finding solutions to environmental challenges is core to Westpac’s 2013–2017 Sustainability Strategy. Continuing our proud history of environmental leadership, included in the Strategy are direct environmental targets which aim to reduce the environmental footprint of our operations. In 2015–16 we expanded our Sustainability Strategy to include an additional three targets to reduce absolute electricity consumption, carbon emissions and water consumption across our property portfolio, further strengthening our commitments to improving our environmental performance.

We continued to monitor and actively manage our direct footprint, which resulted in achieving all of our environmental targets.

A summary of our targets is shown in Table 1 below.

Table 1 - Westpac direct environmental footprint targets.

Target	2012 Baseline	2017 Target
Electricity efficiency in commercial and retail sites (kWh/m ²)	202	181
Electricity usage in commercial and retail sites (MWh)	176,567	154,496
Scope 1 & 2 GHG emissions in commercial and retail sites (tonnes CO ₂ -e) 1	141,726	121,884
Power usage effectiveness (PUE)	1.8	1.6
Office paper (tonnes)	1,579	1,340
Recycling rates in Sydney head offices (% of waste)	59%	75%
Establish and maintain carbon neutrality	Achieve certification	Maintain carbon neutrality
Water Consumption for Sydney Head Offices (kL)*	171,330	137,064
* The baseline year for the water reduction target is 2014		

Implementation of the Sustainability Strategy is led by the Group Sustainability Council, a committee of General Managers from key functions across the business. Progress against our Sustainability Strategy is publicly reported in the Annual Review and Sustainability Report, available on our website: www.westpac.com.au. Westpac's 2017 performance against the direct environmental footprint targets will be published in our 2017 Sustainability Report.

WESTPAC REPORTING STRUCTURE.

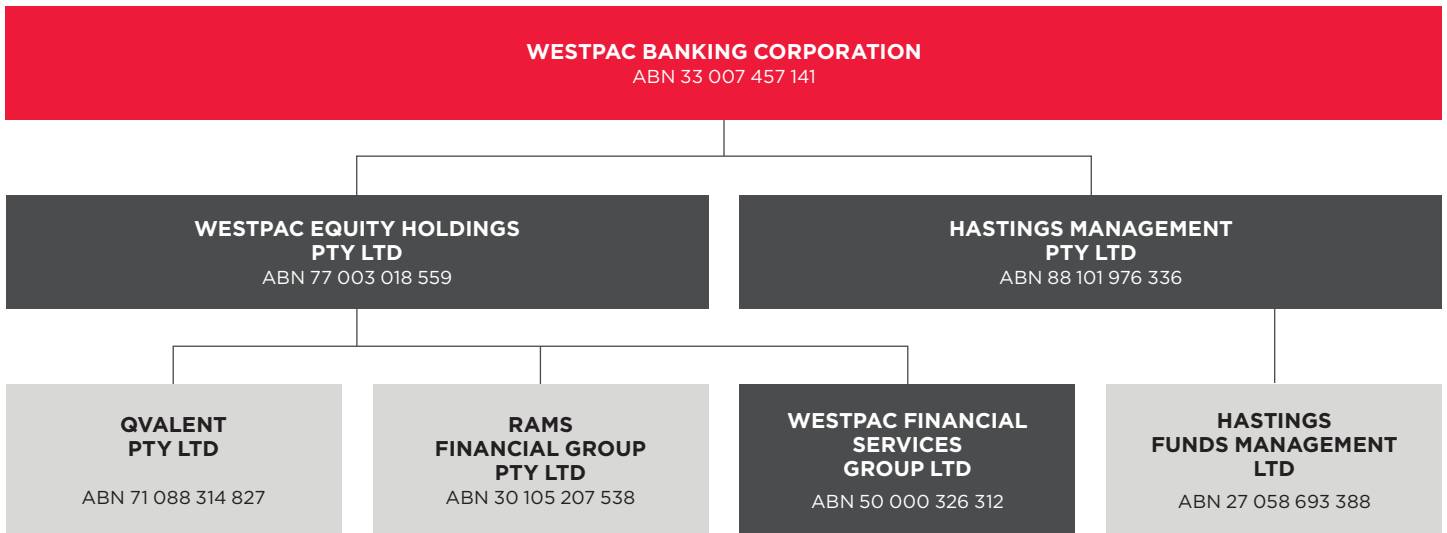
For the period 1 July 2016 – 30 June 2017 there has been no change to Westpac’s structure for the purpose of reporting under the National Carbon Offset Standard Carbon (NCOS) Neutral Program.

