Climate Change 2017 Information Request
Westpac Banking Corporation

Module: Introduction

Page: Introduction

CC0.1
Introduction
Please give a general description and introduction to your organization.

Westpac Group ("Westpac") is a financial services company with operations in Australia, New Zealand (NZ), the United Kingdom (UK) & the near Pacific region & maintains offices in other key financial centres around the world. Westpac is ranked in the top 5 listed companies by market capitalisation on the Australian Securities Exchange. As at 30 September 2016, Westpac had a market capitalisation of $99 billion, 622,780 shareholders, around 13 million customers & approximately 35,280 employees (fulltime equivalent basis). Westpac has five key divisions: Consumer Bank, Business Bank, BT Financial Group (BTFG), Westpac Institutional Bank (WIB) and Westpac New Zealad (WNZL). Consumer Bank is responsible for sales and service of its consumer customers in Australia, covering all consumer banking products and services under the Westpac, St.George, BankSA, Bank of Melbourne and RAMS brands. Business Bank is responsible for sales and service of its small-to-medium enterprise, commercial and agribusiness customers in Australia, as well as asset and equipment finance and operates under the Westpac, St.George, BankSA and Bank of Melbourne brands. Business and corporate customers (businesses with facilities typically up to $150 million) are provided with a wide range of banking and financial products and services, BTFG is Westpac's wealth management business, providing investment, superannuation, financial advice, funds administration, private banking and insurance. WIB delivers a broad range of financial services to corporate, institutional & government customers with connections to Australia, New Zealand & Asia as well as banking services in Fiji & PNG. WNZL offers banking, wealth, & insurance products to consumer, business & institutional customers in New Zealand. Westpac's vision is 'to be one of the world's great service companies helping our customers, communities & people to prosper & grow'. Achieving this requires us to manage our direct & indirect environmental impacts, including dealing with the critical issue of climate change. Climate change will have significant economic, social & environmental impacts in the regions in which we operate. This means that our investment, lending & operational decisions must take these impacts into account, but we also expect to drive shareholder value through our response. We were among the first Australian companies to take action on climate change: publicly reporting our emissions since 1996; responding to the CDP each year since it began; and we have a strong history of calling for early action on climate change from government and the broader business community. In 2017 Westpac Group released its third Climate Change Position Statement and 2020 Action Plan. This follows our first and second Climate Change Position Statements published in 2008 and 2014, & reflects the substantive program of work we have implemented. This updated Climate Change Position Statement confirms the principles underpinning our approach including recognising the financial risks and opportunities of climate change. It also includes our 2020 Action Plan, outlining the next phase of actions we are taking to meet our commitment to operate a manner consistent with limiting global warming to less than two degrees Celsius above pre-industrial levels. It was developed following extensive internal & external stakeholder consultation and conduct of scenario analysis to assess the risks and opportunities of transitioning to a two degree economy. It was approved by the Group Executive & Westpac Board.
Climate change & other environmental challenges form one of three priority issues for action in the Group's 2013-17 sustainability strategy, launched in February 2013 and approved by the Board. The governance of our direct footprint was enhanced with the formation of a Group-wide Environment Management Committee (EMC) in November 2012 which oversees performance improvements across an environmental dashboard including energy efficiency, GHG reduction and carbon neutrality. Our new 2020 and 2030 carbon solutions are set out in our Climate Change Action Plan are overseen by our CleanTech Committee. Overall we continue to drive awareness & action in the community & among business & policymakers to help in the transition to a two degree carbon economy. Ultimately all parts of the economy will need to collaborate to effectively address climate change. For further information on the Group see http://www.westpac.com.au/about-westpac/.

CC0.2
Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Wed 01 Jul 2015 - Thu 30 Jun 2016

CC0.3
Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country

CC0.4
Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

AUD ($)

CC0.6
Modules
As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.
If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below in CC0.6.

Further Information

Module: Management

Page: CC1. Governance

CC1.1
Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a
Please identify the position of the individual or name of the committee with this responsibility

The highest level of direct responsibility for climate change at Westpac Group is the Board. The Westpac Banking Corporation's Board Charter states that the key responsibilities of the Board include considering the social, ethical and environmental impacts of the Westpac Group's activities, setting standards and monitoring compliance with Westpac's sustainability policies and practices. Westpac Group's Environmental Policy, updated in 2014, states that the Policy includes our management of issues associated with climate change. Furthermore, Westpac Group's third Climate Change Position Statement covers the management of our direct carbon footprint, criteria to manage the carbon impact of lending to emissions intensive sectors, measuring and reporting of our performance and the incorporation of climate change considerations into our risk management framework. This refreshed Position Statement was approved by the Group Executive and Westpac Board in 2017.

CC1.2
Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a
Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Board/Executive board	Monetary reward	Emissions reduction target Energy reduction project Energy reduction target Efficiency target Behavior change related indicator	The highest level of direct responsibility for climate change at the Westpac Group is the Board. The Westpac Banking Corporation's Board states that the key responsibilities of the Board include considering the social, ethical and environmental impact of the Westpac Group's activities, setting standards and monitoring compliance with Westpac's sustainability policies and practices. The Westpac Group's Environmental Policy, updated in 2014, states that the Policy includes our management of issues associated with climate change. Furthermore, Westpac Climate Change Position Statement and 2020 Action Plan, refreshed in 2017 sets out our approach to managing climate change risks and opportunities and includes emissions reduction targets for 2020 and 2030. This plan was approved and endorsed by the Westpac Group Board and Executive Team. In 2016, the Annual Base Fee for the Chairman was $810,000 and Non-executive Directors was $225,000. Sustainability, including Westpac's response to key issues such as climate change and the achievement of our public targets and commitments forms part of 10% of the overall short term incentive in the CEO's scorecard, outlined in our Annual Report. This is cascaded to the Group Executives. In 2016 the CEO's STI Cash Payment was $1,302,710, Fixed Remuneration was $2,811,402, Total Cash Payments were $4,114,112 and Prior Year Equity Awards Vested during 2016 was $1,003,809.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Corporate executive team	Monetary reward	Emissions reduction target Energy reduction project Energy reduction target Efficiency target Behavior change related indicator Supply chain engagement	Responsibility for sustainability, including Westpac's response to key issues such as climate change and the achievement of our public target and commitments are cascaded from the CEO to relevant Group Executives & General Managers & their respective teams. Executive accountability is set out in the sustainability scorecard. Christine Parker, Group Executive Human Resources & Corporate Affairs is responsible for Corporate Affairs & Sustainability, which coordinates the Group's response to climate change. In 2016, Christine Parker's fixed Remuneration was $873,835, STI Cash Payment was $450,000, Total Cash Payments were $1,323,835 and Prior Year Equity Awards Vested during 2016 were $703,239. John Arthur, Chief Operating Officer was responsible for product, marketing & analytics, banking operations, procurement, property, compliance, legal and secretariat services during the reporting year. This includes a number of energy efficiency targets within the Group Sustainability Strategy, as well as the bank's Carbon Neutral program. In 2016 John Arthur's fixed Remuneration was $1,222,005, STI Cash Payment was $585,000, Total Cash Payments were $1,807,005 and Prior Year Equity Awards Vested during 2016 was $1,275,467.
Management group	Monetary reward	Emissions reduction target Energy reduction target Efficiency target Behavior change related indicator	Westpac Group's Sustainability Council, formed in 2008, brings together senior leaders from across Westpac Group with explicit responsibility for managing our sustainability agenda and performance, including climate change. Members of the Sustainability Council with responsibility for Sustainability Strategy objectives are rewarded via a portion of short term incentives for delivery against these objectives, including those relating to climate change in the Environmental Challenges stream of our Sustainability Strategy.
All employees	Monetary reward	Emissions reduction target Energy reduction target Efficiency target	Strength is a key component of Westpac's strategy and is included as a category in the balanced scorecard of all employees. Short term incentive includes an objective of strength or remaining strong which includes enhancing our governance frameworks for long-term sustainability and responding to society's expectations and environmental concerns, including climate change. Performance against the objectives determines an employee's short term incentive and many employees include climate change related activities in this category e.g. promoting, developing or implementing energy efficiency and emission reduction initiatives.
All employees	Monetary reward	Emissions reduction project Other: Behaviour change related indicator	The CEO Community & Environment Awards recognise both an individual employee and a team which have demonstrated outstanding support for their community, or the environment including through one or more not-for-profit organisations. This includes causes which relate to climate change. The winners of our Community & Environment Awards are people who have gone beyond what is expected and have made a sustained contribution to one or more not-for-profit organisations, giving generously of their time, capabilities and commitment. Both the individual and team Award winners will receive a donation of $10,000 for their chosen community organisation or environmental cause.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
All employees	Monetary reward	Emissions reduction project Behavior change related indicator	NZ Our Tomorrow monthly, quarterly and annual awards recognise individuals that have played a key role in their communities or for the environment, including issues associated with climate change, over and above expectations of their day job. In 2016, as in previous years WNZL staged the Legends, 'high achiever awards' to recognise exemplar performance by our people in their everyday roles, including outstanding contribution to sustainability and climate change and demonstrated commitment to achieving the business' CO2 emissions reduction targets. There is a small financial component that goes with this - items or vouchers to the value of $150 for quarterly legends and $500 for annual legends.
Other: Selected Managers	Monetary reward	Behavior change related indicator	Managers within WIB have performance objectives that include building customer awareness of our climate change capabilities and successfully executing low carbon finance and investment opportunities, assessing carbon risks along with other ESG risks.
Business unit managers	Monetary reward	Energy reduction target Efficiency target Behavior change related indicator	General managers and division heads across the Group have bonuses tied to the achievement of climate change related targets included in the Environmental Challenges stream of our Sustainability Strategy e.g. launch 5 unique service offerings to help customers adapt to environmental challenges by 2017; make up to $6bn available for lending and investment in CleanTech and environmental services across WIB, WNZL and AFS by 2017; reduce absolute electricity usage in MWh and intensity of electricity usage in kWh per m2 for commercial and retail sites (Aust & NZ) by 10% by 2017, Power Usage Effectiveness of 1.6 by 2017, reduce total GHG emissions across property portfolio and be carbon neutral 2013 to 2017.
Environment/Sustainability managers	Monetary reward	Emissions reduction target Energy reduction target Efficiency target Behavior change related indicator	The extent of sustainability manager's financial remuneration is dependent on the management of climate change issues, including the attainment of targets. The management of climate change issues includes the identification, prioritisation and response to those issues, through the Environmental Challenges stream of our Sustainability Strategy and our Climate Change Position Statement, and the attainment of targets included in both the Strategy and the Statement. Delivery on sustainability objectives accounts for 50-80% of short term incentive.

Further Information

Page: CC2. Strategy

CC2.1
Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	Australia New Zealand Pacific Asia (Singapore, China, Hong Kong, India, Indonesia)	> 6 years	Frameworks and policies for climate change risks and opportunities are approved by the Board Risk and Compliance Committee. Risks, opportunities and performance against the sustainability strategy are monitored on an ongoing business in our lending and quarterly by our Group Executive Risk Committee and Sustainability Council.

CC2.1b
Please describe how your risk and opportunity identification processes are applied at both company and asset level

Our Group Sustainability Risk Management Framework, approved by the Board Risk & Compliance Committee (BRCC) guides the identification, management & monitoring of risks, including climate change risks (physical, market & regulatory) at all levels of the organisation (company & asset) & across all parts of the business.
At an asset level the requirements of the Framework are translated into local frameworks & policies eg our WNZL ESG Risk Management Framework, WIB & Business Bank Credit Manuals.
Climate change risks & opportunities are identified: at a company level by our Group and WIB Sustainability teams; at an asset level by our WIB, BTFG and Commercial Services Sustainability teams as well as Divisional Line & Risk Management.
For credit, climate risks are identified at a country, sector, customer & transaction level at all stages of the decision making process as guided by our ESG Credit Risk Policy & our Credit Manuals.
For our supply chain, climate change risks & opportunities are identified through our Responsible Sourcing process, which involves a mandatory self-assessment process for suppliers.
For our properties, climate change risks & opportunities are identified through environmental assessments & physical inspections, & through our Business Continuity Planning framework which takes an ‘all hazards’ approach to planning for natural disasters, including those linked to climate.
For investment management, climate change risks & opportunities are identified & considered in investment decision-making by our fund managers.
Prior to launching our Climate Change Position Statement we consulted with stakeholders and conducted scenario analysis, working with independent experts, to identify carbon risks & opportunities at a company & business unit level to ensure these were captured in the statement.

CC2.1c
How do you prioritize the risks and opportunities identified?

Reputation risks: WBC prioritises material reputation risks and opportunities, including climate change-related reputation risks, on an ongoing basis, through ongoing engagement to assess importance to stakeholders and the business. The most material reputation risks incl. climate risks are captured by our internal Risk Radar maintained by our Corporate Affairs & Sustainability team, prioritised based on business exposure & stakeholder sensitivity and included within quarterly reporting to Group Executive Risk Committee and Board Risk and Compliance Committee.
Credit risks:
ESG risks in credit inc. climate risks are considered at a portfolio level through scenario analysis, and when setting sector strategies and policies. For transactions where climate risks are identified, divisional managers work with Risk to prioritise risks in the context of the sector & jointly determine if they are sufficiently material to require escalation. Material ESG risks inc. climate risks are escalated to divisional risk committees, divisional Chief Risk Officers (CROs) & other senior leaders at Group level if required.
Operational risk:
In our Responsible Sourcing process, WBC asks suppliers about GHG emissions reporting, reduction targets & enviro mgmt plans (which include GHG mgmt). A non-compliant (high risk) supplier is prioritised and required to prepare an action plan to manage risks and opportunities.
Climate change risks & opportunities are prioritised for properties based on whole of business considerations inc. payback period, lease terms & OH&S, and monitored by our Environmental Mgmt Committee.

Regulatory risks:
Reg risks, including those related to climate change regulation, are prioritised as high/med/low based on factors such as scope of impact, likely funding & implementation path. High priority risks are generally actioned at an Group-wide level. Medium & low priority risks are assigned to business units for action.

CC2.2
Is climate change integrated into your business strategy?

