

2023 SUSTAINABILITY REPORT

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



**TOGETHER
GREATER**



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**Ko te pae tawhiti
whāia kia tata,
ko te pae tata,
whakamaua kia tina.**

Seek out distant horizons,
while cherishing those
achievements at hand.

The potential for tomorrow depends
on what we do today.

A NOTE FROM OUR CEO

This year has been a hard year for many of our customers and our people. With cost-of-living issues already weighing on many people's minds, the severe weather events across the North Island were a devastating blow for thousands of families who were already doing it tough. For many, including some of our own team members, those struggles are ongoing and there are multiple issues still to resolve. However, one silver lining is how we have come together to manaaki and support communities in need.

Westpac NZ was one of many businesses that put up their hands to help. Whether it was organising supply drops to cut-off areas, offering financial relief to businesses under intense pressure, or bringing our mental health ambassador Sir John Kirwan into flood-hit communities to help them with their wellbeing, we pulled on our gumboots to help out.

But as with the COVID-19 pandemic, we know that our role as kaitiaki is not just to support our customers and communities in times of crisis, but give them the tools they need to build greater resilience in the years to come.

At the heart of our Sustainability Strategy is caring for the planet, caring for our communities and helping grow Aotearoa New Zealand's financial wellbeing. We have a view to leaving a healthier and more resilient country for the generations to follow. It brings to life our wider business strategy of caring for customers, advocating fiercely for inclusion and powering a sustainable Aotearoa.

We see three key ways we can make a difference. Firstly, we're helping our customers reduce their carbon footprint,

cut energy costs, create positive social outcomes and future proof their homes and businesses through innovative lending solutions like our Greater Choices Home Loan, EV Loan, Sustainable Farm Loan and Sustainable Business Loan.

Secondly, we're supporting businesses on their sustainability journey with sustainability-linked loans and sustainable bonds – and we've exceeded our target of facilitating \$10b in sustainable finance by 2025.

“We have a view to leaving a healthier and more resilient country for the generations to follow.”

Lastly, we know that as one of Aotearoa's biggest businesses we should set an example. For us, this includes things like reducing our operational emissions, providing te reo Māori classes for our people, and doubling our volunteer leave to give them more time to support community initiatives that are important to them. We are also determined to confront societal challenges where we see them, such as the barriers some New Zealanders face in getting a bank account, which we covered in our Access to Banking in Aotearoa Report.

We know we've got plenty more to work on in 2024 and beyond. Working closely with customers to meet our Net Zero sector targets and reduce our collective emissions



will be a key challenge. We'll also be focused on rolling out new processes and initiatives to support financial inclusion, and uplift the sustainability knowledge and capability of our teams.

Your feedback helps shape our thinking at a leadership level, so we'd love to hear more about what you think we're doing well and what we could do better. Please contact us at sustainability@westpac.co.nz

Finally, a huge thank you to our Sustainability Advisory Panel for asking the hard questions and challenging us to look beyond business as usual and take a longer term view on how we can help build a greater Aotearoa.

A handwritten signature in black ink that reads "Catherine McGrath". The signature is fluid and cursive.

Catherine McGrath

FROM THE CHAIR OF OUR SUSTAINABILITY ADVISORY PANEL

The Panel has been pleased to see Westpac NZ maintain a strong focus on climate change action, and the role it can play in supporting its customers to help reduce their emissions. We have also been pleased to see the bank start to grapple with how to support customers to adapt to the changing climate.

Cyclone Gabrielle provided very stark evidence of the impacts increasingly extreme weather events, driven by climate change, will have on our country. Many of the bank's customers in Te Ika-a-Māui, the North Island were affected, and the Panel applauds the Leadership Team's adaptable, flexible and customer-centred response to support their customers in the aftermath of the storms, including making grants immediately available to customers and using local relationships to direct funding to community organisations and iwi groups on the front line of responding to the disaster.

We also noted the willingness of the bank to deepen its understanding of climate change repercussions through this experience and use it to pave the way for a more strategic approach to adaptation. Early examples are the Sustainable Farm Loan and Sustainable Business Loan, which provide an incentive and opportunity for customers to invest in sustainability in its broadest sense including taking a whole farm approach to sustainability or restoring nature, reducing emissions, adapting to climate change and investing in social and cultural activities.

Cyclone Gabrielle and the cost-of-living crisis also highlight how interconnected the social and environmental aspects of sustainability are. The bank took a leadership position on seeking to identify structural inequities, when it released its Access to Banking in Aotearoa Report. It also played a leadership role working alongside Oranga Tamariki and Voyce Whakarongo Mai to enable young people in foster care to get bank accounts, previously near impossible. The Panel encourages the bank to continue work in this direction, including ongoing capability and capacity building in Te Ao Māori, as well as exploring and more deeply understanding issues of equity, and how these issues are amplified by environmental stress.

Although the bank has taken commendable strides on many fronts, the public profile of this work has been relatively low, such that the potential to instigate wider systemic change remains largely untapped.

“Cyclone Gabrielle and the cost-of-living crisis also highlight how interconnected the social and environmental aspects of sustainability are.”



In closing, the Panel extends its appreciation and gratitude to the Board and Executive Leadership Team at Westpac NZ for their willingness to be challenged and hear the perspectives we bring. It has been a privilege to observe the way the team integrates what it hears, and how that influences the leadership and action of the bank.

With anticipation for the year ahead,

Abbie Reynolds

2023 HIGHLIGHTS



Launched a Sustainable Farm Loan and a Sustainable Business Loan, and expanded the Greater Choices Home Loan



Westpac NZ employees volunteered **24,179** hours to help local communities



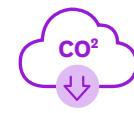
Enabled **\$11.7b** in sustainable finance since October 2020, achieving our 2025 target of \$10b



Helped grow financial confidence in **10,241** people through our financial wellbeing programme, Managing Your Money



\$17.1m invested in communities including emergency relief



36.8% reduction of operational emissions in 2023 vs 2019 baseline



Raised **\$1.4m** for New Zealand's rescue helicopters to help keep communities safe



Released the Westpac NZ Access to Banking in Aotearoa Report aimed at helping more New Zealanders obtain a bank account



Helped develop a Natural Capital Position Statement, which outlines Westpac Group's ambition to become a nature positive bank¹



Partnered with NZ Landcare Trust to help improve local waterway quality around the country



1,609 New Zealanders experiencing vulnerable circumstances supported by our Extra Care team and funded initiatives



Reached our healthy, affordable and social home lending 2025 target of **\$700m**

All figures are for the 12 months ended 30 September 2023 unless otherwise stated.

1. Nature positive is defined and further explained on page 17.

OUR SUSTAINABILITY STRATEGY

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

Our sustainability targets, which are informed by the United Nations Sustainable Development Goals, are where we believe we can have positive impact. This report outlines our progress towards these targets.²

² For further detail on these targets, refer [Westpac New Zealand 2025 Sustainability Strategy](#)

Our 2025 targets



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.

> see pages 11–18



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.

> see pages 19–26



E tipu pūtea ora Grow financial wellbeing

Enable all New Zealanders to be financially secure and independent.

- 25,000 people to participate in Westpac NZ-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 and medium sized businesses, including businesses owned by diverse and under-represented communities.

> see pages 27–32

Guided by United Nations Sustainable Development Goals (SDGs)



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

ABOUT THIS REPORT

For Westpac NZ, 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 an opportunity to share our progress with you.

Our 2023 Sustainability Report provides a summary of our sustainability performance progress over the last year. It's structured around topics that have been identified through Westpac Group's and Westpac NZ's sustainability materiality assessment processes, which aims to better understand what matters most to our stakeholders.

This report supplements Westpac Group's reporting suite which aligns with global reporting standards such as the Global Reporting Initiative (GRI) and the Task Force on Climate-Related Financial Disclosures (TCFD). For more information, please refer to:

- [Westpac New Zealand Environmental, Social, Governance Dashboard](#)
- [Westpac New Zealand 2025 Sustainability Strategy](#)
- [Westpac Group 2023 annual reporting suite](#)
- [Westpac New Zealand Climate Report 2023](#)
- [BT Funds Management \(NZ\) Ltd – Sustainable Investment report 2022](#)

Westpac NZ material topics.




At Westpac NZ, we completed a sustainability materiality assessment process in 2022. We used this to identify the issues and opportunities that matter most to our stakeholders, including customers, NGOs, Government agencies and Westpac NZ employees. This year we have retained the same material topics from 2022. To ensure these are still appropriate in 2023, we have considered Westpac Group's material sustainability topics (see page 35), our current and emerging risks, and media reporting to identify topical bank related issues.