The Westpac Boundary and Organisational Structure (Figure 2) for the Carbon Neutral Program is the same as that reported under the National Greenhouse and Energy Reporting (NGER) Act 2007. The four group members are:

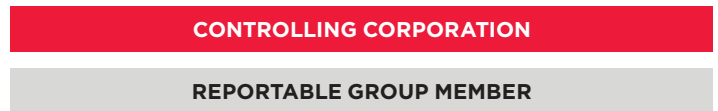
- Westpac Banking Corporation (controlling corporation);
- Hastings Fund Management Ltd (Hastings);
- Qvalent Pty Ltd (Qvalent); and
- RAMS Financial Group Ltd (RAMS).

For a full list of entities, refer to the Westpac Group Annual Report.

Figure 2 – Westpac Boundary and Organisational Structure.



KEY



CARBON NEUTRAL INVENTORY BOUNDARY.

Westpac’s certification under the NCOS is for a defined inventory of carbon emissions resulting from the activities of our Australian-based business. Westpac uses an operational control approach to determine facility and reporting boundaries, consistent with the NGER Act. Scope 1 and Scope 2 emissions are calculated and reporting in line with the NGER Act methodology. Scope 3 emissions are reported consistent with the principles outlined in the Greenhouse Gas Protocol.

Our carbon neutral boundary includes the direct operational footprint of all Westpac businesses and brands within our operational control within Australia, including:

- branches;
- commercial offices;
- customer contact centres;
- business banking centres;
- stand alone and in-store ATMs;
- data centres; and
- tool of trade vehicles.

Table 2 illustrates energy and greenhouse gas (GHG) emission sources included in the boundary of Westpac’s Inventory.

Table 2 – Westpac Carbon Neutral Inventory Boundary.

Scope 1	Scope 2	Scope 3
Diesel - Stationary LPG - Stationary Natural Gas - Stationary Diesel - Transport Petrol - Transport Refrigerants	Electricity	Electricity - Transmission losses Natural Gas - Transmission Losses Stationary fuels - Extraction Losses Vehicle Fleet - Extraction Losses Paper Consumption Paper Disposal Waste Disposal Base Building Employee Travel - Air, Taxi, Hotel Stay, Hire Vehicles Couriers Water Consumption

The following emission sources are not included within the inventory boundary due to data limitations or materiality considerations. The impact of excluding these sources is not expected to materially affect Westpac’s total emissions.

- Refrigerants from Retail Sites;
- Base building emissions from Retail Sites and ATMs;
- Employee travel – public transport, employee owned vehicles;
- Employee commuting.

CHANGES TO OUR INVENTORY.

In 2017 NCOS Disclosure Year, Westpac transferred operational control of the Western Sydney Data Centre to Fujitsu, therefore no longer reporting emissions under Scope 2. However, this activity is now being reported as Scope 3 emissions.

Additionally, Westpac also expanded the boundary of Scope 3 reporting to include emissions from couriers. Scope 3 emissions from this source has been included within the boundary for completeness. Other than this, no other material changes have been made to the Westpac carbon inventory since our initial certification in 2012-13.

Westpac transformed its environmental reporting processes, implementing new software in 2014-15 NCOS Disclosure Year to improve accuracy and efficiency in data capture and reporting of our environmental footprint. As part of the transformation, Westpac has reviewed and updated selected Scope 3 emission factors for 2016-17 NCOS Disclosure Year to ensure transparency, consistency and comparability of Scope 3 emissions reporting which has improved overall data accuracy.

Emissions reduction measures.

EMISSION REDUCTION STRATEGY.

Under the Westpac Sustainability Strategy, the target to establish and maintain carbon neutrality is one of eight direct environmental footprint targets which drive our approach to reducing carbon emissions.

The decision to pursue carbon neutrality continues Westpac's proud history of environmental leadership. Having commenced reporting of emissions in 1996 and achieving a 40 percent emissions reduction between 1996 and 2008, this year marks 20 years of action in energy and emissions reporting and reductions by Westpac.

In the 2017 NCOS Disclosure Year, Westpac's Australian operations had total GHG emissions of **194,267** tonnes of CO₂-e, representing a 7.5 percent decrease in emissions since 2015-16. Since the base year of 2011-12, Westpac has decreased carbon emissions by 25.6 percent.