Yes

CC2.2a
Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i)How the bus. strat has been influenced: Explicit inclusion of sustainability leadership, inc. climate change, is necessary to deliver WBC's vision "to be one of the world's great service companies, helping our customers, communities & people to prosper & grow" which guides strategy development across the business. Strategy development is led by Group Strategy with inputs from the Sustain. Council, ongoing stakeholder engagement (e.g. with customers & NGOs), the annual AA1000 sustainability materiality analysis & business unit inputs e.g. WIB sector reviews (incorporating climate change risks & opportunities). The materiality analysis involves review of feedback from a range of stakeholder groups (employees, customers, investors, experts).
Key aspects of our climate change response are included within our Board-approved Climate Change Position Statement: providing finance for climate solutions; supporting businesses that manage climate risks; helping customers respond; improving and disclosing our performance; advocating for policies that stimulate climate investment. These themes are reflected in corporate & business unit strategy.
In Feb 2013, WBC launched its 2013-2017 Sustainability Strategy, based on extensive research & stakeholder consultation, & intrinsically linked to WBC's 2017 enterprise-wide strategy. It identifies 'Economic Solutions for Environmental Challenges' as a key theme with objectives relating to environ products & services, lending & investment to cleantech / environ. services & management of our direct environ. footprint (incl. GHG). The NZ Sustainability Strategy 2015-2017 informs Corporate Strategy by providing insights on ESG risks, incl. climate change.
Progress against our carbon related strategic objectives is monitored & reported to our Environ. Mngment Committee (quarterly), Sustainability Council (quarterly), Executive Team & Board (both six monthly). Feedback from these meetings provides ongoing input to our strategic approach.
ii) E.g.s of influence on business strategy:
Our commitment to reducing our environ. footprint is directly linked to our environmental targets to reduce our carbon emissions & energy usage (absolute & /m2) (refer question 3.1). This influenced our recent relocation to sustainably rated premises, incl. our Sydney & Melbourne Head Office to 6 Star Green Star rated buildings & delivering the first 6 star Greenstar rated bank branch at Barangaroo.
Our commitment to increasing our lending & investment to carbon solutions, is managed by the Clean Tech Committee meeting quarterly to oversee lending and setting the strategic approach, resulting in increased lending to this sector (to $6.7bn as at 31 March 2016, over 12% of our 2017 target).
In NZ, cross- bus unit working groups are responsible for the plan to deliver an integrated response to climate change throughout bus. eg. Operational Sustainability committee drives business decisions to reduce CO2 emissions resulting in a 16% reduction in emissions between 2015 and 2016.
Our commitment to supporting customers through the launch of new environmental products & services has driven Westpac to release new products eg. Green bonds & Energy Efficiency Finance Program in 2016.
iii)Key areas of climate change influencing strategy include:
Emerging markets in green bonds and cleantech influencing our lending activity;
International political consensus around limiting global warming to 2deg has influenced our climate change strategy & informed the 2017 refresh of our Climate Change Position Statement and 2020 Action Plan.
Physical climate risks driving our active participation in the Australian Business Roundtable for Disaster Resilience;
Carbon risks in general driving the need to understand exposure within our lending & investments & engage with client sectors on carbon risk management.
iv)Key components of short-term strategy include:
Climate change related performance objectives & targets, incl: science-based emission reduction and carbon solutions financing targets for 2020 in our Climate Change Position Statement and 2020 Action Plan; energy efficiency target, power usage effectiveness target, commitment to maintain carbon neutrality through to 2017, & commitment to make available $6bn for cleantech lending & investment by 2017 (exceeded in 2015) in our Sustainability Strategy;
Changes to risk appetite, risk management & underwriting practices to account for carbon risk;
Integrating GHG management into supplier screening;
Development of new products incl. Energy Efficiency Lease, Energy Efficiency Finance Program, Green Bond;

Active participation in the Australian Business Roundtable on Disaster Resilience;
Increased disclosure of financed emissions aligned with the direction of the Task Force on Climate-Related Disclosures (TCFD);
Continuing to reduce our direct carbon footprint e.g. through our Property Sustainability Strategy.
v)Key components of long-term strategy include:
2030 targets for direct emissions reductions and lending to carbon solutions in our Climate Change Position Statement; new restrictions for lending to emissions intensive sectors in our Climate Change Position Statement; partnering with our customers to develop innovative solutions which address sustainability challenges incl. climate change, for key industry sectors;
Further reductions in our direct carbon footprint through newly constructed sustainable premises in Sydney, Melbourne & Brisbane;
Participating in working groups to develop a carbon risk disclosure standard for the sector;
Climate change scenario analysis to identify risk & opportunities in our portfolios.
vi)Strategic advantage:
Revenue growth through lending & product development in the CleanTech & environmental services sector (59% of our energy lending was to renewables as at 30 Sept 2016);
Credit & relationship managers developing expertise in carbon;
Strong market recognition due to effective public advocacy;
Reduced operational costs;
Better understanding of risk & opportunities in our lending portfolios.
vii)Key substantial decisions & influencing factors during the reporting year:
Influenced by our support for keeping global warming to no more than two degrees in line with Paris Agreement and recognition of the 'transition risk' associated with this, we conducted climate change scenario analysis of our WIB portfolios and published our third Climate Change Position Statement and 2020 Action Plan in April 2017, containing stricter criteria for lending to emissions intensive sectors and new targets for lending to carbon solutions; influenced by our commitment to transparency on climate change risk and support for the TCFD, we continued to disclose our lending to mining, cleantech, & emissions intensity of our generation portfolio;
Influenced by the growing cost effectiveness of clean technologies, we continue to develop new business, lending $6.7bn to this sector as at 31 March 2017.

CC2.2c
Does your company use an internal price on carbon?

Yes

CC2.2d
Please provide details and examples of how your company uses an internal price on carbon

Carbon pricing is integrated into business case considerations for energy efficiency works across the operational portfolio, with cost of off-setting taken into consideration for work the business unit is doing. For example within WNZL the current and projected costs of New Zealand Unit carbon credits has been recognised within the financial analysis underpinning the update of its fleet management strategy which resulted in NZ committing to 30% of its car fleet being EVs by 2019. Essentially this recognises the cost of carbon off-sets within business cases to reflect the monetary value of emission decreases/increases cost. The next step is consideration of these costs being passed to the teams responsible for them so they have clear sight of the total financial implications of vehicle use. The business case for consolidating stationery and print logistics has taken into account the reduction in carbon emissions and off-set cost savings. WNZL is currently testing the feasibility of introducing an internal price on carbon to be implemented across all sources of CO2. We also used an internal carbon price on the basis for scenario analysis on WIB portfolios to assess the risks and opportunities of a transition to a two degree economy.

CC2.3
Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Mandatory carbon reporting	Support with minor exceptions	Engaged on the design and implementation of the Emissions Reduction Fund in Australia. Westpac is a signatory to a number of commitments under the CDP Road to Paris initiative, including providing climate change information in mainstream filings. Westpac supported BEI's Statement of Support for the findings of the Task-force on Climate-related Disclosures	WBC supported the use of the Australian National Greenhouse & Energy Reporting (NGERs) as the basis for the proposed Emissions Reduction Fund in Australia and supported maintaining current reporting thresholds. Westpac has publicly reported on environmental performance and climate change since 2002.
Cap and trade	Support	Submitted to the Climate Change Authority – Special Review Second Draft Report: Australia's Climate Policy Options (April 2016). Submitted to Dept of Environment and Energy - Review of Climate Change Policies (2017) which included reiterating our support for a market-based mechanism. In addition we have discussed our views on climate policy, including cap and trade, with the Federal Department of the Environment and Energy on a number of occasions and have participated in private consultations with the Minister and Shadow Minster for the Environment on climate policy. In New Zealand,WNZL engaged with Government policy-makers as part of the consultation process on proposed changes to the NZ ETS. Including: submitting to New Zealand Emissions Trading Scheme Review (Feb. 2016); hosting a government/SBC natural resource sector committee meeting to discuss how business can work with government; Parliamentary Commissioner for the Environment sought WNZL view on climate issues ahead of phase 2 ETS submissions. Westpac is a signatory to a number of commitments under the CDP Road to Paris initiative, including putting a price on carbon.	WBC's core position is set out in our recently refreshed Climate Change PS approved by the Board and Executive Team. This informs all government engagement, including our submissions to the Climate Change Authority – Special Review Second Draft Report: Australia's Climate Policy Options, the New Zealand Emissions Trading Scheme Review in 2016 and the Australian Government Review of Climate Change Policies (2017). This articulates Westpac's ongoing support for a broad market-based price on carbon - which we consider to be the most effective, affordable, flexible and equitable means of achieving emissions reductions at the least cost across the economy. In addition, Westpac notes that climate related policy design and implementation must: include a suite of complimentary policies; be capable of achieving the NDC's agreed under Paris; and support investment in low emissions tech and adaptation .
Clean energy generation	Support	Engaged with the Government regarding clean energy policy and financing including inputting to the 2016 Finkel Review on Energy Security, focusing on policy options to ensure low cost, reliable, low carbon energy supply in Australia. Westpac advocated for increased policy certainty to drive investment in clean energy generation, and the investment and market implications of a number of matters under consideration as part of the review . This included how policy can best avoid creating further barriers to clean energy financing and how to develop and implement innovative financing solutions. In 2015 Westpac engaged with the Expert Review Panel on the Renewable Energy Target (RET) regarding the investment and market implications of a number of matters under consideration. In early 2016 Westpac engaged with Australian Government, Environment Department, energy regulators, energy companies and other banks and financiers on existing barriers to clean energy financing and how to develop and implement innovative financing solutions. In 2017 we submitted to the Dept of Environment and Energy - Review of Climate Change Policies which included strategies to develop and deploy low-emissions technology that provide sufficient investment certainty.	WBC's core position, set out in our recently refreshed Climate Change Position Statement is approved by the Board and Executive Team and informs all government engagement. In particular we propose that policies and strategies to develop and deploy low-emissions technology must be able to deliver a clear framework and provide certainty over a timeline sufficient to match investment horizons which are, by nature, long-term. Aligned to this, in our 2017 submission to Australia's Review of Climate Change Policies, we outlined that after multiple iterations over the last decade, it is imperative for Australian businesses that policies intended to achieve Australia's Nationally-Determined Contributions (NDC) at least cost are also assessed for their ability to endure, providing the certainty of scheme which will unlock genuine investment and innovation in clean energy generation.

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Adaptation resiliency	Support	As a member of the Australian Business Roundtable for Disaster Resilience and Safer Communities (ABR), together with IAG, Optus, Munich Re, Investa and the Red Cross. WBC advocates for better policy and funding for resilience and adaptation. The Roundtable commissioned a number of reports including: two reports in March 2016 to quantify the economic & social impacts of natural disaster & call for greater coordination & funding of resilience activities pre-disaster; a report released in July 2014 regarding a natural disaster data and research in Australia; and a white paper released in June 2013 examining the cost benefits of investing in resilience activities pre-disaster in order to reduce the economic and social impacts. In Jan 2017 through our involvement in ABR, we responded to the Federal Govt. response to the productivity enquiry into Natural Disaster Resilience, and made a submission to the federal budget regarding resilience funding. We also commented on adaptation resilience in our 2017 submission to the Department of Energy and Environment's Review of Climate Change Policies.	In 2016 reports were launched at Parliament House in Canberra and WBC has engaged with Government on recommendations from the reports, and continues to engage with Government in order to examine issues and impacts for policy makers and business. In 2017, through our involvement in ABR we made a submission to Dept. of Treasury advocating for improved funding for disaster mitigation and climate adaption in the Federal Budget in Feb 2017. In our 2017 submission to the Department of Energy and Environment's Review of Climate Change Policies we advocated for strategies to increase resilience and promote adaptation for impacted communities, companies and sectors, highlighting that upfront investment in disaster mitigation, climate adaptation and community resilience has the potential to not only lessen potential devastation and suffering experience by individuals, but also result in a positive net impact on future budgets.
Climate finance	Support with minor exceptions	We previously engaged in Government consultation process on the design of the Australian Emission Reduction Fund and ‘Safeguard Mechanism’. In 2015 Westpac engaged with the Expert Review Panel on the Renewable Energy Target (RET) regarding investment and market implications of changes. In early 2016 Westpac engaged with Australian Government, Environment Department, energy regulators, energy companies and other banks and financiers in regards to existing barriers to climate financing and how to develop and implement innovative financing solutions. Also in 2016 we input to the Finkel Review into Energy Security, focusing on policy options to ensure low cost, reliable, low carbon energy supply in Australia. Westpac advocated for increased policy certainty to drive investment in climate finance (clean energy generation), and the investment and market implications of a number of matters under consideration as part of the review. In 2017 we submitted to the Dept of Environment and Energy - Review of Climate Change Policies which included strategies to develop and deploy low-emissions technology that provide sufficient investment certainty. In addition we have discussed our views on climate policy, including climate finance, with the Federal Department of the Environment and Energy on a number of occasions and have engaged with the Minister and Shadow Minster for the Environment on climate policy.	In previous years WBC has engaged with Government and policy-makers as part of the consultation process on the design of the Emission Reduction Fund and ‘Safeguard Mechanism’. Westpac argued that the policy framework should incorporate longer contract periods and greater linking to international markets. As above Westpac continues to engage with the Government on the need to policies which provide investment certainty for climate finance. In our 2017 submission to Australia's Review of Climate Change Policies, we outlined that after multiple iterations over the last decade, it is imperative for Australian businesses that policies intended to achieve Australia’s Nationally-Determined Contributions (NDC) at least cost are also assessed for their ability to endure, providing the certainty of scheme which will unlock genuine investment and innovation in climate finance. In our 2016 submission to the Finkel Review Westpac advocated for increased policy certainty to drive investment in climate finance (clean energy generation), and the investment and market implications of a number of matters under consideration as part of the review .
Other:	Neutral	National Target: Westpac engaged in Government consultation processes aimed at finalising post-2020 national emission reduction targets ahead of the Paris Conference of the UNFCCC in December 2015. Westpac is a signatory to a number of commitments under the CDP Road to Paris initiative, including commitment to GHG emissions reduction targets that limit global warming to below 2°C and was one of eight companies to sign the CEO Statement on Business and Climate Change and the Paris Negotiations	In Sept. 2015, Westpac Group was one of 8 companies to publish a statement supporting the Australian government in securing an effective outcome from the Paris climate change negotiations. Westpac signed and published the CEO Statement on Business and Climate Change and the Paris Negotiations which confirms the companies support for Australia’s bipartisan commitment to limit global warming to less than two degrees Celsius above pre-industrial levels, alongside other nations within an international agreement. Westpac has also engaged with the federal opposition in regards to options for Australia’s post 2020 emissions reductions targets.

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Other:	Support with minor exceptions	National Carbon Offset Standard (NCOS): Engaging with Government on the review of the NCOS, a government framework for achieving certified 'Carbon Neutral' status. Westpac Group has recently become a Champion for the Climate Neutral Now Initiative, a collaboration with the Caring for Climate initiative jointly supported by the UNFCCC, UNEP and UN Global Compact.	WBC has engaged with Government and policy-makers as part of the consultation process on measures to review and streamline the administrative processes for achieving government certified 'Carbon Neutral' status, including accessing a broader range of international units for offsetting purposes. As part of the Champion for the Climate Neutral Now Initiative Westpac has committed to estimating and reducing our Carbon footprint and encouraging other organisations to also consider undertaking carbon neutrality.
Other:	Support	In May 2016 NZ government announced a package of measures to support the take up of electric vehicles in NZ. WNZL engaged with government and policy makers on the opportunities of EVs to reduce emissions from NZ's dated vehicle fleet. We highlighted the unique potential within NZ due to predominance of renewable energy generation.	WNZL's engagement on the issue highlighted unique potential within NZ due to predominance of renewable energy generation. We are trialing EV within WNZL fleet to share experiences, have launched a finance lease product to make EVs more affordable, and have hosted industry talks.
Other:	Support	In 2016 Westpac New Zealand Economics team published a report on the impact of COP21 including how NZ is likely to meet its obligations, the impact across particular industries and likely effect of carbon.	This report served to encourage national debate on the impact and way for NZ to give effect to the commitments made at COP21, including policy implementation and behavioural change.
Other:	Support	In 2017 we submitted to the Department of Energy and Environment's Review of Climate Change Policies. Our submission included reference to the pathway for achieving Australia's Nationally Determine Contribution (NDC).	We submitted that policies need to be capable of achieving Australia's Nationally Determined Contribution (NDC) that represent our committed reductions targets in the short and medium term and give consideration to the long-term target of reducing emissions to net zero in the second half of the 21st century. As a signatory to the Paris agreement, we submitted that Australia needs to establish a credible pathway to a net zero emissions economy. This needs to include: (1) long term emissions reduction targets that align to Australia's Paris commitments; and (2) credible and robust policy frameworks that are capable of delivering these reductions over the timeframe proposed.
Other:	Support	In November 2016 Westpac New Zealand met with MPs in advance of a cross-party group of MPs concerned with the impact of climate change which commissioned a report into long-term emission pathways.	This report discusses four potential scenarios and pathways to achieve a net zero goal. Westpac supports the cross-government approach and addition to the public debate on potential approaches.