How we're responding

Topic	Description	How we're responding
 <p>Climate change and environment</p>	<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"> Expanded Greater Choices Home Loan product (rebranded from Westpac Warm Up Home Loan) to become the first Aotearoa bank to offer interest-free lending (for 5 years) on EVs. We also increased the loan limit from \$40k to \$50k and doubled our targeted lending goal to \$200m. Launched a comprehensive Sustainable Farm Loan, and a Sustainable Business Loan that include discounted lending for a range of social and environmental initiatives. As part of Westpac Group’s Net-Zero Banking Alliance commitment, set New Zealand-specific targets for our agriculture portfolio to reduce emissions in line with keeping global warming to 1.5 degrees. Since 2020, enabled \$11.7b of sustainable finance solutions achieving our overall 2025 \$10b in sustainable finance target two years early, including \$4.9b towards Climate Change Solutions.³ Developed a Natural Capital Position Statement, which outlines Westpac Group’s ambition to become a bank that supports nature positive environmental outcomes. Developed our 4th annual voluntary Climate Disclosure, ahead of FY24 mandatory disclosure. Partnered with NZ Landcare Trust to offer six \$10k grants per year to help local catchment groups improve their waterways. Maintained Toitū net carbonzero certification, purchasing offsets for residual emissions from New Zealand indigenous forestry. Became one of the first organisations in Aotearoa to sign up to the new Climate Leaders Coalition 2022 Statement of Ambition.
 <p>Customer vulnerability and hardship</p>	<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"> Released the Westpac NZ Access to Banking in Aotearoa Report, which explores barriers to obtaining a bank account and helps inform our approach to support marginalised populations. Supported 1,609 New Zealanders experiencing vulnerable circumstances through our Extra Care team and funded initiatives, including 954 complex escalations. Engaged support organisation Be. Lab to audit the accessibility of a number of our corporate locations and branches.
 <p>Digitalisation of banking services</p>	<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"> Along with other major banks, introduced seven-day a week domestic electronic payments, providing more convenience to customers. Made Google Pay available, allowing customers to have Westpac Digital Cards on Android phones.

3. The 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 and forestry that align to the Green Loan Principles.

Topic	Description	How we're responding
 <p>Diversity, equity and inclusion</p>	<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"> • Achieved an Organisational Health Index score over 70, which is above the global banking median. • Piloted beginners' conversational te reo Māori classes with 50 employees. • Partnered with Dignity NZ to provide period products to Westpac NZ employees and gift an equivalent amount to youth and community organisations. • Introduced Pasifika style wardrobe items for our customer-facing teams nationwide. • Updated Parental Leave policy to ensure annual leave is paid at the full rate on return, ahead of regulation change. • Supported Employee Action Groups (gender equality, accessibility, cultural, generational and rainbow). • Continued Te Waiu O Aotearoa Trust Scholarships, supporting Māori students into the banking and financial services industry.
 <p>Financial capability and empowerment</p>	<ul style="list-style-type: none"> • Helping improve the financial capability and resilience of New Zealanders. 	<ul style="list-style-type: none"> • Delivered in-person and online Managing Your Money workshops to 10,241 participants. • Partnered with Oranga Tamariki and VOYCE Whakarongo Mai to help young people in care access a bank account. • Launched Mastering Your Money – a financial wellbeing programme aimed at helping New Zealanders boost their financial future. • In collaboration with other banks and the Banking Ombudsman, helped fund a four-part documentary “You’ve Been Scammed by Nigel Latta” to raise awareness of fraud and scams. • Ran a series of workshops for Westpac NZ employees and the public in Money Month. • Refreshed our Westpac NZ General Terms and Conditions to ensure they are easier for our customers to understand. • Launched an on-going communications programme to proactively engage and support home loan customers nearing the end of their fixed interest rate period and likely facing an increase in repayments.
 <p>Helping communities in times of need</p>	<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"> • Provided \$3.9m in financial support to customers and communities affected by the severe weather events. This included cash grants of \$2.5k to affected business customers, and targeted donations to a range of support organisations helping their communities, including iwi, rural support trusts and mayoral relief funds. • Raised \$1.4m for Westpac Rescue Helicopters in our annual Chopper appeal. • Employees volunteered 24,179 hours in the community. • Increased employee volunteer leave from 1 to 2 days per year. Employees facilitating Managing Your Money workshops can take an additional 3 days of volunteer leave. • Introduced Emergency Response Volunteer leave. • Completed the installation of 160 Automated External Defibrillator (AED) machines throughout our branch network.
 <p>Inclusive, affordable and healthy homes</p>	<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"> • Lent \$810m towards healthy, affordable, and social housing since 2021. • Worked with key partners including NZ Housing Foundation and Kāinga Ora on developing shared equity solutions, making home ownership more accessible for people struggling to finance the whole purchase price alone. • Since 2020, provided \$110m in interest-free lending through Greater Choices Home Loan (formerly Warm Up Home Loan) to enable customers to purchase a range of energy efficient home improvement features, as well as now including electric and hybrid vehicles and chargers. • Westpac NZ Government Innovation Fund granted more than \$900k to three housing initiatives supporting Māori, Pasifika and people buying through co-ownership, to bring quality housing within closer reach.

Topic	Description	How we're responding
 <p>Information security and data privacy</p>	<ul style="list-style-type: none"> • Cyber resilience and security. • Maintaining customer privacy and consumer protection. 	<ul style="list-style-type: none"> • Delivered cyber security enhancements. • Collaborated with government and other banks to help protect customers from fraud and scams. • Became the first New Zealand bank to partner with Biocatch, a global cybersecurity company that analyses customers' online behaviour to help detect unusual activities and protect them against financial crime. • Strengthened internal anti-fraud measures to combat financial crime.
 <p>Mental wellbeing</p>	<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"> • Continued to partner with the Rural Support Trust in their work helping agri communities to manage wellbeing and mental health challenges. • Took Westpac NZ mental health ambassador Sir John Kirwan to deliver his messages of hope and resilience to communities in the Hawke's Bay, Tairāwhiti, Northland and Auckland that were hit hard by severe weather events. • Partnered with Maia Health Foundation to help build a new child and youth mental health facility in Christchurch, due for completion in 2024. • Ran self-defence classes for employees in conjunction with domestic violence support and service provider Shine. • Continued to offer five days of Wellbeing Leave each year for Westpac NZ employees.
 <p>Sustainable investment</p>	<ul style="list-style-type: none"> • Integration of our four guiding sustainable investment pillars: exclusion, ESG integration, stewardship, and sustainable themes. We're committed to investing in line with a 1.5 degree target and net zero greenhouse gas emissions by 2050 or sooner. 	<ul style="list-style-type: none"> • BTNZ, which is responsible for investment of the Westpac KiwiSaver scheme⁴, released its first standalone Sustainable Investment report and voting data. • BTNZ increased investment by \$140m (to \$415m) in an international equities strategy focused on reducing its carbon intensity, aligned to the Paris Agreement.⁵ • BTNZ reduced the greenhouse gas emission footprint of the listed equities and property portfolios by 51.7% between March 2019 and March 2023. These portfolios form part of our KiwiSaver and other diversified funds.
 <p>Sustainable supply chain</p>	<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 engaging with Amotai and Ākina to strengthen our procurement processes including promoting diversity. • Progressed initiatives to embed Responsible Sourcing and Diversity and Inclusion principles. • Maintained Living Wage accreditation.
 <p>Well-managed business</p>	<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"> • Westpac NZ Board closed its programme of work related to Risk Governance, implementing changes at Board and executive level, following a section 95 (independent) review required by the Reserve Bank in 2021. • Established an ESG Advisory Team to further support our customers to transition to a low emissions and sustainable economy. • Strengthened our governance practices by increasing visibility of our ESG programme and sustainability into key management committees. • Invested in a comprehensive online sustainability learning programme, that will be available for all employees. • Undertook a review of our climate governance in preparation for External Reporting Board climate-related standards.

4. 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

5. This represents 16.5% of BTNZ's international equities portfolio.



Manaaki te ao

Care for the planet

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

We recognise climate change is a major threat to our wellbeing. We believe business and the financial sector have a major role to play to reduce emissions and prepare communities for the impacts of climate change. We need to address climate change with urgency, understand the risks to our customers and our business, and help our communities to respond.



Senior Agri Manager Chris Tyerman with Morehu from Te Aitanga a Mahaki and Matawai Marae, key partners of Eastern Whio Link – NZ Landcare Trust partnership

Ko au te whenua, ko te whenua ko au.

I am the land, and
the land is me.

As the land nurtures us, we must
nurture her. We are co-dependent. It is
for all of us to protect and care for her.