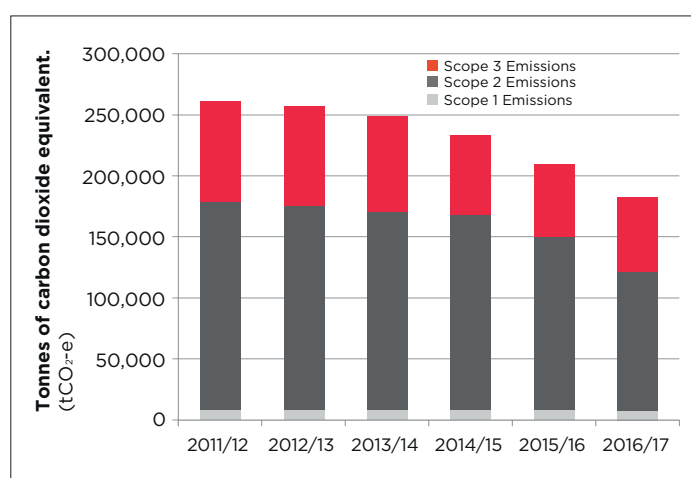
Table 3 - Westpac Group Australian Emissions since Base Year 2011/12*.

	Scope 1	Scope 2	Scope 3	Total GHG Emissions
Baseline	8,587	170,500	82,187	261,273
2012-13	7,497	167,953	81,433	256,884
2013-14	7,289	163,351	78,044	248,685
2014-15	7,772	160,240	64,933	232,945
2015-16	8,245	141,575	60,163	209,984
2016-17	6,791	121,224	66,525	194,267

* NCOS Disclosure Years

Scope 2 emissions from electricity consumption are the major source of emissions for Westpac. In 2017 NCOS Disclosure Year, Scope 2 emissions represented 62 percent of our total emissions. Figure 3 shows the reduction in our Scope 1, 2 and 3 emissions since the base year.

Figure 3 - Westpac Group Australian Scope 1, 2 and 3 emissions.



EMISSION REDUCTION ACTIONS.

Westpac continues to drive emission reductions through its focus on energy efficiency. This year we implemented a number of commercial office energy efficiency initiatives. Westpac commenced a pilot energy efficiency program across a number of sites in our retail network in 2015-16 that resulted in efficiencies during 2016-17. Following the success of this pilot, a number of energy efficiency projects were implemented in the 2016-17 reporting year, resulting in additional emissions reductions impacting the 2016-17 NCOS inventory.

Table 4 - Westpac Group Emissions Reduction Actions.

Emission Source	Reduction Measure	Scope	Savings (tCO ₂ -e)
Electricity	Commercial office energy efficiency initiatives	2	1,810
Electricity	Retail energy efficiency pilot program	2	1,048
Total expected emission reductions			2,858

Emissions summary.

For the period 1 July 2016 – 30 June 2017 total GHG emissions across Scope 1, 2 and 3 emission sources was **194,267** tonnes of CO₂-e. The major source of emissions were Scope 2 and Scope 3 emissions from purchased electricity, which accounted for 72% percent of emissions. Scope 3 emissions associated with base building operations, air travel and paper were the other major sources of emissions.

Figure 4 – Westpac Group emission sources.

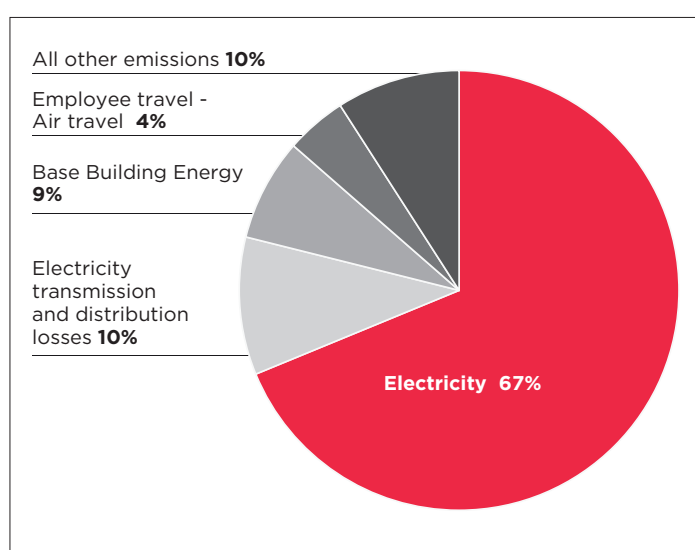


Table 5 presents a detailed breakdown of the GHG inventory for 2016-17 by scope. No GreenPower was purchased nor were any Large Scale Generation Certificates (LGCS) voluntarily surrendered by Westpac during the reporting year.

Table 5 – Westpac Australian Carbon Footprint.