CC2.3b
Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c
Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Business Council of Australia	Consistent	The BCA has a high level position on energy and climate change issues, which is consistent with WBC's view. The BCA announced participation in the Australian Climate Roundtable with principles framed around Australia's role in limiting global warming to less than 2 degrees and the risk of delayed action. Other members include The Climate Institute (TCI), WWF, the Investor Group on Climate Change and the Australian Council of Social Services. WBC's perspective is frequently more detailed and more focused on investment and market implications.	WBC is a longstanding member and participant on the Board of the BCA. WBC has an active role in discussion regarding climate change and energy policy with the BCA and supports the BCAs call for durable, national, climate change policies that are integrated with broader energy policy. WBC has supported the BCA's active role in the national discussion regarding climate change and energy regulations and we continue to maintain an ongoing dialogue with policy directors within the BCA on key areas of carbon policy development.
Australian Financial Markets Associations	Consistent	AFMA engages with regulatory and government authorities on a number of aspects of the technical design, implementation and operation of the Australian carbon market and related impacts.	WBC participates in policy engagement via the Carbon Markets Committee and as a member of the AFMA Electricity Committee. As an active market participant, we actively engage in formulating core positions based on practical market experience.
New Zealand Financial Markets Association	Consistent	NZFMA engages with regulatory and government authorities on a number of aspects of the technical design, implementation and operation of the NZ carbon market and related impacts.	WBC is on the board of the NZFMA Carbon Markets Committee and actively engaged in formulating core positions based on practical market experience.
Green Building Council of Australia	Consistent	GBCA engages with regulatory and government authorities on a number of aspects of the technical design, implementation and operation of the Australian carbon market, with a specific focus on a low carbon, energy efficient built environment.	WBC was formerly the Deputy Chair of the GBCA (2016) and continues to actively engage in formulating core positions and Green Star tool development based on practical market experience.
Investor Group on Climate Change (IGCC)	Consistent	IGCC aims to encourage government policies and investment practices that address the risks and opportunities of climate change, for the ultimate benefit of superannuates and unit holders. The IGCC participated in the Australian Climate Roundtable with principles framed around Australia's role in limiting global warming to less than 2 degrees and the risk of delayed action. Other members include The Climate Institute (TCI), WWF, Business Council of Australia and the Australian Council of Social Services.	Through BT Financial Group's membership in the IGCC we support the development of investment practices that seek to address the risks and opportunities of climate change.
The Carbon Market Institute (CMI)	Consistent	CMI is an Australian membership-based not-for-profit organisation which engages with Government and business to promote policy outcomes to assist Australian business meet the challenges and opportunities associated with carbon markets and build capacity a low-carbon world.	WBC is an active Corporate Member, which involves speaking at CMI's flagship, annual Emissions Reduction Summit and engaging in policy and private finance working groups. We continue to reinforce the importance of a price on carbon to support a transition to two degrees in line with CMI's own position.
New Zealand Sustainable Business Council	Consistent	NZSBC, local chapter of the WBCSD, is an executive-led organisation that advocates a sustainable business. Activities include providing business leadership to inform debate and policy development on issues such as climate change and developing business position on accelerating a shift to a low-emissions economy in NZ.	WNZL is a member. Chaired development of the SBC Climate Change Action Business brief for Paris and hosted SBC's post-COP debrief to discuss impactions for NZ businesses.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Business New Zealand Climate Leaders' Initiative,	Consistent	Business New Zealand, is a representative organisation for NZ businesses and employers. Business New Zealand Climate Leaders' Initiative, provides an avenue to collaborate on outcomes and accelerate a shift to a low-emissions economy in N.Z., by magnifying the impact of business efforts to bring climate change into the mainstream.	General Manager of Commercial, Corporate & Institutional banking chairs the Business New Zealand Climate Leaders' Initiative, representing a collective of business ambition and proactively addresses the aspirations set out in Paris.
Australian Climate Roundtable (ACR)	Consistent	The ACR is an unprecedented alliance of major Australian business, union, research, environment, investor and social groups. It has come together because climate change and climate/energy policy both impact our missions and members. Its members believe that Australia should play its fair part in global efforts to avoid 2°C and the serious economic, social and environmental impacts that unconstrained climate change would have on Australia - which will provide important benefits and opportunities to Australia.	WBC has participated in a number of ACR's policy workshops, including the latest on what key issues the 2017 climate change policy review should address and how the review can best address them. This includes advocating for policies which enhance investment certainty for low carbon technologies to support the two degree transition.
Climate Bonds Initiative	Consistent	Climate Bonds Initiative (CBI) is an international, investor-focused not-for-profit working solely on mobilising the $100 trillion bond market for climate change solutions. The CBI promotes investment in projects and assets necessary for a rapid transition to a low-carbon and climate resilient economy.	WBC is a partner to the CBI and has set ambitious targets to facilitate up to AUD3 billion in climate change solutions by 2020 including green bond issuance and arrangement. We support the climate bonds taxonomy and are influencing and working with the CMI to ensure that any new sector standards are complaint with a transition to a two degree economy. This is part of the bank's commitment to increase its target for lending to the sector from AUD6 billion to AUD10 billion by 2020 and AUD25 billion by 2030.
NZ Government Electric Vehicle Leadership Group	Consistent	WNZL is now a member of the Government EV Leadership Group which includes Motor Industry Association (MIA) and Ministry of Transport policy advisors. WNZL is working with Ministry of Business, Innovation and Employment and others on a joint procurement model. We are also an active member of Drive Electric advocacy group.	WNZL is actively supporting take-up of electric vehicles including working with Ministry of Business, Innovation and Employment and others on a joint procurement model.

CC2.3d
Do you publicly disclose a list of all the research organizations that you fund?

Yes

CC2.3e
Please provide details of the other engagement activities that you undertake

Each year Westpac undertakes a comprehensive engagement and consultation program. This includes one on one consultation with a range of stakeholders, internal and external (Government, NGOs, investors, customers), on the key current and emerging issues for our business, including climate change, and how best to respond.

In 2014, as part of this process, Westpac published a full Progress Report on the previous five-year Climate Change Action Plan, as well as our 2014-17 Climate Change Position

Statement. In 2016-17 Westpac Group undertook engagement with NGOs, ethical investors and expert groups in relation to the third refresh of our Climate Change Position Statement and 2020 Action Plan, which was launched in April 2017.

Our Group Sustainability Risk Management Framework set out roles and responsibilities for identifying, managing and reporting on all ESG risks and issues, including climate change. This guides approach to engagement activities with all our stakeholders, including customers and suppliers, where material sustainability risks, including those related to climate change, are identified.

As part of the Westpac New Zealand Sustainable Strategy governance framework, an external panel of diverse stakeholders meets at least bi-annually to provide our Steering Committee challenge and thought leadership on the direction of our strategy to ensure we maximise our impact and leadership of the sector. This external panel is chaired by Nick Main previous Global Managing Partner of Deloitte Sustainability and Climate Change Services.

We also have regular engagement with political representative on climate change. For example in New Zealand during 2016-17 we met with the Climate Change Minister (Feb); Primary Industries Minister (March) and Labour primary industries spokesman Damian O'Connor (March). In Australia we have discussed our views on climate policy with the Federal Department of the Environment and Energy on a number of occasions and have participated in private consultations with the Minister and Shadow Minster for the Environment on climate policy.

CC2.3f
What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our climate change position has been formally endorsed by the Board and Executive Team. All policy activities must be in line with this approved position and are reviewed by our Group Head of Sustainability and Head of Government and Industry Affairs to ensure consistency with our overall Climate Change Strategy. Substantive policy changes are overseen by the Group Sustainability Council and escalated through Executive and Board channels where required. There are approved spokespeople on climate related issues, consistent with our approach to a range of issues. Our Group Sustainability Risk Management Framework set out roles and responsibilities for identifying, managing and reporting on all ESG risks and issues, including climate change. This guides approach to engagement activities, with all our stakeholders, including customers and suppliers, where material sustainability risks, including those related to climate change, are identified.

In addition there is climate change information on the 'let's talk' section of our intranet and employee mobile phone app which provides information to our employees on our position, and 'frequently asked questions'. We also have key information on databases used by branch and contact centre staff to support a consistent and coordinated message across our employee and customer base.

In New Zealand engagement with government and other policy activities are guided by our local sustainability strategy, which was developed after assessing the issues facing New Zealand over the next 30 years and our relevance as a financial institution and where we can have the most impact. This strategy has been endorsed by the NZ Board and is overseen by a Steering Committee comprised of the WNZL ET and Chief Economist. Our internal Head of Sustainability (NZ) responsible for delivery of this strategy is also Head of Government Relations for the bank which supports a policy engagement approach with is consistent with our climate change strategy. He works closely with our General Manager CC&I who leads on WNZL's actions towards and promotion of NZ transition to a low carbon economy.

Further Information

Page: CC3. Targets and Initiatives

CC3.1
Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Absolute target
Intensity target

CC3.1a
Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1+2 (location-based)	74%	14%	2012	141726	2017	No, but we anticipate setting one in the next 2 years	In 2015, WBC set an absolute target to reduce both Scope 1 & 2 emissions by 14% across Commercial and Retail sites in Australia & New Zealand by 2017, based on a 2012 baseline. In our 2017 Climate Change Position Statement and 2020 Action Plan, we have committed to demonstrate best practice in our own emissions management through setting a science-based target (in line with the Science Based Targets Initiative) to reduce our emissions by 9% by 2020 and 34% by 2030.
Abs2	Scope 1+2 (location-based)+3 (upstream)	3.4%	4%	2015	8391	2017	No, but we anticipate setting one in the next 2 years	In 2015, WNZL approved the extension of its FY13-15 Sustainability Strategy to FY17 to align with the Westpac Group Sustainability Strategy timelines. Ten new targets were adopted, including a new target to reduce total Scope 1, 2 &3 emissions by 4% between FY15 to FY17. Note: WNZL has achieved a 43% reduction in emissions since our previously reported target of 20% reduction by 2015, based on a 2008 base year. In our 2017 Climate Change Position Statement and 2020 Action Plan, we have committed to demonstrate best practice in our own emissions management through setting a science-based target (in line with the Science Based Targets Initiative) to reduce our emissions by 9% by 2020 and 34% by 2030.
Abs3	Scope 1+2 (location-based)	100%	9%	2016	156701	2020	No, as there is currently no established science-based targets methodology in this sector	In our 2017 Climate Change Position Statement and 2020 Action Plan, we have committed to demonstrate best practice in our own emissions management through setting a science-based target (in line with the Science Based Targets Initiative) to reduce our emissions by 9% by 2020 and 34% by 2030. These targets have been submitted for an unofficial validation with the Science Based Targets Initiative - we are unable to submit for an official validation due to the lack of methodology for the Finance Sector.

CC3.1b
Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment

Int1	Scope 2 (location-based)	78%	10%	Metric tonnes CO2e per square meter*	2012	.2	2017	No, but we anticipate setting one in the next 2 years	In 2012, the Westpac Group set an intensity target to reduce kWh of electricity/m2 for commercial and retail sites for Australia & New Zealand by 10% by 2017. For the purposes of this question, this target has been converted from kWh of electricity/m2 for commercial and retail sites for Australia and New Zealand to Scope 2 emissions/m2 for commercial and retail sites for Australia and New Zealand. In 2014, the target was re-baselined due to detection of the inclusion of out of scope data and changes were made to the methodology in New Zealand, to improve consistency with that of the Australian businesses.

CC3.1c
Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	10	Decrease	15	When setting the electricity efficiency target, consideration was given to planned and anticipated changes to the size of the property portfolio (sqm) and planned electricity efficiency works. From this we set a 10% reduction in Scope 2 emissions by 2017. Due to reduction in losses from transmission and distribution, this will result in an over 15% reduction in scope 3 emissions from this source.

CC3.1e
For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	80%	100%	The Westpac Group has a target to reduce Scope 1 & 2 emissions from commercial & retail sites in Australian and NZ by 14% from 2013-2017. By 2016, we had achieved and exceeded this goal, demonstrating a reduction of 18.5%.
Abs2	50%	100%	In 2015, WNZL approved the extension of the FY13-15 Sustainability Strategy to FY17 to align with Group timelines. Ten new targets were adopted, including a new target to reduce total scope 1, 2 & 3 emissions by 4% between FY15 to FY17. In 2016 WNZL achieved a 12% reduction from the 2015 results.
Abs3	0%	0%	In our 2017 Climate Change Position Statement and 2020 Action Plan, we have committed to demonstrate best practice in our own emissions management through setting a science-based target (in line with the Science Based Targets Initiative) to reduce our emissions by 9% by 2020 and 34% by 2030.
Int1	80%	100%	In 2012, the Westpac Group set a target to improve the electricity efficiency (kWh/m2) of Australian and New Zealand offices and retail sites by 10% over five years to 2017 with incremental targets for each year of this program. In 2016, the Westpac Group achieved a reduction in the electricity efficiency to 180kWh/m2 and in doing so achieved and exceeded its target for 2017. This is largely due to consolidation of offices to more energy efficient tenancies.

CC3.2
Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

No

CC3.3
Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

CC3.3a
Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	124	
To be implemented*	2	1909.2
Implementation commenced*	63	4301.8
Implemented*	25	2048
Not to be implemented	53	

CC3.3b
For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Refurbishment of 4-16 Montgomery Street, Kogarah	980	Scope 2 (location-based)	Voluntary	159020	87000000	>25 years	Ongoing	The estimated lifetime of each project is determined by the length of the leasing arrangement.
Energy efficiency: Building services	4-16 Montgomery Street, Kogarah carpark lighting upgrade - Replacement of circa 200 x T8 batons with LED baton	143	Scope 2 (location-based)	Voluntary	23206	65000	1-3 years	6-10 years	
Energy efficiency: Building services	4-16 Montgomery Street, Kogarah L1 refurbishment	123.9	Scope 2 (location-based)	Voluntary	20107	71500	4-10 years	6-10 years	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Lockleys South Australia Lighting Upgrade	268.3	Scope 2 (location-based)	Voluntary	65298	659390	4-10 years	11-15 years	
Other	109 SGT Perth - UPS Replacement	19.6	Scope 2 (location-based)	Voluntary	25842	387500	16-20 years	16-20 years	
Energy efficiency: Building services	97 King William St Adelaide Refurbishment	379.4	Scope 2 (location-based)	Voluntary	92314	16000000	>25 years	Ongoing	
Energy efficiency: Building services	Retail Lighting Upgrade Pilot - 16 sites	127.1	Scope 2 (location-based)	Voluntary	34299	1109256	1-3 years	3-5 years	The estimated lifetime of each project is determined by the length of the leasing arrangement.
Other	BankNow Efficiency Audits/Works - South Melbourne	.6	Scope 2 (location-based)	Voluntary	174	15000	>25 years	3-5 years	
Other	Coolnomix PILOT	6.1	Scope 2 (location-based)		1624	1122	<1 year	3-5 years	

CC3.3c
What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	The Group complies with the National Greenhouse and Energy Reporting Act which requires Westpac to capture and report all energy consumption, Scope 1 and Scope 2 greenhouse gas emissions from Australian activities under our operational control.
Internal incentives/recognition programs	In Westpac New Zealand, leadership of emissions reduction programs by the Executive Team and quarterly reporting of results to this group ensures quick actions to overcome any potential non-delivery, and introduction of initiatives to reduce emissions. Delivery of over 300 FIT for the Future initiatives has driven efficiencies and carbon reductions in WNZL. The WNZL quarterly and annual Our Tomorrow awards recognise staff members that have gone above and beyond their day job in delivering sustainable outcomes including CO2e reductions, climate change risk and opportunity management and new environmental products and services.