2023 has been another year of temperature records and extreme weather events both locally and globally. Public calls for climate action and a just managed retreat are gathering pace. We're continuing to support the transition to a low emissions economy and helping our customers and stakeholders be resilient in the face of its impacts.

However, climate change isn't the only environmental issue facing Aotearoa. Degradation of our natural resources and systems (often referred to as natural capital) poses both risks and opportunities to us and our customers and communities. We have a growing role in supporting nature positive environmental outcomes and understanding how we can help address deforestation, restoration and regeneration, loss of critical habitat and natural capital finance.

We also acknowledge the intersection between climate change, natural capital and human rights and the need to consider them collectively. More detail can be found in [Westpac Group's Climate Change, Human Rights and Natural Capital Position Statements](#).





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. Offset remaining emissions to stay carbon neutral.

- Reduce scope 1, 2, and 3 mandatory emissions⁶ to 4,359tCO₂e.

PERFORMANCE AGAINST TARGET

- 36.8% reduction in 2023 vs 2019. Aided in part by a reduction in the national electricity emissions factor.
- Offset remaining emissions in line with Toitū net carbonzero certification.

Key activities and achievements in 2023.

- Reviewed our travel policy and worked with our travel agent to raise awareness of business travel emissions.
- Made progress on our full vehicle fleet conversion, with EVs/PHEVs comprising 75% of our total fleet as at 30 September 2023.
- Purchased native forestry carbon credits from Spray Point Station in Marlborough, and from Totaranui in Clova Bay, Marlborough, under the Permanent Forest Sink Initiative to offset our residual operational emissions. Spray Point site consists of a diverse range of vegetation including a threatened species of broom and is a breeding area for the New Zealand Falcon. Totaranui in Clova Bay, is a regenerated native forest with a wide range of trees including rātā, totara, beech, rimu, miro, lancewood and kamahi.

Challenges.

- One of our biggest challenges has been striking the right balance between reconnecting with customers and colleagues in-person vs through video conferencing. While face-to-face contact is important, we acknowledge the impact travel can have on emissions.
- We need to continue to have a focus on reducing our most material emissions sources including travel and energy use.

What we have planned for 2024.

- Explore EV home charging for our fleet car drivers and continue to roll out more Westpac NZ charging infrastructure.



6. Scope 3 mandatory emissions are specified by the Toitū standards. These include business travel, waste and transmission & distribution losses. It does not include Scope 3 additional emissions which include accommodation, paper usage and data centres.



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 \$11.7b in sustainable finance, comprising \$7.4b of sustainable lending and \$4.4b of sustainable bonds to date.

Key activities and achievements in 2023.

- Launched a new Sustainable Farm Loan (incorporating feedback from the 2022 pilot) that incentivises farmers to achieve the Westpac Sustainable Farm Standard, encouraging on-farm sustainability and resilience across the whole farm.
- Launched a new Sustainable Business Loan to help businesses on their sustainability journey, by incentivising environmental and social sustainability projects and initiatives.
- Built system capability to track sustainable lending for our institutional, corporate and agribusiness customers to improve operational efficiency and transparency and reduce risk.
- BTNZ, which is responsible for the investment of the Westpac KiwiSaver scheme, released its first standalone Sustainable Investment (SI) report to showcase the progress it has made in line with its SI policy.
- BTNZ increased investment by \$140m (to \$415m) in an international equities strategy focused on reducing its carbon intensity, aligned to the Paris Agreement.⁸
- BTNZ reduced the greenhouse gas emission footprint of the listed equities and property portfolios by 51.7% between March 2019 and 2023. These portfolios form part of our KiwiSaver and other diversified funds. We continue to monitor the footprint in line with our commitment to a 1.5°C pathway.

- BTNZ was named a finalist in the FSC Excellence in Sustainability Practices Award 2023.
- BTNZ was named a Responsible Investment Leader for the second time in a row in RIAA's 2023 Benchmark report.

Challenges.

- Engaging with customers to support sustainability remains a priority in challenging economic conditions.
- Current lack of net-zero strategies for sovereign investments, that form part of our KiwiSaver and other investment funds.

What we have planned for 2024.

- Continue regular and active engagement with our people, sharing key sustainability themes and trends, and looking for opportunities to increase awareness and capability.
- Better support our customers to understand sustainability, engage in solutions and achieve their sustainability goals.
- Continue progressing our sustainable investment strategy including our climate goals and sustainable investment theme commitments, for our KiwiSaver and other diversified funds.
- As we have met our 2025 sustainable finance targets ahead of 2025, we are looking to develop new targets in 2024 that demonstrate our commitment to helping our customers achieve their sustainability goals.

7. This is a cumulative target which comprises (a) \$5b for lending to Climate Change Solutions, \$700m for lending for healthy, affordable and social housing, and other sustainable lending (building on Westpac NZ's FY20 exposure), and (b) facilitation of sustainable bonds by Westpac Banking Corporation – New Zealand Branch from 1 October 2020 to 30 September 2025. All sustainable finance reported is informed by global sustainable finance market standards, principles and guidance that are commonly used to label or categorise loans and bonds as sustainable. The sustainable finance target includes finance for social and non-climate sustainability initiatives which may not reduce climate change risk.

8. This represents 16.5% of BTNZ's international equities portfolio.



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

Manage our climate-related financial risks.

- Help our customers and communities transition to a low emissions economy and adapt to climate change.

PERFORMANCE AGAINST TARGET

In 2020, Westpac NZ was the first NZ bank to release a Climate Risk Report based on recommendations from the Task Force on Climate-Related Finance Disclosures (TCFD) to help identify risks and opportunities for us to help our customers transition to a low emissions economy. This has been built on in subsequent annual disclosures.

This year, we have uplifted our report towards alignment with the External Reporting Board standards ahead of mandatory climate disclosures next year. For more detail, please see our [Climate Report 2023](#). See our [website](#) for previous years' Climate Risk Reports.

Key activities and achievements in 2023.

- Established a new ESG Advisory team to support our customers with their climate transition, upskill our bankers' sustainability awareness, and better position Westpac NZ to identify and manage Environmental, Social and Governance (ESG) and climate-related risks.
- Set New Zealand-specific portfolio targets for the agriculture sector to support Westpac Group's Net-Zero Banking Alliance commitment, which aims to keep global warming to 1.5 degrees.
- Piloted a new sustainability learning programme with a number of employees to help uplift our people's capability on sustainability topics.
- Undertook a review of our climate governance in preparation for External Reporting Board climate-related standards and as a result, are updating Board and Board committee charters as well as risk committees' terms of references. This will strengthen governance oversight of climate risks and opportunities.
- Built our own in-house financed emissions model and sought more accurate data to better assess our climate risk so that we can help our customers adapt and transition to a low emissions economy.
- Completed a strategy scenario analysis workshop with senior leaders to identify climate-related risks and opportunities.
- Sourced external climate risk factor data, and enhanced our climate stress testing capability, enabling us to better model and understand the financial impact of climate-related scenarios.

Challenges.

- While we have an increasing amount of information available to us, suitable data – including on physical climate risks and natural hazards, as well as customers' emissions – is needed so we can better integrate it into our decision-making and support our customers in tackling their climate-related risks.
- Building capability at all levels of the bank to better understand, manage and prepare for future climate-related risks.

What we have planned for 2024.

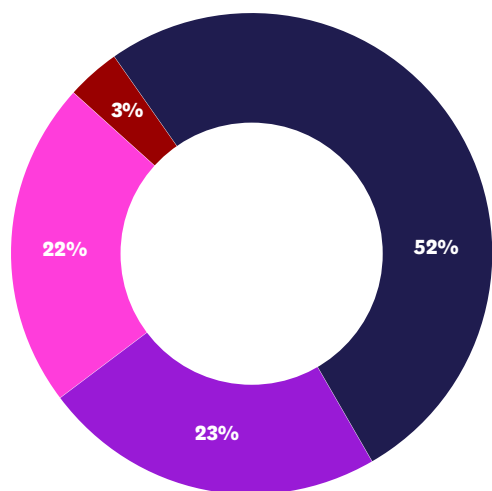
- Expanding our engagement approach with customers, particularly in emissions-intensive sectors.
- Uplifting business banker capability on net-zero pathways and transition planning for our customers.
- Sustainability learning programme to be available for all employees.
- Enhancing our ability to integrate customer emissions data into our systems.
- Improving the assessment of our financed emissions by increasing use of actual customers' (vs estimated) emissions to better understand our risks.
- Further developing an understanding of nature-related risks beyond climate change.

Our stories

Driving towards a fully electric fleet.