Scope	Emissions Source	t CO ₂ -e
1	Natural Gas (Stationary)	595.30
1	Diesel (Stationary)	275.30
1	LPG (Stationary)	0.07
1	Diesel (Transport, Post 2004 vehicles)	911.68
1	Unleaded Petrol (Gasoline, Post 2004 vehicles)	2,842.81
1	R134a (Building Refrigerant)	591.89
1	R143a (Building Refrigerant)	804.60
1	R23 (Building Refrigerant)	7.99
1	R407C (Building Refrigerant)	103.21
1	R410A (Building Refrigerant)	133.14
1	R123 (Building Refrigerant)	5.68
1	R22 (Building Refrigerant)	519.21
2	Purchased electricity	121,224.21
3	Electricity transmission and distribution losses	18,568.04
3	Natural Gas transmission and distribution losses	127.16
3	Diesel (Stationary) extraction & distribution losses	14.12
3	LPG (Stationary) extraction & distribution losses	0.00
3	Vehicle Fleet petrol extraction & distribution losses – Unleaded Petrol (Gasoline, Post 2004 vehicles)	151.35
3	Vehicle Fleet diesel extraction & distribution losses – Diesel (Transport, Post 2004 vehicles)	46.55
3	Base Building	21,530.30
3	Business Logistics – Couriers	5,121.98
3	Business Travel – Hire car	93.68
3	Business Travel – Taxi	447.84
3	Business Travel – Air	8,353.78
3	Business Travel – Hotel	2,303.08
3	Water	610.57
3	Paper – Consumption	2,424.04
3	Paper – Disposal	4,822.53
3	Waste Disposal	1,636.61
Total Footprint (Net)		194,267.1
Green Power		0
Total Footprint (Gross)		194,267.1

Carbon offsets.

Westpac has contractual arrangements for the purchase of a fixed number of carbon offsets for the period 2013 to 2017. At the end of each reporting year (ending 30 June) Westpac will retire the required number of carbon offsets for the year. Any remaining purchased offsets are held for future use.

In 2016 Westpac retired offsets totalling **475,590** CO₂-e of Certified Emissions Reduction (CER) type offsets, of which there are **262,912** CO₂-e CER type offsets remaining following the 2015-16 offsetting requirements.

For the 2017 NCOS Disclosure Year (ending June 30) Westpac required offsets totalling **194,268** CO₂-e CER type offsets for our Australian operations. Additional offsets are required for our international operations and the remaining retired offsets will be used in future years. Table 6 presents a detailed overview on offset type, project title and offset quantity.

CER - Certified Emissions Reduction type offsets are an example of 'carbon credits' or 'carbon offsets' issued in return for a reduction of atmospheric carbon emissions through projects under the Kyoto Protocol's Clean Development Mechanism (CDM). One CER equates to an emission reduction of one tonne of CO₂-e.

Table 6 - Westpac Offset Summary.

Offset Type	Registry	Year Retired	Serial Numbers	Quantity
CER	Australian National Registry of Emissions Units	2015	BR-171 (73,043,457-73,174,303)	130,847
CER	Australian National Registry of Emissions Units	2015	BR-171 (73,043,357-3,043,456)	100
CER	Australian National Registry of Emissions Units	2015	UZ-3339 (6,939,332-7,054,059)	114,728
CER	Australian National Registry of Emissions Units	2015	MY-2594 (3,558,987-3,608,986)	50,000
CER	Australian National Registry of Emissions Units	2015	MY-2594 (5,394,088-5,439,396)	45,309
CER	Australian National Registry of Emissions Units	2015	IN-1615 (133,506,572-133,521,571)	15,000
CER	Australian National Registry of Emissions Units	2015	IN-1615 (148,698,850-148,713,234)	14,385
CER	Australian National Registry of Emissions Units	2015	IN-1615 (182,655,494-182,680,085)	24,592
CER	Australian National Registry of Emissions Units	2015	IN-2925 (148,774,088-148,796,833)	52,746
CER	Australian National Registry of Emissions Units	2015	GE-2404 (459,337-487,219)	27,883
Total Offsets Retired November 2015				475,590
Balance of Offsets 2015-16 (after Australia and International Offsetting)				262,912
Total Australian Emissions for 2016-17				194,268
Total International Emissions for 2016-17				2,927
Net Emissions				0
Total Offsets held in surplus for future years				
CER	Australian National Registry of Emissions Units	2015	UZ-3339 (6,988,343-7,054,059)	65,717



An Australian Government Initiative