Method	Comment
Dedicated budget for other emissions reduction activities	The Group's WorkSMART program is focused on new ways of working and leading in an agile and paper independent environment which will drive less investment in paper and therefore Scope 3 emissions reduction activities. The Group also has a continuous improvement budget from which Scope 1, 2 or 3 emission reduction projects may be funded where they meet business requirements. In addition, other project budgets may be established to run specific carbon reduction initiatives.
Internal price on carbon	Westpac New Zealand uses an internal price on carbon based on the domestic carbon market and the purchase of New Zealand units. In Australia, the Westpac Group is currently reviewing and updating the internal carbon pricing mechanism to better reflect international market prices for carbon. The internal price on carbon is used for property related energy efficiency business case development.
Employee engagement	Employees are engaged through the Our Tomorrow Program, an Employee Action Group informing and empowering our people around Sustainability and the We Have the Will campaign which supports our employees to take personal action to tackle environmental impacts. These groups are supported by an intranet site, Yammer (internal social media), regular newsletters and invitations to presentations and workshops. Employees are also engaged through participation in Earth Hour, World Environment Day and Recycling Week environmental activities, as well as being provided with information on implementing emission reduction/environmental impact activities at work and at home. As part of our Yammer Social Media, we have an 'Environmental Advocates' group who identify, implement and drive sustainability initiatives throughout the business. In NZ, employees of relevant business units are also engaged in working groups focused on our own emissions reductions and developing and promoting CleanTech products.
Other	We engage with clients to encourage them to invest in emissions reduction activities for example, our energy efficiency finance program provides funding for small and medium enterprise (SME) customers to undertake projects to reduce energy usage and associated emissions. Our energy efficiency lease is available for institutional and large corporate clients to finance the purchase of energy saving equipment and technologies.
Other	The Westpac Group participates in the NSW Energy Saving Scheme and Victorian Energy Efficiency Target programs which allow us to create and sell carbon certificates for eligible energy efficiency works. The income derived from these programs is used to reduce project payback and is fed back into energy and energy / carbon efficiency budgets.
Other	Achievement of the Group’s 2017 environmental targets for energy efficiency, carbon neutrality, paper reductions and data centre efficiency also supports the business case for funds to be directed towards energy efficient projects. Progress against these targets is reported publicly each year.
Other	In Westpac New Zealand, their Executive Team has responsibility for emissions reduction, and results are reported quarterly to this group ensuring quick actions to overcome any potential non-delivery and introduction of initiatives to reduce emissions. WNZL is a member of the national Drive Electric advocacy group and through this raises the awareness and knowledge of the benefits to electric vehicles.
Other	Westpac has just released its Climate Change Action Plan for 2020 with the following targets: - $10 billion target for lending to climate change solutions by 2020 and $25 billion by 2030. - Tighter criteria for financing any new coal mines. Financing for any new thermal coal projects limited to existing coal producing basins and where the calorific value of coal meets the energy content of at least 6,300kCal/kg Gross as Received – i.e. projects must rank in the top 15% globally. - Commitment to actively reduce the emissions intensity of the power generation sector, targeting 0.30 tCO2e/MWh by 2020. - Continued commitment to a broad market-based price on carbon as the most efficient way to encourage emissions reductions at the lowest cost to the economy. - Setting a Science Based Target to reduce Westpac’s direct footprint emissions (i.e., in our workplaces, across our branch network and IT operations) by 9% by 2020, and 34% by 2030. - Building on our commitment to helping households become more climate-resilient, improving their energy efficiency, and reducing their environmental impact.

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document	Comment
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Pg 12 and 13 - CEOs Report references cleantech lending and green bonds; pg 104 - sustainability risk; pg 107 - main sustainability section including climate change; pg 109 - climate transition as a material risk; pg 112 - non-financial summary includes environmental performance	https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/CC4.1/2016_Westpac_Annual_Report.pdf	Westpac Group Annual Report - Sept 2016
In voluntary communications	Complete	Pg 12 and 13 - Environmental Solutions; pg 48-54 - value chain risk; pg 75-77 - sustainable lending and investment metrics; pg 78-82 - environmental metrics	https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/CC4.1/Westpac_Sustainability_Report_2016.pdf	Westpac Sustainability Performance Report - Sept 2016
In voluntary communications	Complete	Pg 26 - Environmental Solutions; pg 29 - Five Yr Non-Financial Summary incl GHG metrics	https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/CC4.1/Westpac_Annual_Review_Sustainability_Report_2016.pdf	Westpac Annual Review and Sustainability Report - Sept 2016
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Pg 46 - Sustainability performance; pg 77 - climate risk in Directors' Report	https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/CC4.1/07052017_1H17_ASX_Profit_Announcement_Final.pdf	Westpac Interim Financial Results to the ASX - March 2017

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1
Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a
Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Emission reporting obligations	There are a mandatory and voluntary reporting schemes in relation to emissions & energy efficiency administered at state & national levels against which we report. The key scheme is the Australian National Greenhouse & Energy Reporting Scheme (NGERs). There are potential financial penalties for non-compliance for which Westpac would be liable if not appropriately managed as well as reputational impacts.	Other: Non compliance & associated penalties & reputation risk	1 to 3 years	Direct	About as likely as not	Low	We face non-compliance costs from failure to report under the NGER Act which carries a AUD$360,000 & potential brand damage.	Westpac has documented policies & procedures for compliance with emission reporting obligations. Both the policies & procedures as well as systems & reporting are reviewed by internal & external auditors, & supported by an EMS & online reporting tool in order to reduce the risk of non-compliance year on year & therefore likelihood of impact. For example: Our NGERS data collection process is audited annually by EY, who provide a reasonable assurance over our data, including recommendations for improvements.	Key costs include FTE & external audit in the order of $125k per year.
Cap and trade schemes	The New Zealand Emission Trading Scheme (NZETS) has been in operation since FY10. The NZ Govt undertook a review of the NZ ETS in 2015/16. The review was split into two parts targeting ‘priority issues’ and ‘other matters’. Policy decisions around stage two of the review expected in mid-2017 and if any legislative changes required, we understand the government is likely to make these in 2018. National commitments provide policy signals driving investment across key industries. This change in approach will exacerbate	Reduced demand for goods/services	1 to 3 years	Indirect (Client)	More likely than not	Low	The NZ ETS review will have short and longer term implications creating market uncertainty & will have compliance, cost and revenue implications for market participants, many of whom are Westpac customers.	Westpac is managing ongoing regulatory risks via: a) An organic growth carbon strategy which incrementally embeds carbon management into BAU product development, customer relationship management and sales and distribution channels, rather than creating large specialist teams; b) Our ESG Credit Risk Policy, with assessment of carbon risk at a country, industry, customer and transaction level; c) Engagement with policy makers and customers	The main costs associated with implementing this approach are FTE resourcing to undertake engagement activities, strategy development, product development, changes to policy and underwriting standards, marketing,

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	regulatory risk in long-term investment decisions & carbon markets, impacting our understanding of client exposure; pricing risk in transactions & depressing liquidity in financial markets trading carbon.						This risk could decrease Westpac revenues. Potential client impacts sit predominantly in WIB (operating income of AUD 3,098m; total assets AUD 110.4bn FY16), of which the division FX& Commodities, Carbon & Energy contributes 15% or $464.7m of revenue with $105m fair value of commodity, carbon and energy contracts outstanding as at 30 Sept 2016.	around regulatory changes and carbon risks and opportunities (particularly in emissions intensive sectors). d) Conducting research and embedding key learnings into policy incl training & frameworks overtime to reduce longer-term risk . For example: i) Engagement with policy makers - In 2015 Westpac engaged with the NZ government in relation to the ETS review, this included supporting measures which ensure market participants have a clear understanding of how and when future changes to the scheme will be made. ii) Conducting research & embedding key learnings - In 2016 WNZL issued a report on the economic impact of COP21 on NZ industries. The report discusses the economic efficiency of the scheme & details how NZ is likely to meet its obligations, the impact across particular industries & on carbon markets. This report was prepared by Westpac's economic & market research specialists, who provide independent and comprehensive analysis, forecasts and opinion of the NZ and international economies and their financial markets.	sponsorship and other related costs. In any given year these costs are in the order of $1m.
International agreements	Whilst Paris COP increased confidence, there is global uncertainty over policy mechanisms required,	Inability to do business	1 to 3 years	Direct	About as likely as not	Medium	National commitments will provide policy signals	Westpac is managing ongoing regulatory risks via: a) an organic growth carbon strategy which	The main costs associated with

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	impacting investment & carbon price frameworks. Countries where WBC operates have committed to submitting revised INDC's every 5 years as part of the Paris Agreement. Where these targets do not align with the 'below two degree' goal agree at the Paris summit, countries will need to increase their commitments over the coming years, creating uncertainty that may inhibit our ability to make lending and investment decisions.						driving investment across key industries. Failure to finalise a post 2020 policy framework that aligns with a two degree goal indicates that there will be further increases in emissions reduction commitments over the coming years, creating regulatory risk in long-term investment decisions & carbon markets, impacting our understanding of client exposure; pricing risk in transactions & through financial markets trading carbon. This risk could decrease revenues. Potential client impacts sit predominantly in WIB (operating income of AUD 3,103m; total assets AUD 123.7bn	incrementally embeds carbon management into BAU product development, customer relationship management and sales and distribution channels, rather than creating large specialist teams; b) our ESG Credit Risk Policy, with assessment of carbon risk at a country, industry, customer and transaction level; c) engagement with policy makers and customers around regulatory changes and carbon risks and opportunities (particularly in emissions intensive sectors). d) Conducting research and embedding key learnings into policy incl training & frameworks overtime to reduce longer-term risk. For example: i)Engagement with policy makers: Ahead of the Paris COP, Westpac signed the Business Coalition Statement on Climate Change. The statement supported a commitment from the Australian Government to limit global warming to less than two degrees and encouraged Australia to play its fair part in global efforts to achieve this goal. The statement was signed by CEOs from a range of diverse companies and acknowledged the need for businesses, governments and the community to all play a role in contributing to solutions. ii) Embedding	implementing this approach are FTE resourcing to undertake engagement activities, strategy development, product development, changes to policy and underwriting standards, marketing, sponsorship and other related costs. In any given year these costs are in the order of $1m.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							FY15) of which the division FX& Commodities, Carbon & Energy contributes 15% or $465.45m of revenue with $151m fair value of commodity, carbon and energy contracts outstanding as at 30 Sept 2015.	key learnings: in 2016/17 Westpac undertook research to assess the longer term economic impacts of limiting global warming to 2degrees, including the risks and opportunities. This research informed the 2017 refresh of our Climate Change Position Statement.	
Uncertainty surrounding new regulation	There has been considerable change and uncertainty in the Australian policy response to climate change in the recent past creating change and market uncertainty, with compliance & revenue obligations for market participants. e.g. the Australian Government repeal of the Clean Energy Act and introduction of Emissions Reduction Fund & Safeguard Mechanism, the 2016 Aust. Federal Election, and the 2017 review of the Renewable Energy Target. The possibility of future changes has created ongoing investment uncertainty for energy & clean energy generation and price volatility in energy and carbon markets. This impacted Westpac's ability to do business in the renewable energy sector as well as inhibited forward trading in the energy and carbon market This market uncertainty will have	Reduced demand for goods/services	Up to 1 year	Indirect (Client)	Likely	Medium-high	Regulatory uncertainty exists in all markets where Westpac operates This will exacerbate regulatory risk in long-term investment decisions & carbon markets, impacting our understanding of client exposure; pricing risk in transactions & through financial markets trading carbon. This risk could decrease revenues. Potential client impacts	Westpac is managing ongoing regulatory risks via: a) An organic growth carbon strategy which incrementally embeds carbon management into BAU product development, customer relationship management and sales and distribution channels, rather than creating large specialist teams; b) Our ESG Credit Risk Policy, with assessment of carbon risk at a country, industry, customer and transaction level; c) Engagement with policy makers and customers around regulatory changes and carbon risks and opportunities (particularly in emissions intensive sectors). d) Conducting research and embedding key learnings into policy incl training & frameworks overtime to reduce longer-term risk. For example: i)	The main costs associated with implementing this approach are FTE resourcing to undertake engagement activities, strategy development, product development, changes to policy and underwriting standards, marketing, sponsorship and other related costs. In any given year these costs are in the order of $1m.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	compliance, cost and revenue implications for market participants, including Westpac.						sit predominantly in WIB (operating income of AUD 3,098m; total assets AUD 110.4bn FY16), of which the division FX& Commodities, Carbon & Energy contributes c.15% or $464.7m of revenue with $105.6m fair value of commodity, carbon and energy contracts outstanding as at 30 Sept 2016.	Engagement with policy makers. Westpac recently submitted to the Department of Environment and Energy's Review of Climate Change Policies. Our submission can be viewed on the Department's website and provides feedback on key aspects which Westpac believe will assist in shaping the design of an effective and efficient policy response. ii) Embedding key learnings: Westpac has undertaken research to assess the longer term economic impacts of limiting global warming to 2degrees, including the risks and opportunities. This research informed the refresh of Westpac's Climate Change Position Statement in 2017.	

CC5.1b
Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in temperature extremes	The Westpac Group Climate Change Position Statement (updated 2017) recognises the physical impacts of climate change, drawing upon the work of the Intergovernmental Panel on Climate Change (IPCC 5), as well as domestic research undertaken in Australia, New Zealand and the Pacific, to identify projected impacts and emerging physical risks. The biennial State of the Climate (2014) report, released by CSIRO and the Bureau of Meteorology (BoM) found that Australia's climate has now warmed by 0.9°C since 1910, and the frequency of	Other: Indirect impacts on customer viability, business continuity planning	1 to 3 years	Indirect (Client)	Virtually certain	Low-medium	The increase in extreme temperatures and assoc. disaster events, contributes to risk of: a) Increased costs of insurance claims. The cost of insurance claims due to natural disasters in FY17 was $78.9m. b) Increased losses due to customers	Engagement with stakeholders to understand and better manage impacts, participation in research, implementing operational controls to manage losses and reduce risk	Costs of engagement and research to better understand and manage impacts are typically in the order of $40k-$100k per year. FTE costs of better risk pricing methods in

	extreme weather has changed, with more extreme heat and fewer cool extremes. In addition the Angry Summer report released by the Climate Commission in 2013 highlighted an extreme heatwave that impacted 70% of the continent in Dec/Jan and saw the hottest ever area averaged temperature nationally as well as new maximum highs recorded at 44 weather stations. In 2016 the Climate Council reported that Australia recorded above -average temperatures for nine of the 12 months of 2015, including the hottest ever October on record and noted that global warming increased the chance of record-breaking temperatures occurring by a factor of at least six. Increase in extreme temperatures has been linked an increased risk from extreme weather events, including heatwaves, as well as natural disasters such as drought and bushfires. The Australian Business Roundtable for Disaster Resilience & Safer Communities (“The Roundtable”) found that the economic cost of natural disasters is about $6.3bn p.a. for Australia is forecast to rise to $23bn by 2050. This creates credit and portfolio risk from impacted customers and operational risk associated with direct impacts for example, through increase claims in our insurance business, increased losses due to customers experiencing financial stress as a result of disaster events as well as implications for operational costs associated with rising energy bills.						experiencing financial stress as a result of disaster events. The combined cost of 2,146 Disaster Recovery Packages in 2017 was $300m. c) cost increase in disaster relief for impacted communities due to increase in natural disasters from extreme temp. We have donated a total of almost $840k to disaster affected areas since 2013. d) Increased operational costs, potentially increasing energy bills. In FY15 this was between 1-5% of revenue (AUD 21,642m).	and working with communities to reduce impact. For example: i) Engagement and research – Investigating costs of natural disasters through Australian Business Roundtable for Disaster Resilience, and of highly impacted sectors through Climate Institute Climate Partners' Network. ii) Implementing operational controls – Westpac has integrated climate risk into ESG framework for reduced credit risk on ongoing basis; In 2013 BTFG introduced bush fire pricing within postcodes to reduce portfolio risk over 1-3 year; Group Operations manage	order of AUD500k per annum. Since 2013 Westpac has donated almost $840k to disaster affected areas.