With 75% (181) of our vehicles now either EV or PHEVs we are close to achieving our goal of a 100% electric fleet. Our remaining Hybrid Agribusiness vehicles will be replaced with PHEVs in early 2024. We have installed chargers with the capacity to charge 90 cars at Westpac NZ sites nationwide. Next year we will focus on providing more charging options for drivers. We will also continue our focus on safety and emission reductions via use of the Driver Report Cards which were deployed this year.

Fleet as at 30 September 2023.



■ ICE ■ PHEV ■ BEV ■ Agribusiness Hybrid

Customer story

Sustainable Finance: Helping Aotearoa businesses reach for their ESG goals.

We continue to help Aotearoa businesses align their sustainability goals with their financing through sustainable finance. In June we supported Bay of Plenty-based produce company Seeka™, to refinance \$201m of lending with its bank syndicate as a Sustainability-Linked Loan.

The Sustainability-Linked Loan incentivises Seeka to reduce greenhouse gas emissions, increase solar energy generation, and continually improve health and safety across its workforce. Seeka will receive a discounted lending rate if it meets or exceeds ambitious targets around these commitments, but it will pay a higher interest rate if it fails to meet them.

“Climate change is a huge challenge for Aotearoa. We are pleased that our Sustainability-Linked Loan includes a target to reduce our scope 1 and 2 greenhouse gas emissions to beyond the Paris Agreement goal of 1.5°C and a goal to materially increase our renewable energy generation capacity using solar.”

Michael Franks, CEO, Seeka



Our role in helping protect Aotearoa’s natural capital.

Natural capital refers to the earth’s stock of renewable and non-renewable natural resources – including plants, animals, air, water, soils, minerals – that combine to produce a flow of benefits to people. Aotearoa is highly dependent on nature. The Sustainable Business Council estimates that over 70% of Aotearoa’s export earnings depend on it.⁹ Westpac NZ has exposure to sectors that are, and will be, impacted by natural capital degradation, creating financial risks to the bank and our customers.

Westpac Group is a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum and have actively participated in pilots with the United Nations Environment Programme Finance Initiative (UNEP FI) and United Nations Environment Programme World Conservation Monitoring Centre (UNEP WCMC). Westpac NZ has been involved, as a Leading Partner of the Aotearoa Circle, in the TNFD Bootcamp; an initiative looking at how local companies could apply the TNFD framework through an Aotearoa lens.

Released in November 2023, Westpac Group’s Natural Capital Position Statement (Position Statement) sets out our ambition to become a bank that supports nature positive¹⁰ environmental outcomes and sets out our four initial focus areas where we will seek to further our understanding: deforestation, restoration and regeneration, loss of critical habitat and natural capital finance.

In addition to the Position Statement, Westpac NZ has developed an internal three-year Aotearoa-specific action plan that sets out our pathway to deliver upon the ambition in the Position Statement. The action plan guides our approach on understanding our nature-related risks and opportunities. Broadly over the three years, our plan will focus on five strategic focus areas:

1. Embedding nature-related risks into strategy, and risk management frameworks and policies.
2. Educating our people on natural capital risks and opportunities as relevant to their roles.
3. Supporting customers to manage their nature-related risks and opportunities and transition to nature positive outcomes.
4. Engaging with broader stakeholders and participate in external forums to develop our nature-related ambitions.
5. Establishing governance and reporting processes.

We will expand on our commentary, taking into account the TNFD framework from next year to include more detailed dependencies and impacts alongside resulting risks and opportunities for Westpac NZ.

The following table shows that 14% of Westpac NZ’s lending is to sectors considered to have material nature-related dependencies and impacts. Our greatest exposure is from the beverages and food products (including agriculture) sector.

TNFD Global Industry Classification Standard categories	% of Westpac NZ’s Total Committed Exposure
Automobiles	0.00%
Beverages and food products (including agriculture)	8.38%
Chemicals	0.16%
Construction materials	0.50%
Construction services (including manufacture of metal products)	1.01%
Containers and packaging	0.14%
Mining	0.03%
Oil, gas and consumable fuels	0.83%
Paper and forest products	0.07%
Personal care products	0.17%
Pharmaceuticals	0.06%
Semiconductors and semiconductor equipment	0.01%
Sewerage, waste collection, treatment and disposal	0.17%
Textiles, apparel and luxury goods	0.07%
Transport and associated services (including passenger airlines)	0.79%
Utilities (including electric utilities, gas utilities, independent power and renewable electricity producers and water utilities)	1.61%
TOTAL	14%

9. <https://sbc.org.nz/valuing-natural-capital/>

10. The term “nature positive” refers to a high-level goal and concept describing a future state of nature (e.g. biodiversity, ecosystem services and natural capital) which is greater than the current state.

Sustainable Farm Loan and Sustainable Business Loan.

This year we launched two new sustainable products that both provide practical pathways for businesses to reduce greenhouse gas emissions, build resilience to climate change impacts, and deliver positive outcomes for communities. Both loans include initiatives to improve on natural capital outcomes by reducing environmental impacts and supporting biodiversity and broader natural capital protection and preservation.

The Sustainable Farm Loan is Aotearoa’s first loan to accelerate sustainability across all aspects of farming and importantly covers all term debt associated with the farm. Farmers have two years to meet the Westpac Sustainable Farm Standard and are supported from day one with a 0.20% discount off the existing loan interest margin across all term debt associated with the farm.

“Our standard defines requirements that farmers need to meet, with a view to improving sustainability outcomes in areas like water management, application of fertiliser, waste management, climate change mitigation, adapting to climate change and better outcomes for biodiversity and soil health.”

Catherine McGrath, CEO, Westpac NZ

Customer story

Agri lending in action.

Owl Farm, a demonstration farm in Waikato, worked with us to pilot the Sustainable Farm Loan. Its demonstration manager Jo Sheridan says the loan required Owl Farm to reduce its environmental impact and develop a climate change adaptation plan, to help them better understand the business risk created by more extreme and frequent weather events.

“Westpac NZ recognised the work we were doing around sustainability and were able to partner with us to provide a lending product that aligned really well with our thinking and also added value back to us. By managing our environmental footprint we are managing the business risk that goes with it and we get a discount on our borrowing because of that,” Ms Sheridan says.

“We’ve got some big objectives around how we manage nitrogen and particularly potential nitrate loss. With the Waikato River being such a predominant feature of our landscape, it’s really important that our farm business has minimal impact on the surrounding water quality.”

“We know that future growth in any industry is only going to be in the direction where it’s environmentally-sustainable so we need a partner who sees the same future that we do,



Owl Farm Demonstration Manager Jo Sheridan with Agri Senior Research Manager Jo Faber

and is willing to invest in the same practices, technology and infrastructure that will allow us to head in that direction. Our partnership with Westpac NZ has allowed us to invest when the times are good on future-proofing our farm business.”



Manaaki te tāngata

Care for people

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

We know that as a large business, employer and corporate citizen we have the responsibility to care for our people and the communities we've been part of for more than 160 years.



Whiria te tāngata. Weaving the people together.

We are drawn by a purpose that is greater than all of us. That purpose weaves its way through us, and compels us to do more than we thought possible – for the good of the communities that we are part of.

In early 2023, as a series of storm and flooding events devastated communities in the North Island and brought our largest city to a standstill, we provided support to many customers and community organisations in need.

2023 also saw us continue to build on our efforts to provide fairer access and greater opportunities for people facing disadvantage. As well as working towards a workforce that reflects the diversity of the communities we operate in, we introduced a range of employee benefits including an enhanced parental leave offering, doubling our volunteer leave days and introducing special leave for emergency responders within the organisation.



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

- We have defined what cultural diversity in leadership means to us. To this end we have established a baseline for cultural diversity of the Westpac NZ workforce and identified under-represented groups.
- Work to improve quality of data continues, with targets to be set within the next 6 months.

Key activities and achievements in 2023.

- Shifted our strategic focus on diversity, equity and inclusion from single measures of identity (e.g. gender, ethnic background, accessibility needs) to a more holistic approach.
- Increased our inclusion score from 74% in 2022 to 79% in 2023 and improved across all factors of inclusion. The survey achieved a 70% participation rate.
- Supported professional development and career pathways through our High School Graduates programme and the administration of Te Waiu O Aotearoa Trust's Māori tertiary study scholarships.
- Piloted beginners' conversational te reo Māori classes with 50 ākonga (learners) to help build the cultural confidence of our people. The classes were a success and a further 60 employees have now begun their te reo journey in 2023.
- Expanded wardrobe options for our customer-facing team to include Pasifika attire.
- Progressed our commitment to gender inclusion through leadership representation (43.8% Women in Senior Leadership roles) and gender equality by addressing our gender pay gap (27.8% as at 30 September 2023).
- Partnered with Dignity to provide our people with period products at work, while also gifting the equivalent amount to youth and community organisations.
- Updated our Parental Leave policy to allow for annual leave to be paid at the full rate upon return (ahead of regulation).
- Became a Hearing Accredited Workplace, having completed the first year of the hearing accreditation programme.
- Our Employee Action Groups (EAG) added new initiatives, including delivering NZ sign language workshops, hosting

the Rainbow NZ Trust General Tertiary Scholarship awards, holding morning teas for International Women's Day, and launching a series of Aunties and Uncles Talanoa (talk) events for front line roles to support career pathway development.