								impacts for Westpac's own operations. iii) Working with communities - Ongoing management of disaster relief via the Disaster Relief retail package for impacted customers & Westpac's National Disaster Recovery Fund for impacted communities ; WNZL Adverse Natural Events Policy, mandates a range of financial support measures in the event of a natural disaster and/or severe drought.	
Change in precipitation extremes and droughts	The Westpac Group Climate Change Position Statement (updated 2017) recognises the physical impacts of climate change, drawing upon the Intergovernmental Panel on Climate Change (IPCC 5) & domestic research undertaken in Australia, New Zealand and the Pacific, to identify projected impacts and emerging physical risks. The short and long-term physical impacts for Australia are summarised in the annual State of the Climate (2014)	Other: credit risk and operational risks	Up to 1 year	Direct	Virtually certain	Medium	Increasing frequency of extremes in floods &/or drought) has impacts including disruption to business delivery, damage to WBC infrastructure/equip. & commercial outlets, client impacts across	Engagement with stakeholders to understand and better manage impacts, participation in research, implementing operational controls to	Costs of engagement and research to better understand and manage impacts are typically in the order of $40k-$100k per year. FTE costs of

	report, by CSIRO and the Bureau of Meteorology (BoM). The report charts temperature and rainfall changes already observed & likely trends. It shows that rainfall averaged across Australia has slightly increased since 1900, but declined since 1970 in the southwest, dominated by reduced winter rainfall. Autumn and early winter rainfall has mostly been below average in the southeast since 1990. Average rainfall in southern Australia is projected to decrease with more droughts and heavy rainfall is projected to increase over most parts of Australia. In 2016 the Australian Business Roundtable for Disaster Resilience & Safer Communities (“The Roundtable”) estimated the total economic cost of natural disasters in Australia in 2015 exceeded $9bn, or 0.6%of GDP forecast to rise to $33 bn pa by 2050. This creates credit and portfolio risk from impacted customers and operational risk associated with direct impacts for example, through increase claims in our insurance business, increased losses due to customers experiencing financial stress as a result of disaster events as well as implications for operational and maintenance costs.						portfolios & ongoing delivery and management of disaster relief across impacted communities. Risks include: a) Increased insurance claims assoc. with extreme precipitation (cost of insurance claims due to natural disasters in FY17 was $78.9m). b) Increased losses from customers experience financial stress as a result of disaster events.The combined cost of 2,146 Disaster Recovery Packages in early 2017 was $300m. c) cost increase in disaster relief for impacted communities due to increase in natural. We have donated a total of almost $840k to disaster affected areas since 2013.	manage losses and reduce risk and working with communities to reduce impact. For example: i) Engagement and research – Investigating costs of natural disasters through Australian Business Roundtable for Disaster Resilience, and of highly impacted sectors through Climate Institute Climate Partners' Network. ii) Implementing operational controls – Westpac has integrated climate risk into ESG framework for reduced credit risk on ongoing basis; In 2013 BTFG introduced bush fire pricing within postcodes to reduce portfolio risk over 1-3	better risk pricing methods in order of AUD500k per annum. Since 2013 Westpac has donated a total of almost $840k to disaster affected areas.

								year; Group Operations manage impacts for Westpac's own operations. iii) Working with communities - Ongoing management of disaster relief via the Disaster Relief retail package for impacted customers & Westpac's National Disaster Recovery Fund for impacted communities; WNZL Adverse Natural Events Policy, mandates a range of financial support measures in the event of a natural disaster and/or severe drought This was enacted twice in 2015, including for customers impacted by the Wanganui flood.	
Sea level rise	The Westpac Group Climate Change Position Statement (updated 2017)	Other: Indirect	1 to 3 years	Indirect (Client)	Virtually certain	Medium	Approximately 85% of Australia's	Engagement with	Costs of engagement

	recognises the physical impacts of climate change, drawing upon the Intergovernmental Panel on Climate Change (IPCC 5) & domestic research undertaken in Australia, New Zealand and the Pacific, to identify projected impacts and emerging physical risks. Populations in our key markets are densely concentrated in a relatively small number of larger coastal cities or coastal areas which are potentially exposed to rising sea levels and storm surges. For instance around 85% of Australia's population live in coastal areas. This is also of concern within the Pacific Islands where sea level rise will lead to increased salination of coastal plains. Impacts for Australia have also been summarised in a report released by the CSIRO & Bureau of Meteorology, which states that global-average mean sea level from 2011 was 210 mm above the level in 1880 and rose faster between 1993 and 2011 than during the 20th century as a whole. This creates credit and portfolio risk from impacted customers and operational risk associated with direct impacts for example, through increase claims in our insurance business, increased losses due to customers experiencing financial stress as a result of disaster events as well as implications for operational and maintenance costs.	impacts on customer viability, business continuity planning					population live in coastal areas, at risk of increased storm surge & sea level rise. Research has found that up to $63 billion (replacement value) of existing residential buildings are potentially at risk of inundation from a 1.1 metre sea-level rise. Risks to Westpac include: a) Reductions in valuation of mortgage book (valued at $404.2bn in Aus & $43.0bn in NZ at 30 Sept 2016). b) Increased loses from customers experience financial stress as a result of disaster events. The combined cost of 2,146 Disaster Recovery Packages in 2017 was $300m. c) Increase in cost of flood response (e.g. incl. donations, customer assistance). We have donated a total of almost $840k to disaster affected areas since 2013.	stakeholders to understand and better manage impacts, participation in research, implementing operational controls to manage losses and reduce risk and working with communities to reduce impact. For example: i) Engagement and research – Investigating costs of natural disasters through Australian Business Roundtable for Disaster Resilience, and of highly impacted sectors through Climate Institute Climate Partners' Network. ii) Implementing operational controls – Westpac has integrated climate risk into ESG framework for reduced credit risk on	and research to better understand and manage impacts are typically in the order of $40k-$100k per year. FTE costs of better risk pricing methods in order of AUD500k per annum. Since 2013 Westpac has donated a total of almost $840k to disaster affected areas.

								ongoing basis; Group Operations manage impacts for Westpac's own operations. iii) Working with communities - Ongoing management of disaster relief via the Disaster Relief retail package for impacted customers & Westpac's National Disaster Recovery Fund for impacted communities; WNZL Adverse Natural Events Policy, mandates a range of financial support measures in the event of a natural disaster and/or severe drought. This was enacted twice in 2015.	
Tropical cyclones (hurricanes and typhoons)	The Westpac Group Climate Change Position Statement (updated 2017) recognises the physical impacts of climate change, drawing upon the Intergovernmental Panel on Climate Change (IPCC 5) & domestic research	Other: Indirect impacts on customer viability, business	1 to 3 years	Indirect (Client)	Likely	Low	Increase in the severity of tropical cyclones may cause disruption to business delivery, damage to WBC	Engagement with stakeholders to understand and better manage	Costs of engagement and research to better understand and manage

	undertaken in Australia, New Zealand and the Pacific, to identify projected impacts and emerging physical risks. The short and long-term physical impacts for Australia have been summarised in a report released by the CSIRO and Bureau of Meteorology which states that it is likely (with more than a 66 per cent probability) that there will be fewer tropical cyclones in the Australian region, on average, but the proportion of intense cyclones is expected to increase. This creates credit and portfolio risk from impacted customers and operational risk associated with direct impacts for example, through increase claims in our insurance business, increased losses due to customers experiencing financial stress as a result of disaster events as well as implications for operational and maintenance costs.	continuity planning					infrastructure/equip, client impacts across portfolios & ongoing delivery and management of disaster relief across impacted communities. Risks include: a) Reductions in valuation of mortgage book (valued at $404.2bn Aus & $ 43.0 bn NZ at 30 Sept 2016). b) Increased insurance claims assoc. with extreme precip. (cost of insurance claims due to natural disasters in FY17 was $78.9m). b) Increased loses from customers experience financial stress as a result of disaster events.The combined cost of 2,146 Disaster Recovery Packages following Cyclone Debbie in early 2017 was $300m. c) Increase in cost of disaster response. In 2016 /17 Westpac donated $100k in the immediate response to Cyclone Debbie and has committed a further $100k in Natural Disaster Recovery Grants, to be released in Oct 2017 (typically 9-12 months after a natural disaster).	impacts, participation in research, implementing operational controls to manage losses and reduce risk and working with communities to reduce impact. For example: i) Engagement and research – Investigating costs of natural disasters through Australian Business Roundtable for Disaster Resilience, and of highly impacted sectors through Climate Institute Climate Partners' Network. ii) Implementing operational controls – Westpac has integrated climate risk into ESG framework for reduced credit risk on ongoing basis; Group Operations manage	impacts are typically in the order of $40k-$100k per year. FTE costs of better risk pricing methods in order of AUD500k per annum. Since 2013 Westpac has donated a total of $840k to disaster affected areas.

								impacts for Westpac's own operations. iii) Working with communities - Ongoing management of disaster relief via the Disaster Relief retail package for impacted customers & Westpac's National Disaster Recovery Fund for impacted communities; WNZL Adverse Natural Events Policy, mandates a range of financial support measures in the event of a natural disaster and/or severe drought.	

CC5.1c
Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management

Reputation	In many of our major markets of operation, but most notably in Australia, climate change remains a divisive issue. This brings with it potential reputational risks from both sides of the debate, i.e. concerns that the organisation is doing too much or too little. In particular has been a rise in campaigning by NGOs in relation to the financing of coal fired power stations & related fossil fuel based industries creating potential reputational risk for Westpac which if not managed could impact our brand name and value	Reduced demand for goods/services	Up to 1 year	Direct	Likely	Low-medium	Whilst the majority of stakeholder concerns are related to activities undertaken in WIB, reputational risks arise through shareholder activism and concern in our retail network - with the potential to negatively impact our brand value. In the annual Brand Finance Banking 500 report, Westpac was ranked 41st global finance brand with an estimated brand value of US$5.8 billion). There are also ongoing costs to managing security and the onsite impact of protest activity at branches and retail outlets.	These risks are primarily managed through: ongoing engagement with a range of stakeholders including customers, NGOs, suppliers, the general community, scientific community and industry associations in order to understand the range of views and complexity of the issue; and development of clear position statements to guide our approach e.g. our Climate Change Position Statement refreshed in 2017. Our Group Sustainability Risk Management Framework and Reputational Risk Management Framework, set out roles and responsibilities for identifying, managing and reporting on ESG / reputational risks, or controversial issues. A Reputation Risk report is prepared quarterly and circulated to the Executive Risk Committee (RISKCO) and BRCC.	Costs associated with this approach have included externally facilitated stakeholder engagement sessions, the development of the Doing the Right Thing training modules, employee resources undertaking engagement, developing our Sustainability Risk Management Framework and policy statements, managing public reporting and external assurance costs over publicly reported information. Costs to date are in the range of $2-3m not including the salary costs of participants attending training sessions. In 2016 this included consultancy costs to undertake scenario analysis which informed the 2017 refresh of our Climate Change Position Statement.

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Emission reporting obligations	Our Australian operations are subject to mandatory reporting under a range of Federal & State frameworks. These require us to report Scope 1 & 2 emissions, energy consumption & production. As part of Westpac commitments under National Carbon Offset Scheme (NCOS) the group also reports energy efficiency opportunities identified in our operations. This follows on from previous commitments under the now removed Energy Efficiency Opportunities (EEO) Act and has provided opportunities for improved benchmarking & identification of cost savings associated with identified opportunities to reduce energy consumption. In addition, it has provided more robust data for large	Reduced operational costs	Up to 1 year	Direct	Virtually certain	Low	During 2016, Westpac implemented or is in the process of implementing 90 energy efficiency opportunities which are expected to result in energy and maintenance cost savings exceeding $421,000 per year.	Energy efficiency opportunities identified through the NCOS program (and previously through EEO) are reviewed at least annually by relevant Department Heads, the Environmental Management Committee, the Sustainability Council, the Board and Executive. Although the mandatory EEO obligation has been removed, WBC will continue to apply the framework as part of the NCOS commitment and to ensure a consistent process for identifying energy efficiency opportunities	Key costs include FTE & consultant and external audit in the order of AUD125k.

	clients enabling this to be used in credit & investment decisions.							across the portfolio. For example : Kogarah refurbishment- -Total estimated annual CO2 savings: 980tCO2e (Scope 2) -Total investment required: $87,000,000 -Total anticipated annual cost savings: $159,020-Average pay-back period: >25years For further examples refer section 3.3b initiatives were independently verified by EY as part of our Carbon Neutral reporting obligations.	
Other regulatory drivers	Greater regulatory certainty, aligned to Australia's commitment to two degrees as part of the Paris Agreement, may create potential funding and market facilitation opportunities for Westpac.	New products/business services	1 to 3 years	Direct	Likely	Medium-high	Potential client impacts sit predominantly in WIB (operating income of AUD 3,098m; total assets AUD 110.4bn FY16), of which the division FX& Commodities, Carbon & Energy contributes c.15% or $464.7m of revenue with $105.6m fair value of commodity, carbon and energy	We engage in the public policy debate to ensure that we fully understand the regulatory context to inform our organic growth carbon strategy. We also engage with our customers through 1:1 meetings and have held a range of events with customers, policy makers and other stakeholders to discuss market developments & further inform our strategy. We examine market dynamics and identify growth	The main costs associated with implementing this approach are FTE resourcing to undertake engagement activities, strategy development, product development, changes to policy and underwriting standards, marketing, sponsorship and other related costs. In any given year these

								contracts outstanding as at 30 Sept 2016. WBC is targeting CleanTech investment with a public commitment in our Climate Change Action Plan (refreshed in 2017) to make available $10bn by 2020. Total exposures as at 31st March 2017 were $6.7bn. Increases in customers seeking funding to undertake emissions reductions projects is one example of Westpac could benefit from growth in this market.	opportunities on an ongoing basis to support our public CleanTech commitment. For example: a) Westpac recently submitted to Department of Environment and Energy's Review of Climate Change Policies. Our submission can be viewed on the Department's' website and provides feedback on key aspects which Westpac believes will assist in shaping the design of an effective and efficient policy response. b) Westpac continues to increase our exposure to CleanTech and Environmental Services sector, increasing our lending over time to reach $6.7bn as at March 31 2016. Our CleanTech Working Group meets bi-monthly to review market conditions & deal opportunities. We have also undertaken analysis of carbon solution market segments to identify opportunities for growth (which informed our new	costs are in the order of $1m. In 2016/2017 this included costs of independent consultancy advice to analyse carbon solutions growth opportunities which informed our new 2020 and 2030 lending targets.

								carbon solutions lending targets for 2020 and 2030).	
Cap and trade schemes	Westpac was the first and is the principal market maker in the NZ ETS and has traded the EUETS since 2006. There are ongoing opportunities for revenue growth as a provider of financial market services in carbon markets as well as lending and investments. The NZ Govt has recently announced changes to the the NZ ETS that will increase the stringency of requirements for companies, who have obligations under the NZ ETS (many of whom are our customers).–this has provided greater certainty across the market for example in the forestry sectors (where we have exposure to land use & forestry sequestration activities aimed at generating carbon offset credits in the NZ markets).	New products/business services	Up to 1 year	Direct	Virtually certain	Low	Potential client impacts sit predominantly in WIB operating income of AUD 3,098m; total assets AUD 110.4bn FY16), of which the division FX& Commodities, Carbon & Energy contributes c.15% or $464.7m of revenue with $105.6m fair value of commodity, carbon and energy contracts outstanding as at 30 Sept 2016. This could be expected to grow as the changes to the NZ ETS come into effect. Increased market certainty has the potential to increase our lending to CleanTech and Enviro. Services in NZ. Over the three years to	We engage in the public policy debate to ensure that we fully understand the regulatory context to inform our organic growth carbon strategy. We also engage with our customers through 1:1 meetings and have held a range of events with customers, policy makers and other stakeholders to discuss market developments & further inform our strategy. We examine market dynamics and identify growth opportunities on an ongoing basis to grow our traded market capabilities. For example: a) In 2016 Westpac New Zealand issued a report on the economic impact of COP21 on New Zealand industries. The report discusses the economic efficiency of the scheme and details how New Zealand is likely to meet its obligations, the impact across	The main costs associated with implementing this approach are FTE resourcing to undertake engagement activities, strategy development, product development, changes to, marketing, sponsorship and other related costs. In any given year these costs are in the order of $1m.