Challenges.

- We need a more accurate picture of our wider workforce to quantify our cultural diversity in leadership target. This year we launched a new people system and encouraged more of our people to share their identities with us. This will improve the accuracy of our baseline of diversity.
- Our people who shared their diverse gender or sexuality and diverse cultural background reported high levels of inclusion. However, those who experience disability, injury, or illness, or prefer not to share their identity with us, reported lower levels of inclusion and require further support.

What we have planned for 2024.

- Continue to explore barriers to inclusion and develop targeted initiatives for improvement.
- Improve the High School Graduates programme to include 10 months of personal, professional and leadership development to support the growth of our Māori and Pasifika rangatahi.
- Relaunch the University Graduate programme with a focus on developing future leaders through a variety of opportunities that will provide exposure to many parts of our business.
- Continue a structured mentoring programme, sponsored by the Women of Westpac EAG to support the growth and development of our people.



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 2025.¹¹

PERFORMANCE AGAINST TARGET

- 1.16% (\$17.1m) in 2023.
 - Community investment: \$14.1m.
 - Emergency relief: \$3m.

Key activities and achievements in 2023.

- Provided \$3.9m in financial support to customers and communities affected by the severe weather events. This included cash grants of \$2.5k to affected business customers, and targeted donations to a range of support organisations helping their communities, including iwi, rural support trusts and mayoral relief funds.
- This year, we've changed the definition for this target to include emergency relief. Emergency relief aligns with our community investment goals and our intent to support community outcomes.
- Partnered with NZ Landcare Trust to provide six \$10k grants each year to community groups around the country to help improve their local waterways through initiatives such as native plantings and water quality monitoring.
- Employee volunteering leave increased from one to two days.
- Introduced Emergency Response Volunteer leave.
- Westpac NZ team members volunteered 24,179 hours in our local communities, a 117% increase from 2022.
- Donated more than \$100k to 80 charities via our employee matched giving programme.
- Launched the Dare To Dream programme with Westpac NZ ambassador Dame Sophie Pascoe to help rangatahi discover their potential.

- Our mental health ambassador Sir John Kirwan spoke to more than a thousand people in a series of visits to storm-hit communities from Northland to Hawke's Bay.
- Established internal community investment working group to provide further guidance on community investment strategy.
- Commissioned and completed an impact assessment on the effectiveness of the Westpac NZ Government Innovation Fund in fostering innovation and driving positive change.

Challenges.

- This year we've needed to balance the reactive needs of the community, in the wake of Cyclone Gabrielle and flooding, while also developing a proactive community investment approach.
- Enabling all employees to be able to utilise their volunteering days.

What we have planned for 2024.

- Continue to work through challenges and barriers for employees to use their volunteer leave.
- Explore additional employee volunteering opportunities including skilled and pro-bono.
- Review matched giving programme for opportunities to expand.
- As we have delivered the community investment target this year, we will review to consider new targets in 2024.

¹¹ For the purposes of this target, investment in communities includes both community investment and emergency relief. Community investment includes monetary contributions (including charitable gifts, matched giving and community partnerships), time contributions, in-kind gifts and donations, and management costs. It excludes commercial sponsorships. Emergency relief includes, but is not limited to, cash grants with no commercial intent that are provided to individuals or other entities in response to social or environmental disasters. Where it meets the criteria, support provided to community organisations in response to social or environmental disasters will be counted as community partnerships or charitable gifts, rather than as emergency relief.



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 by 2025.¹²

PERFORMANCE AGAINST TARGET

- \$810m to date.

Key activities and achievements in 2023.

- We expanded the Greater Choices home loan (formerly Westpac Warm Up Home Loan) in August to offer 5 year interest-free lending to purchase electric and hybrid vehicles, hot water heat pumps and rainwater tanks, and we increased the lending limit from \$40k to \$50k to accommodate more purchasing options.¹³
- As at 30 September 2023, Westpac NZ has provided over \$120m in home loans to more than 300 borrowers who are participating in an affordable home ownership scheme under the Government's Primary Home Ownership programme.
- We have worked closely with community and government housing providers to expand our specialist housing offering by supporting more innovative ways that New Zealanders can own a home affordably. In addition to our existing shared equity and prefab construction finance offerings, Westpac NZ can now offer home loan options to borrowers using Leasehold ownership models.
- The Secure Homes leasehold model developed in partnership with the Queenstown Lakes Community Housing Trust is now being rolled out by three community housing providers, and we are able to apply the model to support whānau hoping to build homes on Māori general title.

- The Westpac NZ Government Innovation Fund invested more than \$900k in innovative housing programs that will help bring quality homes within reach of more New Zealanders.

Challenges.

- Specialised offerings such as shared equity and leasehold provide huge community benefit but are currently a challenge to scale up.

What we have planned for 2024.

- Expanding our footprint in the Secure Homes leasehold model.
- Developing our housing models to include those on Māori general title.
- Continuing to work with a range of community housing providers who are applying for Progressive Home Ownership funding to support housing construction.
- As we have met our target ahead of 2025, we are looking to develop new targets in 2024.

12. This is a cumulative target from 1 October 2020 to 30 September 2025. This target is included within our other target: Enable \$10b in sustainable finance by 2025.

13. In mid-2023, the Westpac Warm up loan was renamed the Westpac Greater Choices home loan and extended to include lending that is aligned specifically to climate change solutions (e.g. EV loans), not solely healthy homes. Therefore, our cumulative reporting for 2023 does not include new lending since 2022. We have however highlighted our key activities and achievements with the Westpac Greater Choices home loan in 2023. From 2024, Westpac intends to include Greater Choices home loan lending as part of the overall sustainable lending target.

Our stories

Rolling out te reo Māori to our people.

As well as maintaining an inclusive culture and workplace, supporting on-going people development is important to us. By giving our people the opportunity to learn te reo Māori and tikanga Māori, we are building the cultural confidence and competence of our people and enriching the fabric of our business and culture.

In late 2022, 50 of our Westpac NZ whānau participated in our pilot programme of a Beginners' Conversational Te Reo Māori programme, facilitated by AUT. Over 11 weeks, our employees attended weekly three-hour classes held in person and online for those across the motu. Participants passed several assessments and developed their confidence using te reo Māori in everyday situations. They now have additional knowledge to apply the learning in their work.



“It’s so fantastic to see how our learners have embraced the opportunity to start their journey with te reo Māori and tikanga Māori, and to see how confident they have grown. While our learners have a variety of motivations for taking part in our pilot programme, they all share the wairua (spirit) of learning and a commitment to ‘giving it a go!’”

Jennie Ryan,
Head of Learning, Talent and Culture,
Westpac NZ

Following the successful pilot, a further 60 employees started their conversational te reo Māori course in July 2023.

Since August 2023, we’ve also been piloting Te Wānanga o Aotearoa’s immersive tikanga Māori programme, which includes four 2 noho marae (2-night marae stays) in which learners explore the practical applications of tikanga Māori (Māori customs, practices, and values) in everyday work life.

Customer story

Giving our customers greater choices to support their sustainability journey.

Our Westpac Greater Choices Home Loan (rebranded from Westpac Warm Up Home Loan) provides up to \$50k interest-free lending (for 5 years) for eligible home loan customers to buy a range of items to improve their homes and potentially save on their fuel costs and energy bills. These include EVs and chargers, heat pumps, ventilation, insulation, rain water tanks, solar panels and more.

Karen and Jackie were considering adding solar panels to their Cambridge home. They wanted to add a battery to store the energy they produced, but it added a substantial amount of cost to the project. By utilising the interest-free loan, they were able to affordably fund both parts of the installation, and can now store the power they generate for use at a later time.

“We think it should pay for itself in about 7 years as we have also bought a PHEV (plug-in hybrid electric vehicle) car so we offset both our power and fuel costs.”

By using the battery, they’re able to monitor their energy consumption in real time which helps them see how much power each of their appliances uses. By considering their usage, they’re able to save even more off their power bill.