							2016 Westpac New Zealand increased its overall lending to the CleanTech sector to $1.17 billion (NZD).	particular industries and the likely impact on carbon markets. This report was prepared by Westpac's economic and market research specialists, who provide independent and comprehensive analysis, forecasts and opinion of the New Zealand and international economies and their financial markets. b)In 2015 Westpac engaged with the NZ government in relation to the ETS review, this included supporting measures which ensure market participants have a clear understanding of how and when future changes to the scheme will be made.	
Emission reporting obligations	WBC applies the Australian Government National Carbon Offset Standard (NCOS) for the purposes of achieving organisational Carbon Neutrality. The NCOS Standard sets out the measurement, reporting and offsetting standards to be applied to be certified 'Carbon Neutral'. Westpac continues to investigate ways to	Reduced operational costs	1 to 3 years	Direct	Virtually certain	Low	During 2016, Westpac implemented or is in the process of implementing 90 energy efficiency opportunities which are expected to result in energy and maintenance	Energy efficiency opportunities identified through the NCOS program (and previously through EEO) are reviewed at least annually by relevant Department Heads, the Environmental Management Committee, the	Key costs include FTE & external audit in the order of AUD125k. FTE costs for development of the submission were in the order of $20k.

	reduce our carbon liability as well as opportunities for streamlining the associated administrative costs for achieving net neutrality.						cost savings exceeding $421,000 per year. This resulted in a reduction in our absolute emissions by almost 9.5% between FY15 and FY16 – ahead of our target to reduce overall emissions by 10% between FY13 and Y17. Potential to reduce or streamline internal administrative costs, including reducing FTE & external audit costs in the order of AUD125k, associated with achieving compliance with the NCOS.	Sustainability Council, the Board and Executive. WBC will continue to investigate and implement energy reduction projects as part of the NCOS commitment and to ensure a consistent process for identifying energy efficiency opportunities across the portfolio, resulting in a decrease in the group's carbon emissions. Achievement of 'Carbon Neutral' certification is reviewed annually by relevant Department Heads, the Environmental Management Committee, the Sustainability Council, the Board and Executive. Reporting and offsetting is assured as part of the annual sustainability audit and assurance process. Westpac made a submission to the review of the NCOS standard in early 2015 and continues to engage with the government on ways to improve this reporting framework. Refer	

								above and section 3.3b for examples of programs completed in 2015.	
International agreements	Due to the increase in international cooperation during and following the Paris COP there may be an increase in opportunities for Westpac to increase market participation, design financial products to service the new arrangements & have greater certainty around forward carbon pricing. There may also be increased opportunities for lending to carbon solutions.	New products/business services	1 to 3 years	Direct	About as likely as not	Low-medium	Increase in market certainty and demand for carbon offsets, and associated services (forward pricing contracts; market hedging) could increase revenues of our FX & Commodity, Carbon and Energy team and of our teams which lend to the cleantech / carbon solutions sectors. FX&CCE activities include Renewable Energy Certificates and Australian, New Zealand and European carbon units. Potential client impacts sit predominantly in WIB (operating income of AUD 3,098m; total assets	We engage in the public policy debate to ensure that we understand the regulatory context to inform our organic growth carbon strategy. We also engage with our customers through 1:1 meetings and have held a range of events with customers, policy makers and other stakeholders to discuss market developments & further inform our strategy. We examine market dynamics and identify growth opportunities on an ongoing basis. For example: a)In 2015, ahead of COP21, Westpac signed the Business Coalition Statement on Climate Change, highlighting our support for Australia's bipartisan commitment to limit global warming to less than two degrees and acknowledging the need for businesses,	The main costs associated with implementing this approach are FTE resourcing to undertake engagement activities, strategy development, product development, changes to, marketing, sponsorship and other related costs. In any given year these costs are in the order of $1m. In 2016/17 this included the costs of consultancy support to undertake the scenario analysis which informed the refresh of our Climate Change Position Statement.

							AUD 110.4bn FY16), of which the division FX& Commodities, Carbon & Energy contributes c.15% or $464.7m of revenue with $105.6m fair value of commodity, carbon and energy contracts outstanding as at 30 Sept 2016. We had also lent $6.7bn to cleantech and environmental services as at 31 March 2017 and have made a commitment to lend up to $10bn to carbon solutions by 2020. These values could continue to grow if this opportunity was realised.	governments and the community to all play a role in contributing to solutions. b)In 2016 Westpac New Zealand issued a report on the economic impact of COP21 on New Zealand industries.The report discusses the economic efficiency of the scheme and details how New Zealand is likely to meet its obligations, the impact across particular industries and the likely impact on carbon markets. c) In 2016/17 we undertook scenario analysis aligned to a two degree economy which informed the refresh of our Climate Change Position Statement in 2017.	
Other regulatory drivers	The Australian Clean Energy Finance Corporation (CEFC), a $10bn fund to accelerate the deployment of renewable energy in Australia, has been established and we are in ongoing discussions regarding financing opportunities that could	Investment opportunities	1 to 3 years	Direct	Virtually certain	Low-medium	As at 31st March 2017 our lending to cleantech and environmental services projects (including carbon solutions) was $6.7bn. We	We are managing this opportunity through a coordinated focus on assessing market conditions and pursuing lending and product opportunities, For example: a)	The most significant costs of managing this risk relate to the FTE costs of the CleanTech Working Group (10 members or

	be pursued in partnership with the CEFC.						have established a target for lending to carbon solutions of $10bn by 2020. Lending to carbon solutions can increase with financing opportunities linked to the CEFC.	Engagement with customers to deepen our understanding of renewable energy market dynamics as well as ongoing discussions with the CEFC. WIB has a dedicated relationship manger for the CEFC. b)Our CleanTech Working Group meets bi-monthly to set our carbon solutions lending strategy, review market conditions and deal opportunities. c) In 2016 Westpac launched the Westpac Climate Bond into the Australian market (AUD$500m), giving investors the opportunity to support environmental projects. Projects funded by the bond include 7 wind energy facilities and 5 low carbon commercial properties, all certified under the Climate Bonds Standard (v1). The commercial properties are also rated 5-stars or higher under the NABERS rating system. The renewable energy generation projects have a	FTE, meeting every two months for one hour plus approx. two hours preparation time per person). In any given year these costs are in the order of $50k.

								total capacity of approximately 800MW. They are capable of producing an estimated 2,400 gigawatt hours of energy per annum. That is enough power for around 450,000 average Australian households, avoiding approximately 2m tonnes of carbon emissions per year. This was supported by a $90 million investment from CEFC.	
Renewable energy regulation	The Finkel Review into the reliability and security of the National Electricity Market is focused on policy options to ensure low cost, reliable, low carbon energy supply in Australia. Westpac advocated for increased policy certainty to drive investment in clean energy generation, and the investment and market implications of a number of matters under consideration as part of the review . This included how policy can best avoid creating further barriers to clean energy financing and how to develop and implement innovative financing solutions. The outcomes of this review could open up new investment and lending opportunities in the renewable energy	Investment opportunities	1 to 3 years	Direct	About as likely as not	Low-medium	As at 30th Sept 2016 our lending to renewable energy projects was AUD2,118m. Lending for CleanTech was AUD6.7bn at HY17. Lending to these two areas could increase with a reduction of barriers to clean energy finance. The current Renewable Energy Target will require the construction of between 5.8GW and 6.7GW of new	We are managing this opportunity through a coordinated focus on assessing market conditions and pursuing lending and product opportunities, For example: a) engagement with Government on climate change and energy policy, including through the Finkel Review. b) engagement with customers to deepen our understanding of renewable energy market dynamics as well as ongoing discussions with the CEFC. c) our CleanTech Working Group	The most significant costs of managing this risk typically relate to the FTE costs of the CleanTech Working Group (10 members or FTE, meeting every two months for one hour plus approx. two hours preparation time per person). In any given year these costs are in the order of $50k. In 2016/17 there were

	and Clean Tech markets, which may increase revenue for Westpac.						renewable generation capacity at a total capital cost of A$11.6 – 16.8bn. If Westpac was able to participate in only a 10% share in these potential funding activities of future renewable energy project financings, this would be opportunity of approximately A$1bn.	meets bi-monthly to develop our carbon solutions lending strategy, review market conditions and deal opportunities. d) the launch of Westpac's Energy Efficiency Finance program in May 2016, is aimed at helping businesses reduce their energy costs and improve their environmental footprint by offering assistance to design, procure and finance CleanTech solutions such as solar and energy efficient equipment. e) Establishing our lending targets to carbon solutions, of $10bn by 2020 and $25bn by 2030, underpinned by scenario analysis, as part of our Climate Change Position Statement.	additional FTE and consultancy costs associated with scenario analysis and developing our Climate Change Position Statement, in the order of $200-$400k.

CC6.1b
Please describe your inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in mean (average) temperature	The Westpac Group Climate Change Position Statement (updated 2017) recognises the physical impacts of climate change, drawing upon the work of the Intergovernmental Panel on Climate Change (IPCC 5), as well as	Investment opportunities	1 to 3 years	Indirect (Client)	Virtually certain	Low	Increases in mean temperatures and extreme heat events increase	Our dedicated team of energy trading specialists (the largest financial	The main costs of managing this opportunity are fixed and variable

	domestic research undertaken in Australia, New Zealand and the Pacific, to identify projected impacts and emerging physical risks. The annual State of the Climate (2014) report, released by CSIRO and the Bureau of Meteorology (BoM) found that Australia's climate has now warmed by 0.9°C since 1910, and the frequency of extreme weather has changed, with more extreme heat and fewer cool extremes. In addition the Angry Summer report released by the Climate Commission in 2013 highlighted an extreme heatwave that impacted 70% of the continent in Dec/Jan and saw the hottest ever area averaged temperature nationally as well as new maximum highs recorded at 44 weather stations. This creates potential trading and investment opportunities for upgrading infrastructure and property.						demand for baseload energy, creating volatility in traded wholesale energy markets. This increases demand for our services in Australia's energy markets and potential for increased revenues for our FX&CCE team in WIB. In FY16 FX&CCE generated $464.7m of revenue with $105.6m fair value of commodity, carbon and energy contracts outstanding as at 30 Sept 2016. This value could continue to grow if this opportunity was realised. There are also potentially new investment, lending and product development opportunities in carbon solutions, as technologies emerge that may assist with adaptation. Westpac has	intermediary in the National Electricity Market (NEM)) analyse factors which drive demand for energy including weather and climate patterns, as a key input to trading decisions - currently and on an ongoing basis - in order to increase the likelihood of realising this opportunity. Our CleanTech Working Group meets bi-monthly to set carbon solutions strategy, review market conditions & deal opportunities. In 2016/17 we undertook analysis of carbon solutions growth opportunities which informed the lending targets which we set out in our Climate Change Position	operational costs and FTE costs for our dedicated energy market specialists. Due to market sensitivities the value of this cost cannot be disclosed. In addition, there are the costs of managing this risk relate to the FTE costs of the CleanTech Working Group (10 members or FTE, meeting every two months for one hour plus approx. two hour preparation time per person). In any given year these costs are in the order of $50k.

							committed up to $10bn lending to carbon solutions by 2020 which will lead to increased revenues over the next 1-3 years.	Statement and 2020 Action Plan.	
Change in temperature extremes	The Westpac Group Climate Change Position Statement (updated 2017), recognises the physical impacts of climate change, drawing upon the work of the Intergovernmental Panel on Climate Change (IPCC 5), as well as domestic research undertaken in Australia, New Zealand and the Pacific, to identify projected impacts and emerging physical risks. The annual State of the Climate (2014) report, released by CSIRO and the Bureau of Meteorology (BoM) found that Australia's climate has now warmed by 0.9°C since 1910, and the frequency of extreme weather has changed, with more extreme heat and fewer cool extremes. In addition the Angry Summer report released by the Climate Commission in 2013 highlighted an extreme heatwave that impacted 70% of the continent in Dec/Jan and saw the hottest ever area averaged temperature nationally as well as new maximum highs recorded at 44 weather stations. This creates potential investment opportunities for upgrading infrastructure and property.	Investment opportunities	1 to 3 years	Indirect (Client)	Virtually certain	Low-medium	In 2016 the Aus Bus Roundtable estimated the total cost of natural disasters in Aus. exceeded $9 billion in 2015, or 0.6% of GDP. This is forecast to rise & could reach an average of $33 billion per year by 2050. But, carefully targeted investment in preventative infrastructure of $250 million p.a. would reduce these costs by 50 per cent and could grow Westpac's exposure in this sector. A key opportunity associated with physical climate risks comes from the need for new technologies, industries and business	We manage this opportunity by actively engaging with a range of stakeholders including customers, NGOs, suppliers, the general community, scientific community and industry associations in order to understand the range of views and complexity of the issue. We use this understanding to develop products embedded with environmental considerations linked to adaptation and mitigation, and inform our lending and investment decisions. For	The main costs associated with implementing this approach are FTE resourcing to undertake engagement activities, strategy development, product development, changes to, marketing, sponsorship and other related costs. In any given year these costs are in the order of AUD1m. In addition, there are the costs of managing this risk relate to the FTE costs of the CleanTech Working Group (10 members or FTE, meeting every two months for

							models to reduce the likelihood of risks occurring (through abatement) and the magnitude of impacts (through adaptation). This creates new investment, lending and product development opportunities in the carbon solutions sector, as technologies emerge that may assist with adaptation. Westpac has committed up to AUD10bn in carbon solutions to 2020 ($6.7bn as at 31 March 2017) which will lead to increased revenues over the next 1-3 years.	example: a) Our CleanTech Working Group meets bi-monthly to review market conditions and deal opportunities. b) Westpac is a member of the Australian Business Roundtable for disaster resilience and safer communities (ABR), which advocates for a more sustainable, coordinated national approach disaster resilience, to make our communities more resilient and our people safer.	one hour plus approx. two hours preparation time per person).
Change in precipitation extremes and droughts	The Westpac Group Climate Change Position Statement (updated 2017), recognises the physical impacts of climate change, drawing upon the Intergovernmental Panel on Climate Change (IPCC 5) & domestic research undertaken in Australia, New Zealand and the Pacific, to identify projected impacts and emerging physical risks. The short and long-term physical impacts for Australia are summarised in the annual State of the Climate (2014)	Investment opportunities	1 to 3 years	Indirect (Client)	Virtually certain	Low-medium	In 2016 the Aus Bus Roundtable estimated the total cost of natural disasters in Aus. exceeded $9 billion in 2015, or 0.6% of GDP. This is forecast to rise	We manage this opportunity by actively engaging with a range of stakeholders including customers, NGOs, suppliers, the general	The main costs associated with implementing this approach are FTE resourcing to undertake engagement activities, strategy

	report, by CSIRO and the Bureau of Meteorology (BoM). The report charts temperature and rainfall changes already observed & likely trends. It shows that rainfall averaged across Australia has slightly increased since 1900, but declined since 1970 in the southwest, dominated by reduced winter rainfall. Autumn and early winter rainfall has mostly been below average in the southeast since 1990. Average rainfall in southern Australia is projected to decrease with more droughts and heavy rainfall is projected to increase over most parts of Australia. This creates potential investment opportunities for upgrading infrastructure and property.						& could reach an average of $33 billion per year by 2050. But, carefully targeted investment in preventative infrastructure of $250 million p.a. would reduce these costs by 50 per cent and could grow Westpac's exposure in this sector. A key opportunity associated with physical climate risks comes from the need for new technologies, industries and business models to reduce the likelihood of risks occurring (through abatement) and the magnitude of impacts (through adaptation). This creates new investment, lending and product development opportunities in the carbon solutions sector, as technologies emerge that may assist with	community, scientific community and industry associations in order to understand the range of views and complexity of the issue. We use this understanding to develop products embedded with environmental considerations linked to adaptation and mitigation, and inform our lending and investment decisions. For example: a) Our CleanTech Working Group meets bi-monthly to set our carbon solutions strategy, review market conditions and deal opportunities. b) Westpac is a member of the Australian Business Roundtable for disaster resliance and safer communities (ABR), which advocates for	development, product development, changes to, marketing, sponsorship and other related costs. In any given year these costs are in the order of AUD1m. In addition, there are the costs of managing this risk relate to the FTE costs of the CleanTech Working Group (10 members or FTE, meeting every two months for one hour plus approx. two hour preparation time per person).

							adaptation. Westpac has committed up to AUD10bn in carbon solutions to 2020 ($6.7bn as at 31 March 2017) which will lead to increased revenues over the next 1-3 years.	a more sustainable, coordinated national approach disaster resilience, to make our communities more resilient and our people safer.	

CC6.1c
Please describe your inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fluctuating socio-economic conditions	In June 2015, the annual National Electricity Forecasting Report (NEFR) was published by the Australian Electricity Market Operator (AEMO). It found that electricity consumption is forecast to rise by an average 2.1% per annum over the next three years, largely as a result of LNG projects in Queensland and population growth across the NEM. In addition to LNG, rooftop photovoltaic (PV) has also emerged as a key theme, with forecast uptake in rooftop PV over the short term set to move maximum demand times to later in the day in Queensland and Victoria, and shift the winter peak in Tasmania to the evening. The level of generation from wind and rooftop PV technologies is significant in areas of the network. This represents a growth opportunity for our existing products as well as the opportunity to develop new	Increased demand for existing products/services	1 to 3 years	Indirect (Client)	Likely	Low	Westpac offers a number of products to enable its clients to reduce their carbon emissions & electricity expenses. These products include: a)The Energy Efficiency Finance program offering 0.7%pa interest rate discount on lending to qualifying energy efficient equipment. This sits within our	This opportunity is primarily managed through: ongoing engagement with a range of stakeholders including customers, NGOs, suppliers, the general community, scientific community and industry associations in order to understand market demand. We have also established a CleanTech Working Group to regularly examine market dynamics and identify growth opportunities on an ongoing basis.	The main costs associated with implementing this approach are FTE resourcing to undertake engagement activities, strategy development, product development, changes to, marketing, sponsorship and other related costs. In any given year these costs are in the order of $1m.

	products to meet rising demand.						Business Bank and the possible market for this product has been estimated to be up to $2bn. b) Our Energy Efficient Equipment Lease applies the standard features of a lease to energy efficient assets, rolled out through WIB, retail banking and WNZL and could be expected to grow revenue in those divisions. c) Discounted staff 'MyBenefits loan' (up to $4k) for solar, energy efficiency and other environmental products. By taking up these opportunities, our customers can be expected reduce their operational costs.	For example the launch of Westpac's Energy Efficiency Finance program in May 2016, aimed at helping businesses reduce their energy costs and improve their environmental footprint by offering assistance to design, procure and finance CleanTech solutions such as solar and energy efficient equipment. Customers will also benefit from a 0.70%pa interest rate discount on lending to finance qualifying energy efficient equipment supported by $200m in finance from the Clean Energy Finance Corporation (CEFC) This product will help our customers to reduce their scope 2 emissions by between 30-50% through a combination of energy efficiency and solar power.	

Reputation	In many of our major markets of operation, but most notably in Australia, climate change remains a divisive issue. This brings with it potential reputation opportunities from both sides of the debate, i.e. concerns that the organisation is doing too much or too little. There are opportunities to demonstrate leadership within the sector & build reputation for know-how & a practical approach to climate change & associated regulation.	Increased demand for existing products/services	Up to 1 year	Direct	Likely	Low-medium	Whilst the majority of stakeholder concerns are related to activities undertaken in WIB, reputational opportunities relate to Westpac Group as a whole and provide opportunities across both our institutional and retail network - with the public perception of our brand as a leader on the issue of climate change. In the annual Brand Finance Banking 500 report, Westpac was ranked 41st global finance brand with an estimated brand value of US$5.8 billion – which could be expected to increase as a recognised leader on	This opportunity is primarily managed through: ongoing engagement with a range of stakeholders including customers, NGOs, suppliers, the general community, scientific community and industry associations in order to understand the range of views and complexity of the issue; and development of clear position statements to guide our approach For example in 2016 Westpac worked with independent external advisers on scenario analysis and consulted with a number of stakeholders prior to the release of our refreshed Climate Change Position Statement in 2017. We continue to look at innovative financial solutions to help organisation and communities fund	The main costs associated with implementing this approach are FTE resourcing to undertake engagement activities, strategy development, product development, changes to, marketing, sponsorship and other related costs. In any given year these costs are in the order of $1m.

							climate change.	adaptation and resilience programs.	
Reputation	Employee engagement, attraction & retention. Related to reputation, sustainability performance (including an organisation's response to climate change) can help Westpac to engage, attract and retain our employees.	Reduced operational costs	1 to 3 years	Direct	More likely than not	Low	High employee engagement increases our retention rates & reduces our hiring costs.In FY16, 43% of all recruitment across the Group was from internal hires and resulted in an average hiring cost per headcount of $3,964. Key to employee engagement at WBC is the Our Tomorrow program. This program is designed to engage employees on sustainability issues, including climate change. Currently, more than 2,000 employees are members of the program.	The Our Tomorrow program is supported by an intranet site & includes a regular newsletter as well as invitations to presentations and workshops. This opportunity is managed through a yearly survey of participants is conducted in order to keep employees engaged with the program. We have also established an Environmental Advocates Network specifically to focus on achieving WBC's footprint targets.	The costs of managing the Our Tomorrow program includes FTE and conferences and catering costs as well as IT costs associated with maintenance of the intranet site & newsletters. Investment in the Our Tomorrow program since commencement has been approximately $185k. The costs of managing the We have the Will Environmental Program which is responsible for building awareness and driving engagement to help reduce our direct environmental footprint is $90k. Total costs are in the order of $275k.

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1
Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Sun 01 Jul 2007 - Mon 30 Jun 2008	10823
Scope 2 (location-based)	Sun 01 Jul 2007 - Mon 30 Jun 2008	188780
Scope 2 (market-based)	Tue 18 Apr 2017 - Tue 18 Apr 2017	

CC7.2
Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
Australia - National Greenhouse and Energy Reporting Act
New Zealand - Guidance for Voluntary, Corporate Greenhouse Gas Reporting
ISO 14064-1

CC7.2a
If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3
Please give the source for the global warming potentials you have used

Gas	Reference
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)

CC7.4
Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Diesel/Gas oil	0.0699	metric tonnes CO2e per GJ	NGER (2015-16 Measurement Determination)
Liquefied petroleum gas (LPG)	0.0602	metric tonnes CO2e per GJ	NGER (2015-16 Measurement Determination)
Natural gas	0.0514	metric tonnes CO2e per GJ	NGER (2015-16 Measurement Determination)

Fuel/Material/Energy	Emission Factor	Unit	Reference
Motor gasoline	0.0674	metric tonnes CO2e per GJ	NGER (2015-16 Measurement Determination)
Other: Electricity (ACT and NSW)	0.84	kg CO2e per MWh	NGER (2015-16 Measurement Determination)
Other: Electricity (QLD)	0.79	kg CO2e per MWh	NGER (2015-16 Measurement Determination)
Other: Electricity (VIC)	1.13	kg CO2e per MWh	NGER (2015-16 Measurement Determination)
Other: Electricity (TAS)	0.12	kg CO2e per MWh	NGER (2015-16 Measurement Determination)
Other: Electricity (WA)	0.76	kg CO2e per MWh	NGER (2015-16 Measurement Determination)
Other: Electricity (NT)	0.67	kg CO2e per MWh	NGER (2015-16 Measurement Determination)
Natural gas	0.05329	metric tonnes CO2e per GJ	MfE (Emission Factors and Methods 2013) as projected for the 13 calendar year, Fuel combustion, Table 1, p.8 http://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/voluntary-greenhouse-gas-reporting-2015-year.pdf
Diesel/Gas oil	2.72	kg CO2e per liter	MfE (Emission Factors and Methods 2013) as projected for the 13 calendar year, Fuel combustion, Table 2, p.10 http://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/voluntary-greenhouse-gas-reporting-2015-year.pdf
Motor gasoline	2.36	kg CO2e per liter	MfE (Emission Factors and Methods 2013) as projected for the 13 calendar year, Fuel combustion, Table 2, p.10 http://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/voluntary-greenhouse-gas-reporting-2015-year.pdf
Electricity	0.1325	kg CO2e per MWh	MBIE Quarterly Elecricity Emissions Factors

Further Information

Page: CC8. Emissions Data - (1 Jul 2015 - 30 Jun 2016)

CC8.1
Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2
Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

11103

CC8.3
Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment

We are reporting a Scope 2, location-based figure		

CC8.3a
Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
145599		

CC8.4
Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

CC8.4a
Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded
Offices in the United States	Emissions are not relevant	Emissions are not relevant	Emissions are not relevant	Westpac Group operations in the United States includes only two small sites which are deemed immaterial.
Asian Sites	Emissions are not relevant	Emissions are not relevant	Emissions are not relevant	Energy and Carbon data for Asian operations are deemed immaterial and data is limited from this region. This continues to be assessed as Westpac Group grows in the Asian Region
Incidental Emissions (e.g. fire suppressants)	Emissions are not relevant	Emissions are not relevant	Emissions are not relevant	Minor sources deemed immaterial.
Refrigerants from retail sites	Emissions are not relevant	Emissions are not relevant	Emissions are not relevant	Retail sites are generally located in shopping strips or shopping centres. In the case of shopping strips, air conditioning systems are typically small and refrigerants are considered immaterial. For shopping centres, air conditioning is generally provided by base building equipment which serves the entire shopping centre and is outside Westpac's operational control; therefore outside our reporting boundary.

CC8.5
Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data

Scope 1	More than 2% but less than or equal to 5%	Data Gaps Assumptions Extrapolation Metering/ Measurement Constraints	Assumptions: 1. Metering equipment is calibrated and maintained. 2. All sources of fuel and all accounts are identified. 3. All fuel purchased is captured by accounts and correctly coded 4. Invoices from energy provider are an accurate reflection of fuel used. Extrapolation: 1. Where invoices are late or missing, an approximation (based on historical consumption) is used. Data Gaps: 1. For unmetered sites, energy use is estimated based on averages for that facility type. Metering / Measurement constraints: 1. Accuracy of data is limited by the accuracy of metering equipment and ability of personnel to read meters accurately. Where data is available through multiple channels, e.g. time of use or flow meters and monthly invoices, data from these channels is reconciled to check for errors in the invoice and /or metering equipment.
Scope 2 (location-based)	More than 2% but less than or equal to 5%	Data Gaps Assumptions Extrapolation Metering/ Measurement Constraints	Assumptions: 1. Metering equipment is calibrated and maintained. 2. All sources of fuel and all accounts are identified. 3. All fuel purchased is captured by accounts and correctly coded 4. Invoices from energy provider are an accurate reflection of fuel used. Extrapolation: 1. Where invoices are late or missing, an approximation (based on historical consumption) is used. Data Gaps: 1. For unmetered sites, energy use is estimated based on averages for that facility type. Metering / Measurement constraints: 1. Accuracy of data is limited by the accuracy of metering equipment and ability of personnel to read meters accurately. Where data is available through multiple channels, e.g. time of use or flow meters and monthly invoices, data from these channels is reconciled to check for errors in the invoice and/or metering equipment.
Scope 2 (market-based)			

CC8.6
Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance process in place

CC8.6a
Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/CC8.6a/Westpac NGER Reasonable Assurance Statement_final.pdf	page 2-4	Australian National GHG emission regulation (NGER)	64
Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/CC8.6a/NCOS Assurance Statement.pdf	page 4; All	ASAE3000	74
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/CC8.6a/Westpac_Sustainability_Report_2016.pdf	Pg 99-100 (EY Limited Assurance Conclusion as part of Westpac's annual Sustainability Report from 2016)	ASAE3000	100

CC8.7
Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/CC8.7a/Westpac NGER Reasonable Assurance Statement_final.pdf	pg. 2-4	Australian National GHG emission regulation (NGER)	97
Location-based	Annual process	Complete	Reasonable assurance	https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/CC8.7a/NCOS Assurance Statement.pdf	Pg 4; all	ASAE3000	97
Location-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/CC8.7a/Westpac_Sustainability_Report_2016.pdf	Pg 99-100 (EY Limited Assurance Conclusion as part of Westpac's annual Sustainability Report from 2016)	ASAE3000	100

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
Year on year change in emissions (Scope 1 and 2)	As part of the Australian and New Zealand assurance process, year on year changes in Scope 1 and 2 emissions are assessed and where necessary, significant movements are noted in the Environmental Metrics action of our Sustainability Performance Report.

Additional data points verified	Comment
Year on year change in emissions (Scope 3)	As part of the Australian assurance process, year on year changes in Scope 3 emissions are assessed and where necessary, significant movements are noted in the Environmental Metrics action of our Sustainability Performance Report.
Year on year emissions intensity figure	As part of the Australian and New Zealand assurance process, year on year emission intensities are assessed to check for anomalies.
Progress against emissions reduction target	The Westpac Group has a public target to remain Carbon Neutral to 2020 and to reduce absolute carbon emissions of Australian & NZ operations by 14% by 2017; to improve electricity efficiency of our Australian and New Zealand operations by 10% by 2017; to reduce absolute electricity consumption of our Australian and New Zealand operations by 12.5% by 2017; to improve the energy efficiency of our Data Centres; increase recycling rates to 75% at our Sydney Head Offices; and to reduce office paper use by 15%. Progress against these targets is assured by third party auditors each year.
Emissions reduction activities	Under the Carbon Neutral program (Australia and New Zealand), the Westpac group must identify energy / emission reduction activities. This data is subjected to limited assurance each year under the annual NCOS assurance for Australia and 2015 Westpac Group Sustainability Assurance Statement (EY) for New Zealand.

CC8.9
Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jul 2015 - 30 Jun 2016)

CC9.1
Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a
Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Australia	8247
New Zealand	2190
Rest of world	667

CC9.2
Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By activity

CC9.2d
Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
Stationary Energy - Natural Gas	1034
Stationary Energy - Diesel	226
Stationary Energy - LPG	1
Transport - Fleet Vehicles	7070
Refrigerants	2773

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jul 2015 - 30 Jun 2016)

CC10.1
Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a
Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Australia	141576		171150	
New Zealand	2328		23280	
Rest of world	1695		6284	

CC10.2
Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By activity

CC10.2c
Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Commercial Offices AU	51425	
Retail Network AU	58489	
ATM AU	3097	
Data Centres AU	27900	
Subsidiaries AU	646	
Rest of World	4042	

Further Information

Page: CC11. Energy

CC11.1
What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2
Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Heat	0
Steam	0
Cooling	0

CC11.3
Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

35024

CC11.3a
Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Diesel/Gas oil	29893
Liquefied petroleum gas (LPG)	5
Natural gas	5126

CC11.4
Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor			

CC11.5
Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
200707	200707	0	0	0	

Further Information

Page: CC12. Emissions Performance

CC12.1
How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a
Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	11	Decrease	In 2016 our emissions from energy (electricity) usage in our property portfolio decreased by 19,377 tCO2-e as a result of energy efficiency upgrades in data centres, the consolidation of commercial offices, the rollout of the upgraded retail branch network and closures within the retail branch network. Our total S1 and S2 emissions in FY15 were 175,806 tCO2-e therefore we arrived at an 11% reduction (-19,377tCO2-e / 175,806*100)
Divestment	0		
Acquisitions	0	No change	
Mergers	0	No change	
Change in output	0	No change	
Change in methodology	0	No change	
Change in boundary	0	No change	

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Change in physical operating conditions	.05	Decrease	Within Australia and New Zealand, we have maintained the number of km travelled (23 million) from last year whilst still achieving an emission reduction. This is due to rolling out new best in class diesel vehicles for Tool of Trade fleet in Australia, including an increase in the number of vehicles in the fleet. The increase in the number of vehicles reflects our Service Promise, our commitment to always providing a superior service experience to each other and our customers. Our bankers are becoming more mobile, using technology to bring banking to our customers. In 2016 our fleet emissions decreased by 88 tCO2-e due to change in business strategy, our total S1 and S2 emissions in 2015 were 175,806tCO2-e therefore we arrived at 0.05% (88 t CO2-e / 175,806* 100)
Unidentified	0		
Other	.13	Decrease	Decreases in emissions from natural gas & diesel due to overall reduction from accommodation consolidations. In 2016 our emissions from natural gas & diesel decreased by 266tCO2-e. Our total S1 and S2 emissions in 2015 were 175,806 tCO2-e therefore we arrived at a reduction of 0.2% (-266tCO2-e / 178,448*100).