“It’s fair to say that we have become slightly obsessed with renewable energy – we think in a good way. We get excited when we receive our power bill each month – to see how much we have saved.”



Hawke's Bay farmers Greg and Gail Mitchell with Agri Manager Lydia Baty

Our support for storm-affected communities.

The devastating weather events in early 2023 had a massive impact on communities across the North Island. In the immediate aftermath, our bankers were on the ground assisting our customers.

Greg and Gail Mitchell from Mitchell Dairy Farms in Hawke's Bay, along with eight farm workers and their families, were cut off following Cyclone Gabrielle. Their 525ha farm had suffered extensive damage and it took a few days to find somewhere on the farm with cell phone coverage.

After making contact with the bank, the Mitchells received a message from their Agribusiness Manager, Lydia Baty, who let them know the bank had arranged for food supplies to be dropped in by helicopter.

“We got a message from Lydia saying Westpac NZ were bringing a helicopter of supplies. Just the relief on the staff's faces, that morale lift really, that we're actually going to be ok.”

The Mitchells also received a business grant, which gave the couple confidence to start making decisions.

“When the bank's given you the go ahead, and you've got confidence to start getting things fixed –that's the biggest thing. It's hard to put a value on people just standing behind you.”

Westpac NZ gave \$3m in non-repayable grants to business and agribusiness customers who were impacted. Many experienced damage to essential equipment, loss of stock and booking cancellations. Some couldn't operate from their damaged premises and many accrued expenses having to pay employees while their business was not in action.

Beyond money, the severe weather had an impact on the lives and mental health of our communities. As Westpac NZ's mental health ambassador, Sir John Kirwan (JK) spoke to more than 1,000 people about staying strong in tough times. JK travelled with Westpac NZ around the North Island, visiting Poho-o-Rawhiri




Sir John Kirwan at rural public talk in Kereru


Marae in Gisborne, Te Tai Whenua o Heretaunga in Hastings, Kereru in rural Hawke's Bay, Northland Field Days, and Muriwai Surf Club, among other venues.


“It's been a couple of months now since the cyclone and that's when people start to get tired and their mental health starts to suffer. That's why we need to keep talking to each other, keep checking in and being open about how we're feeling.”


Sir John Kirwan,
Westpac NZ Ambassador

Our cyclone support also included:

 **\$875,000** in donations to Mayoral Relief Funds, community partners, rural support groups and local iwi.

 Making over \$650,000 available in credit through interest-free personal temporary overdrafts, supporting short term emergency expenses.

 Supporting over **90** flood-affected employees through our We Care Fund, established to provide financial help to Westpac NZ employees in times of hardship.

 **Helping establish** the Government's 'Cyclone Gabrielle Appeal Fund' and matched donations from employees for this appeal.

Customer story

Te Kaha o Ngātahi – The strength of coming together

Standardising the shared equity model.

House prices have generally risen faster than incomes over the past few years, which is making home ownership a harder goal to reach for many New Zealanders. One solution is shared equity, in which a borrower is supported by an equity partner (usually a non-profit community group or Iwi-led organisation) for part of the purchase price, with Westpac NZ providing a standard home loan to complete the arrangement.

Westpac NZ has worked with NZ Housing Foundation and Kāinga Ora to make standardised documents available for equity providers, saving them significant time and money, and allowing them to launch their scheme faster and get participants into their own home sooner. Other banks have begun supporting shared ownership models using our standardised documentation thereby creating more choices for borrowers hoping to participate in a shared equity scheme.

“We’ve done a lot of research that shows having secure accommodation or a secure place to live really helps families get ahead. If you have a secure home then children are more likely to attend and finish school. Health statistics improve when family members have a nice warm secure home too. These things have a generational impact, so it’s not just about the family in the home, it’s about their generations to come”.

Marae Tukere,
GM – Tribal Interest Waikato-Tainui.

Ngāti Koroki Kahukura – Contemporary Papakāinga.

Westpac NZ partnered with Ngāti Koroki Kahukura in Waikato on a bespoke, covenant-driven shared home ownership model to enable whānau to own homes on their traditional land, living their values of sustaining the land, the people and their culture. After trying and failing with several other lenders, Westpac NZ was able to navigate the intricacies of the programme and agree an equity arrangement underpinned by the concept of shared ownership.



As a result, 11 whānau have reoccupied their whenua (land). This gives them secure homes with the benefits of home ownership and helps the whānau with financial security for the future. With the first phase of home ownership program completed in November 2022, Ngāti Koroki Kahukura have now begun their next phase of housing.

Ki te kotahi te kākaho ka whati, ki te kāpuia, e kore e whati – When we stand alone we are vulnerable but together we are unbreakable.



E tipu pūtea ora

Grow financial wellbeing

Enable all New Zealanders to be financially secure and independent.

We want all New Zealanders to be financially secure and independent, enabling them to reach their full potential. Increased economic participation and inclusive prosperity is beneficial to all.



Ko koe kei tēnā kīwai, ko au kei tēnei kīwai o te kete.

You carry your handle, I will
carry my handle of our basket.

Together we carry the basket that holds
our collective knowledge allowing us to
share with our communities so that we
grow together. The knowledge shared
creates sustainable tools for change.

After two years of grappling with the challenges of
COVID-19, Aotearoa communities are now facing rising
living costs and squeezed household budgets.

Just as having a strong sense of financial wellbeing can
help communities to build a stronger economy,
it can also help them ride out the many challenges
they currently face, making financial capability more
important than ever.

While we're pleased with the hard work we're doing
across the business to help New Zealanders improve
their money skills and safeguard their future, we know
there's a lot more to do.





Financial capability

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

TARGET

25,000 people to participate in Westpac NZ facilitated financial education workshops by 2025.¹⁴

PERFORMANCE AGAINST TARGET

- 32,619 people participated in Westpac NZ facilitated financial education.

Key activities and achievements in 2023.

- 10,241 people accessed financial education through 84 online and 316 in-person Managing Your Money workshops.
- Launched Mastering Your Money, a programme of six financial modules, usually completed over a six-week period, aimed at helping New Zealanders boost their financial future.
- Offered a series of public workshops during Sorted Money Month, including a session with financial mentors in partnership with FinCap.
- Increased volunteer days available for our employees facilitating Managing Your Money, giving them an additional three days to deliver workshops.
- Trained 202 new Westpac NZ volunteer facilitators in 2023.
- Designed and implemented new scams and fraud educational content, as part of our Managing Your Money offering.
- Won the Anti-Fraud award 2023 at the NZ International Fraud Film Festival for Stash the Cash, a Westpac NZ card game teaching people about common scams and simple defences you can use to protect yourself.

Challenges.

- Our Managing Your Money programme is delivered by passionate Westpac NZ volunteers who are increasingly time restrained.

- In a fast-changing financial environment, it can be challenging to keep up with trends and design and deliver content that is relevant and fit for purpose.
- We have a diverse customer base at Westpac NZ who come from varying backgrounds and require support through different financial life stages, so we need to continue to ensure our content is appropriate to our audiences.

What we have planned for 2024.

- Exploring ways we can increase the reach of our Managing Your Money programme through digital content.
- Delivering tailored financial education content to business owners.
- As we have met our target ahead of 2025, we are looking to develop new targets in 2024.



¹⁴ This is a cumulative target from 1 October 2020 to 30 September 2025. Westpac NZ facilitated financial education workshops includes those run by Westpac NZ Managing Your Money facilitators and financial education workshops facilitated by our partners using Westpac NZ materials.



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 by 2025.¹⁵

PERFORMANCE AGAINST TARGET

- Helped 7,862 New Zealanders at risk of financial exploitation and exclusion.

Key activities and achievements in 2023.

- Released the Access to Banking in Aotearoa Report, outlining the challenges and barriers marginalised groups experience when accessing a bank account in Aotearoa. This will help to guide future initiatives and advocacy within industry and to Government around the key barriers to accessing banking services.
- Partnered with Oranga Tamariki and VOYCE Whakarongo Mai to help young people aged 15-17 years in care and who may have ID challenges, access a bank account. We also worked together to identify areas for improvements for the programme moving forward.
- Made changes to our bankruptcy policy enabling us to support more individuals with access to bank accounts.
- Supported 1,609 New Zealanders experiencing vulnerable circumstances through our Extra Care team and funded initiatives. This included supporting 954 complex customer escalations requiring the combined efforts of various teams across the business. These escalations sometimes also involved reaching out to external parties such as Age Concern, Women's Refuge, SeniorNet, Good Shepherd and iSign to support our customers.
- Formed a set of guiding principles and a new process to better and more consistently assess banking services for individuals who may have previously been declined due to a high-risk status.
- Provided further training to employees on how to identify and respond to people facing vulnerabilities.