CC12.1b
Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2
Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
7.47	metric tonnes CO2e	20985	Location-based	8	Decrease	Total revenue in a banking context is regarded to be the sum of net interest income and non-interest income or total operating income before operating expenses and impairment charges. [As Westpac has a 30 September year-end for financial data and a 30 June year end for environmental data, the intensity figure is gross global combined Scope 1 and 2 emissions in metric tonnes CO2e as at 30 June 2016 divided by total revenue (million $) as at 30 September 2016.] The decrease from 8.12 to 7.47 between 2015 and 2016 can be attributed to a decrease in Scope 1 & 2 emissions as a result of emission reduction activities (refer to questions 3.3 and 12.1).

CC12.3
Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change

4.4	metric tonnes CO2e	full time equivalent (FTE) employee	35280	Location-based	10	Decrease	FTE figures have been calculated based on a June 30 year end in 2016 to align with the environmental reporting year. The decrease from 4.9 to 4.4 between 2015 and 2016 can be attributed to a decrease in Scope 1 and 2 emissions as a result of emission reduction activities and a reduction in FTE by 599 employees from the previous year.
.2	metric tonnes CO2e	square meter	783510	Location-based	3	Increase	Continued efforts across Westpac Group to meet our FY17 target of reducing electricity per m2 by 10% including emission reduction activities (energy efficiency measures and commercial property consolidations). The property strategy and the move to agile workspaces in Sydney & Melbourne have been designed to incorporate a range of initiatives to reduce energy demand & to manage energy in an efficient manner whilst consolidating commercial space. This, along with our continued implementation of our BankNow branches (a major program to upgrade our branch network delivering branches with increased digital and self-service banking capability, with a smaller average branch size), have been factors in the slight increase of our emission intensity per square metre.
	metric tonnes CO2e						

Further Information

Page: CC13. Emissions Trading

CC13.1
Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.2
Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

CC13.2a
Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance
Credit purchase	Fugitive	Caieiras landfill gas emission reduction -Flaring or use of landfill gas Kyoto Project # BR-171	CDM (Clean Development Mechanism)	130947	130947	Yes	Voluntary Offsetting

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance
Credit purchase	Fugitive	Leak Reduction in Above Ground Gas Distribution Equipment in the Gas Distribution Network UzTransgaz- Markazgaz (UzTG) - Leak detection and repair in gas production, processing, transmission, storage and distribution systems and in refinery facilities Kyoto Project # UZ-3339	CDM (Clean Development Mechanism)	1102	1102	Yes	Voluntary Offsetting
Credit purchase	Wind	Wind based renewable energy project in Gujarat-Grid-connected electricity generation from renewable sources. Kyoto Project # IN-2925	CDM (Clean Development Mechanism)	52746	52746	Yes	Voluntary Offsetting
Credit purchase	Fugitive	Leak Reduction in Above Ground Gas Distribution Equipment in the KazTransgaz-Tbilisi Gas Distribution System- Tbilisi, Georgia - Leak detection and repair in gas production, processing, transmission, storage and distribution systems and in refinery facilities Kyoto Project # GE-2404	CDM (Clean Development Mechanism)	27883	27883	Yes	Voluntary Offsetting

Further Information

Page: CC14. Scope 3 Emissions

CC14.1
Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	7695	Greenhouse Gas Emission Factors For Office Copy Paper Publication 1374 May 2011; NGA Factors 2014	100.00%	Emissions from paper consumption have been calculated based on supplier invoices for paper consumed within the business for internal and customer use.
Capital goods	Not relevant, explanation provided				Emissions from capital goods have been excluded from our inventory due to the materiality of the emissions source. Given the nature of our organisations as a service company emission from capital goods do not contribute significantly to scope 3 emissions and are therefore immaterial.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	20533	NGA Factors 2015 MfE (Data & Methods) from the 2013 calendar year	100.00%	Emission from electricity, natural gas & vehicle fleet transmission and distribution losses were calculated based on consumption data from supplier invoices.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Upstream transportation and distribution	Not relevant, explanation provided				Emissions from upstream transportation and distribution have been excluded from our inventory due to the data and the materiality of the emissions source. Given the nature of our organisations as a service company emission from upstream transportation and distribution do not contribute significantly to scope 3 emissions and are therefore immaterial.
Waste generated in operations	Relevant, calculated	2028	NGA Factors 2015 MfE (Data & Methods) from the 2013 calendar year,	72.00%	Emissions from waste disposal in Australia & NZ have been calculated based on waste volume generated as per waste contractor statements and representative waste audit across the retail network. In New Zealand, emissions from waste were calculated based on waste audits conducted at all commercial offices and approximately 45% of retail branches.
Business travel	Relevant, calculated	13443	UK DEFRA GHG conversion factors for company reporting 2015 MfE (Data & Methods) from the 13 calendar year, For Air Travel (excl. radiative forcing factor & incl. DEFRA greater circling uplift factor)	100.00%	Emissions from air travel, fleet, rental cars, taxi usage and hotel occupancy were calculated based on supplier reports.
Employee commuting	Not relevant, explanation provided				Emissions from transportation of employees between their homes and WBC in vehicles not owned or operated by WBC is excluded from our inventory due to WBC's limited ability to influence transport infrastructure in city locations where most corporate offices are located. These emissions do not contribute significantly to scope 3 emissions and are therefore immaterial.
Upstream leased assets	Relevant, calculated	18553	Scope 1 and 2: NGERS (Measurement) Determination as amended for the 2013-14 reporting year, Method 1; NGA Factors 2013	100.00%	Emissions from base buildings have been calculated based on supplier statements.
Downstream transportation and distribution	Not relevant, explanation provided				Emissions from downstream transportation and distribution have been excluded from our inventory due to the materiality of the emissions source in the context of a service organisation. These emissions do not contribute significantly to scope 3 emissions and are therefore immaterial.
Processing of sold products	Not relevant, explanation provided				Emissions from processing of sold products have been excluded from our inventory due to the materiality of the emissions source in the context of a service organisation. These emissions do not contribute significantly to scope 3 emissions and are therefore immaterial.
Use of sold products	Not relevant, explanation provided				Emissions from use of sold products have been excluded from our inventory due to the materiality of the emissions source in the context of a service organisation. These emissions do not contribute significantly to scope 3 emissions and are therefore immaterial.
End of life treatment of sold products	Not relevant, explanation provided				Emissions from end of life treatment of sold products have been excluded from our inventory due to the materiality of the emissions source in the context of a service organisation. These emissions do not contribute significantly to scope 3 emissions and are therefore immaterial.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Downstream leased assets	Not relevant, explanation provided				Emissions from downstream leased assets have been excluded from our inventory due to the materiality of the emissions source in the context of a service organisation. These emissions do not contribute significantly to scope 3 emissions and are therefore immaterial.
Franchises	Not relevant, explanation provided				Emissions from franchises have been excluded from our inventory due to the materiality of the emissions source in the context of a service organisation. These emissions do not contribute significantly to scope 3 emissions and are therefore immaterial.
Investments	Not relevant, explanation provided				Westpac does not have significant influence over the emissions from investments and these have been excluded from our public inventory. These emissions should be reported directly by the companies we invest in and we are participating in a UNEP FI and GHG Protocol technical working group for the development of a financial sector GHG accounting guidance and carbon asset risk guidance.
Other (upstream)	Not relevant, explanation provided				No other (upstream) Scope 3 emissions sources have been identified.
Other (downstream)	Not relevant, explanation provided				No other (downstream) Scope 3 emissions sources have been identified.

CC14.2
Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance process in place

CC14.2a
Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/CC14.2a/NCOS Assurance Statement.pdf	Page 4; all	ASAE3000	95

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a
Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Change in physical operating conditions	31.6	Decrease	With the introduction of a paper reduction target, agile working and digitalisation, the Westpac Group is reducing its paper consumption. -3557/11252*100
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in methodology	15.9	Decrease	Change in NGA Factors (emission factors) for Electricity transmission and distribution losses – Australia since 2015 -3899/24432*100
Waste generated in operations	Unidentified	1.8	Increase	The Westpac Group has a target to improve recycling rates which has resulted in waste management system improvements, expansion of waste services and staff engagement. 36/1992*100
Business travel	Change in methodology	3.2	Increase	Change in reporting hotel stays in Australia in 2016 resulting in a significant increase. This coincided with a reduction in air travel, hire cars and taxis. 432/13301*100
Upstream leased assets	Change in physical operating conditions	5.9	Increase	In 2016, a number of changes in our commercial and retail network, including optimisation of commercial sites and consolidation initiatives within the retail network/commercial buildings led to a slight increase in overall base building emissions. 1047/17506*100

CC14.4
Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers
Yes, our customers

CC14.4a
Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Suppliers:
Engagement methods

We engage with existing, prospective and new suppliers through:

• Assessments against the SSCM Code of Conduct (changed to Responsible Sourcing Code of Conduct in 2017 - see Further Details below)
• Contractual requirements
• 1:1 meetings
• Tender requirements
• Phone & email contact
• Guidance notes & policies

Strategy for prioritising engagements:

Suppliers: The Corporate Value Chain (Scope 3) Accounting & Reporting Standard informs WBG's focus areas for Scope 3 emissions reporting. This in turn allows us to prioritise the suppliers we work with in order to obtain GHG data & develop GHG emission reduction projects.

We also prioritise engagement with suppliers based on an assessment of ESG risk. Suppliers assessed as carrying risk are required to complete an assessment against our Sustainable Supply Chain Management (SSCM) Code of Conduct (CoC). This covers questions related to compliance with laws & regulations (including laws on emissions disclosure) & existence of an environmental management plan (which would include GHG management), information on collection of emissions data, its verification & setting emissions reduction targets.

Suppliers where WBG makes up >20% of overall revenue and those with environmental risks (eg. operate in fragile environments, work in manufacturing, print, energy production, construction, distribution, catering or transport or that own data centre facilities) are also asked additional questions on carbon costs and alternative (lower carbon) products and services. Where expectations in the assessment are not met, we engage suppliers to develop action plans ensuring these requirements are met within agreed timeframes.

Measures of success:
Our ability to report and improve on our scope 3 emissions accounting. Over time we have expanded the scope of our scope 3 reporting, now engaging with the following categories of suppliers to obtain GHG emissions data:

• Stationery
• Car fleet management
• Car rental
• Taxis
• Print management
• Facilities management
• Air travel
• Hotel stays
• Mail houses
• Waste management

• A reduction in our globlal scope 3 emissions. During FY16 we achieved a reduction of 5,943 tonnes CO2e (8.7%) from FY15 levels - representing a 5,636 tonne reduction and a 143 tonne reduction in NZ over the same period.
• Supplier introduction of GHG data collection, environmental management plans (including GHG management), & for high risk suppliers, targets for reducing GHG emissions within the first year of contract based on action plans as agreed with WBG.

Customers:

We engage with our customers in regards to our Guidance notes & policies, Customer adherence to conditions in contracts e.g. implementation of energy efficiency projects or GHG monitoring / management requirements and their own needs in relation to climate change, energy efficiency & GHG reduction.

In our Climate Change Action Plan 2020 we committed to supporting businesses that manage their climate change risks and work constructively with customers in emissions-intensive sectors, and support them
as they manage through the transition.

We have targets in our Sustainability Strategy to help our customers improve their environmental footprint e.g. our commitment to launch 5 unique product or service offerings by 2017, which help our customers adapt to environmental challenges. Customer engagement on needs in relation to energy efficiency & GHG reduction was a key contributor to our successful launch of the Energy Efficiency Lease, WNZL's partnership with Solarcity and the Westpac Energy Efficiency Finance Program.
For example:
Westpac's Energy Efficiency Finance program released in May 2016, is aimed at helping businesses reduce their energy costs and improve their environmental footprint by offering assistance to design, procure and finance CleanTech solutions such as solar and energy efficient equipment. Customers will also benefit from a 0.70%pa interest rate discount on lending to finance qualifying energy efficient equipment supported by $200m in finance from the Clean Energy Finance Corporation (CEFC). This product will help our customers to reduce their scope 2 emissions by between 30-50% through a combination of energy efficiency and solar power. www.westpac.com.au/about-westpac/media/media-

releases/2016/17-May.

WNZL's partnership with Solarcity makes solar power more affordable and accessible to New Zealand homeowners and in May 2016 won the Business Institutional Banking Innovation Award. http://www.westpac.co.nz/rednews/business/solarcity-and-westpac-team-up-to-win-infinz-award

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
Compliance	80	68%	During FY 2016, our top 80 suppliers were assessed against the SSCM Code of Conduct (COC) in FY16. The assessments are required for new, prospective and existing suppliers assessed as carrying a medium or high level of environmental, social or other risk. During this time, our new Responsible Sourcing Program was under development, including a new Responsible Sourcing Code of Conduct and Supplier Assessments. See Further Information below for full details of new Responsible Sourcing Program.

Further Information

In May 2017, Westpac Group launched its new Responsible Sourcing Program, replacing the Sustainable Supply Chain Management (SSCM) framework that had been in place since 2003. The Responsible Sourcing Program enables Westpac Group to prioritise sourcing categories and suppliers for engagement and focus on the specific risk issues to engage suppliers on (including climate change risks). The new program better supports us to manage and mitigate risks within Westpac Group supply chain, and assists us to identify and develop opportunities to collaborate and innovate with key suppliers to deliver positive impact. Created in response to expectations from external stakeholders and the need to respond quickly to a constantly evolving risk landscape, the Responsible Sourcing Program enhances visibility of risks in our supply chain through an improved understanding of ethical, social and environmental issues (including climate change), associated with specific sourcing categories and source countries, as well as shifting management effort to material issues and impacts identified through the assessment process. The program expands our current risk horizon beyond supplier risk, to incorporate commodity, sector, country and reputational risk. The Responsible Sourcing Program incorporates: 1. Supplier Pre-screening Suppliers are screened by Commercial Managers or Sourcing Managers during on-boarding or the annual procurement and finance system review. Suppliers, are screened against publically available sustainability indicator data relating to: a. The industry sector the supplier is in; b. The country where the supplier and its parent company (where relevant) are incorporated; c. The country where the supplier delivers any services (where relevant) to Westpac; d. The product and/or service provided to Westpac; and e. The reputational risk of the supplier due to any negative media or public campaigns focused on the supplier. Suppliers are automatically rated as Low Risk, Medium Risk or High Risk. 2. Supplier Assessment is required when a supplier is ranked at Medium Risk or High Risk in the screening process. Suppliers are given the opportunity to demonstrate that through a combination of corporate strategy, policies, procedures, targets, performance, and leadership their residual risk level is lower. Suppliers are engaged on material issues relating to their industry sector, product and/or service supplied, country of incorporation and where any services are delivered for Westpac. 3. Risk Management & Mitigation. Any supplier that continues to be rated at Medium Risk or High Risk following the Supplier Assessment will have an enhanced level of management, engagement and support during the term of any contract to ensure material risks are being managed and mitigated effectively. Our Responsible Sourcing program includes provision for validation and corrective and preventative action (refer to contract clauses). Adherence to the Responsible Sourcing Code of Conduct will be reported annually through Westpac's relevant sustainability disclosures (NOTE: we haven't reported anything as yet – as the program only rolled out in May, and we are still determining what the most relevant KPI's are as system performance measures)

Attachments

https://www.cdp.net/sites/2017/51/19051/Climate Change 2017/Shared Documents/Attachments/ClimateChange2017/CC14.Scope3Emissions/Responsible-Sourcing-Code-of-Conduct.pdf

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Siobhan Toohill	Group Head of Sustainability	Facilities manager

Further Information

CDP: [D][-,-][D2]