Challenges.

- The voices of vulnerable groups can sometimes be the quietest. We need to ensure we have regular engagement with those we're trying to serve so we can get their feedback and understand their needs.

What we have planned for 2024.

- Embedding Extra Care principles across the bank, recognising we need to provide a level of extra care and sensitivity in the way we serve and support customers experiencing vulnerability.
- Extending the reach of our work with Oranga Tamariki and VOYCE Whakarongo Mai, as well as adding financial education.
- Rolling out translation services so that customers for whom English is a second language feel supported during their journey with us.
- Providing training to employees to better support our small business and agribusiness customers in vulnerable circumstances.
- Helping newly arriving Recognised Seasonal Employer (RSE) workers access banking services including providing financial education translated into different languages.

15. This is a cumulative target from 1 October 2020 to 30 September 2025. 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, young people in care supported to open bank accounts 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

- 17.5% of purchasing spend against our 25% target.

Key activities and achievements in 2023.

- Worked with Amotai and Akina to continue developing our strategy and making key connections.
- Drafted contractual clauses to add to our supplier contracts, requiring suppliers to complete our Responsible Sourcing Assessment on an annual basis.
- Continued to embed our Responsible Sourcing and Diversity and Inclusion Principles through training, and more guidance and resources for our people who are looking to procure.

Challenges.

- The majority of our operational spend is currently technology-related which leaves less opportunity for significant spend with diverse suppliers.
- We have limited visibility of our direct suppliers' suppliers or subcontractors (Tier 2 suppliers), which if included, could give us a more accurate view of the diverse suppliers we're engaging. We will be improving this visibility and this will enable us to engage with our direct suppliers to encourage more diversity in their supply chains.

What we have planned for 2024.

- Promoting proactive procurement with a preferred supplier database to help our people connect with suppliers who are aligned with our values.
- Engaging select direct suppliers (Tier 1) to promote our commitment to supporting microbusinesses through Tier 2 engagement and capturing this spend.
- Continuing workshops and undertaking mentoring sessions throughout the bank to uplift the ways we can bring sustainability considerations into our engagement with suppliers.



Women of Westpac Employee Action Group
Co-chairs Karianne Grimes (L) and Jo McGregor
with Dignity NZ products

Our stories

Enabling more New Zealanders to master their money.

Our Managing Your Money programme is free and available to all New Zealanders, helping them understand and develop their money management skills.

Mastering Your Money is our newest six-module financial capability course, designed for people who are on top of their day-to-day finances but want to learn more about planning their financial future. It puts participants on the pathway to making sound and confident choices with their money, enabling them to feel more in control of their finances. The programme was co-designed with Westpac NZ customers Mainfreight and Community Leisure Management (CLM), who offer their staff on-site and online Managing Your Money courses.

Mastering Your Money was launched in mid-2023, at an event in Auckland where the Managing Your Money team showcased the programme to employees, representatives of community groups, business owners and industry experts.

“I’ll be the first to admit that finance subjects are out of my comfort zone – yes, despite having an accounting degree – which is fitting as it exemplifies the point that even those who graduated from university don’t necessarily have a better understanding of budgeting, mortgages, investments, insurance, and other related topics.”

Tracey Wong,

Mastering Your Money launch attendee

Managing Your Money highlights



Delivered in-person workshops to **6,246** participants: schools (3012), community groups (1,591) and workplaces (1,643) – 69% increase on 2022



2,803 participants accessed our Money Makes Cents programme – 344% increase on 2022



776 participants accessed our Mastering Your Money programme (since May 2023 launch)



Trained **202** new Westpac NZ facilitators through our online and face-to-face training course – 135% increase on 2022

The Managing Your Money team are rolling Mastering Your Money out to our business customers and Westpac NZ employees, with a view to bringing the course to new groups in the future.

Helping more New Zealanders access a bank account.

Not long after we released the [Westpac NZ Access to Banking in Aotearoa Report](#), a local community church group contacted us with the story of an older gentleman, “Robert”, who had been struggling to open a bank account due to lack of ID and proof of address.¹⁶

Without a bank account, Robert had been unable to receive a benefit. He also couldn’t utilise his KiwiSaver funds. With no access to his finances, he was left homeless and unable to cover his basic needs.

Our Extra Care team are experts in providing one-on-one support to customers in a vulnerable position. Extra Care Specialist Sandy Nolier worked with Robert to organise opening an account, with the support of his church.

“Robert is now set up to receive his payments and access to his KiwiSaver. Being able to access to his funds has meant having a roof over his head for winter. He told us he plans on finally getting some glasses and has now been able to get his Kiwi Access card – an official form of photo ID he can use wherever he needs to.”

“Sometimes all it takes is someone to bring all the pieces together to make a real difference in someone’s life.”

Sandy Nolier,

Extra Care Specialist, Westpac NZ



Extra Care Specialist Sandy Nolier

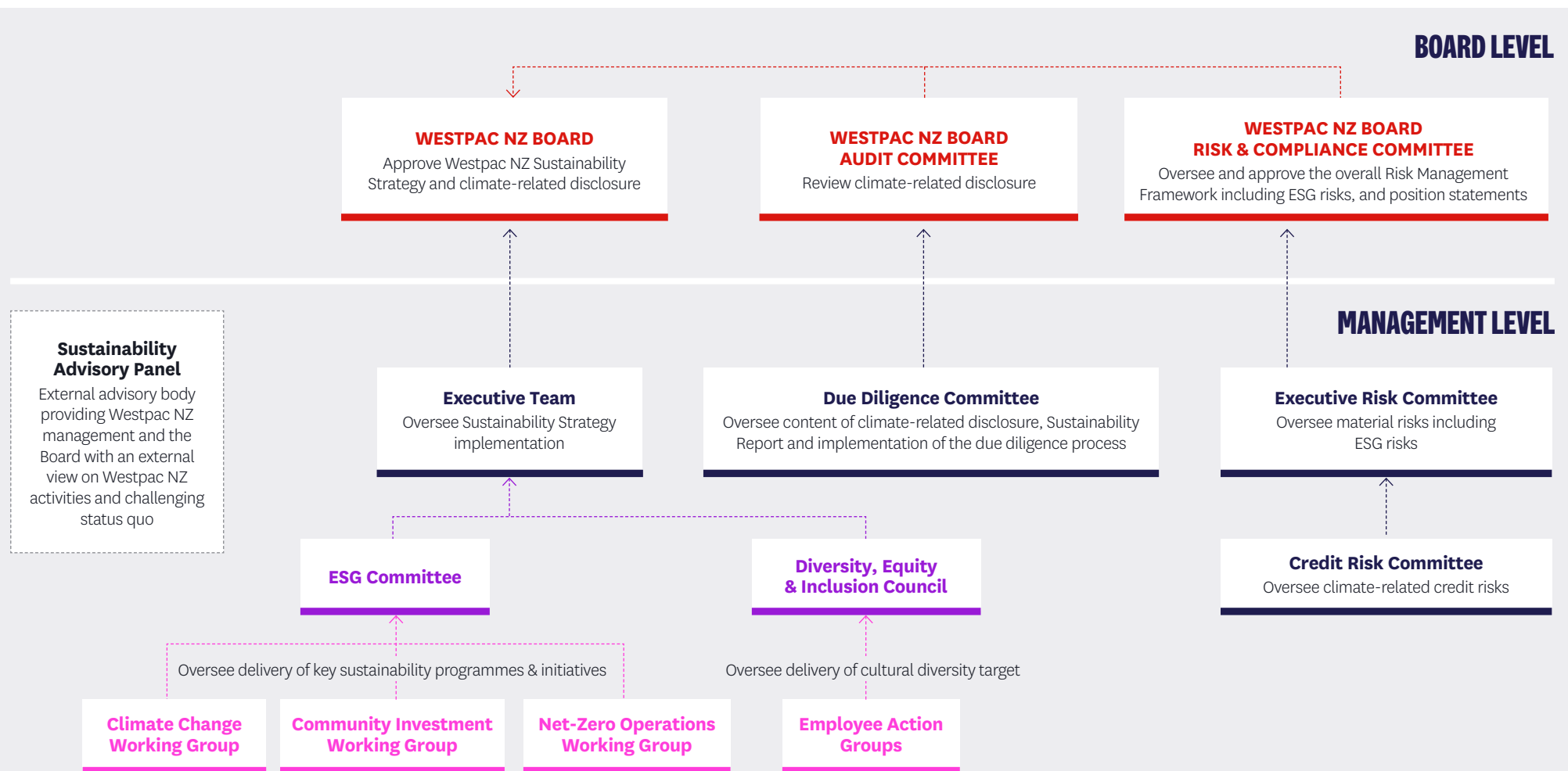
16. The customer’s name has been changed to protect his privacy.

APPENDICES

SUSTAINABILITY GOVERNANCE







Westpac NZ’s governance of sustainability issues helps us make sure sustainability is overseen at the highest levels of our organisation and embedded throughout our everyday operations.

To assist us on our sustainability journey and ensure we are considering diverse perspectives, we have our external Sustainability Advisory Panel. Our Panel has been encouraging and challenging us since 2013. The Panel meets three times a year with Westpac NZ’s Executive Team and once a year with our Board Directors. The Panel is currently chaired by Abbie Reynolds and includes Alistair Davis, Emeline Afeaki-Mafile’o, Rangimarie Hunia, Sam Johnson and Shruthi Vijayakumar.



Westpac Group material sustainability topics

This year Westpac Group updated its sustainability materiality assessment based on the Global Reporting Initiative (GRI) Universal Standards 2021. Westpac Group topics are defined by the significance of the impacts of its business activities on the economy, environment, and people, including impacts on their human rights. In line with the GRI, topics were assessed and prioritised on the impacts of Westpac Group’s activities by using Westpac’s integrated risk management and compliance systems and extracting information such as severity and likelihood. The following list of material topics were determined based on the risks with the highest rating. Westpac Group complemented this assessment by engaging with internal and external stakeholders, such as its Sustainability Advisory Council, and reviewed material topics accordingly.

 Relevant to all	 Shareholders	 Customers	 Our people	 Communities	 Environment
Ethics and business conduct	Financial performance	Support vulnerable customers	Work culture	Supporting local communities, including indigenous peoples	Climate change
Cybersecurity	Corporate compliance	Data privacy	Employees health and safety	Human rights	Natural capital
Anti-money laundering / counter-terrorism financing	Data management	Safe & inclusive products and services	Talent attraction and retention	Sustainable and diverse supply chain	
Anti-bribery and corruption	Technology, digitalisation, and AI	Marketing and promotion	Inclusion and diversity	Tax transparency	

GRI content index

Westpac NZ has reported the information cited in this GRI content index for the period 1 October 2022 to 30 September 2023 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 5288 Employee and contractor FTE
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 34
Stakeholder engagement	2-29-a	Stakeholders Materiality – Page 7
Reporting practice	2-2-a	Entities included Westpac New Zealand Limited, Westpac Banking Corporation – NZ Branch, BT Funds Management (NZ) Limited
	3-2	List of material topics Pages 8-10
	2-3-a	Report period 1 October 2022 to 30 September 2023
	2-3-c	Report date November 2023
	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 Pages 14 & 15 (also see our Climate Report 2023)
Environmental	305-1	Scope 1 GHG emissions Page 37
	305-2	Scope 2 GHG emissions As above
	305-3	Scope 3 GHG (upstream) emissions As above

Key business data

	2023	2022	2021
Business			
Net profit (\$m) ¹	963	1,168	1,010
Number of customers (m)	1.51	1.49	1.46
Digitally active customers	991,277	891,865	865,054
Branches	112	115	116
Branches with 24/7 capabilities	84	81	72
ATMs	413	439	464
Smart ATMs (%)	45	43	36
Change in customer complaints from prior year (%)	58 ²	-22	-8.7
Total supply chain spend (\$m)	833	730	679
Employee and contractor headcount	5,533	5,447	5,035
Employee and contractor FTE	5,288	5,070	4,830
Care for planet Manaaki te ao			
Sustainable Finance (\$b), towards our \$10b 2025 goal	11.7	7.3	3.4
Total operational emissions tCO ₂ e (tonnes of carbon dioxide equivalent) ³	4,705	4,950	5,437
Total Scope 1 emissions (tCO ₂ e)	989	982	1,306
Total Scope 2 emissions (tCO ₂ e) ⁴	897	1,812	2,049
Total Scope 3 emissions mandatory (tCO ₂ e)	2,051	1,020	1,044
Total Scope 3 additional emissions (tCO ₂ e)	769	1,136	1,037
Care for People Manaaki te tāngata			
Funds raised for Rescue Helicopter (\$m)	1.4	1.28	1.1
Women in Senior Leadership (%) ⁵	43.8	43.9	NR
Women as a % of the workforce ⁶	52	51	51
Gender pay ratio (%)	27.8	27.4	28.5
Investment in communities (including emergency relief) (\$m) ⁷	17.1	8.32	7.36
Investment in communities (including emergency relief) as a % of pre-tax profit ⁸	1.16	0.57	0.57
Volunteering (value of hours in \$m)	1.6	0.54	0.52
Lending to social and affordable housing (\$m), towards our \$700m 2025 goal	810	677	389
Grow financial wellbeing E tipu pūtea ora			
Financial education workshop participants	10,241	7,760	14,618
Number of people at risk of financial exploitation and exclusion helped	1,609	4,302	1,960

Key business data footnotes

1. Also referred to as Net profit attributable to owners of Westpac New Zealand, net profit after tax or statutory net profit. Net profit is now the single measure Westpac Group and Westpac New Zealand use to assess overall financial performance. Westpac Group and Westpac New Zealand no longer report cash earnings. Westpac New Zealand is a segment of Westpac Banking Corporation (WBC). For the purposes of the net profit figures, Westpac New Zealand includes, but is not limited to, Westpac New Zealand Limited, BT Funds Management (NZ) Limited and WBC (New Zealand branch). 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. 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. Note, elsewhere in this report, Westpac NZ refers only to Westpac New Zealand Limited, unless specified otherwise.
2. This significant increase was largely due to a card transaction processing error in December 2022 that impacted a large number of customers.
3. Environmental year runs 1 July to 30 June. tCO₂e 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 net carbonzero programme certifier, which also resulted in setting a new 2025 target.
4. Due to an update in the Ministry for the Environment's emission factor for Scope 2 electricity emissions in 2023, Westpac NZ has restated the electricity emissions for the past three environmental years (EY20-EY22) to reflect material impacts to our footprint as per the Toitū net carbonzero programme requirements. This update has not been applied to our EY19 base year inventory, as the change in emissions was below the default 5% materiality threshold and was deemed not to be material to our stakeholders in this instance. Toitū re-verification of the footprints for these years was completed with updated total tCO₂e for EY22 and EY21 restated above.
5. Women in leadership (which includes CEO-GM2, GM3 with 3+ Direct Reports, Bank Managers and Asst Bank Managers – population of ~850 people) was replaced in all Group reporting this year with Women in Senior Leadership (CEO-GM1 – ~80 people).
6. In previous Sustainability reports, this figure included third party staff engaged under statements of work. It has now been updated to include only employees and contractors, in line with other headcount metrics.
7. Investment in communities includes community investment and, from FY23, emergency relief. Community investment includes monetary contributions (including charitable gifts, matched giving and community partnerships), time contributions, in-kind gifts and donations, and management costs. It excludes commercial sponsorships. This year, we've changed the definition of the Community Investment target to include emergency relief. Emergency relief aligns with our community investment goals and our intent to support community outcomes. Emergency relief includes, but is not limited to, cash grants with no commercial intent that are provided to individuals or other entities in response to social or environmental disasters. Where it meets the criteria, support provided to community organisations in response to social or environmental disasters will be counted as community partnerships or charitable gifts, rather than as emergency relief.
8. For the purposes of this measurement, investment in communities includes both community investment and emergency relief.



Sustainability Team members volunteering at Fair Food

**Mō tātou, ā,
mō kā uri ā
muri ake nei**

For us and our
children after us.

As New Zealanders we have
the immense privilege of calling
Aotearoa home. Our intention
is to look after this land and
us, the people, for now and for
those after us.

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
MAHI TAHI TĀTOU
KAHA AKE TĀTOU**

Westpac New Zealand Limited.

Product Disclosure: Where loan products are discussed in this document, lending criteria, terms and conditions apply to these products, which may be subject to change from time to time. Fees and charges may also apply. See westpac.co.nz/home-loans-mortgages/options/greater-choices-home-loan/ for further details on Westpac NZ's Greater Choices Home Loan, westpac.co.nz/business/products-services/loans-overdrafts/sustainable-business-loan/ for further details on Westpac NZ's Sustainable Business Loan, and westpac.co.nz/agribusiness/sustainable-farm-loan/ for further details on Westpac NZ's Sustainable Farm Loan.

The information in this sustainability report is given in summary form and does not purport to be complete. The material in this report is provided for information purposes only and is not advice, recommendations or opinions in relation to any Westpac products or services. The information in this report is general, and does not take into account the investment objectives, financial position, or needs of any particular investor or customer.