

# National Carbon Offset Standard Carbon Neutral Program Public Disclosure Summary



An Australian Government Initiative

## 1. Organisation and Product Information

Table 1: Organisation and Product Information

Organisation Name	Westpac Banking Corporation	
Name of the subject(s) of certification	Westpac Banking Corporation	
Type of certification (tick all applicable)	<input checked="" type="checkbox"/> Organisation <input type="checkbox"/> Product/service <input type="checkbox"/> Part of organisation <input type="checkbox"/> Event	
Reporting year period	From 1/07/2012	To 30/06/2013
Emissions in this reporting year	256,817.54 t CO <sub>2</sub> -e	
Base year period <sup>1</sup>	From 1/07/2011	To 30/06/2012
Emissions in the base year	264,733.21 t CO <sub>2</sub> -e	

<sup>1</sup> First year for which the GHG Inventory has been completed – this will be considered to be the base year against which emission reduction activities will be measured.



Australian Government

Department of Industry, Innovation, Climate Change,  
Science, Research and Tertiary Education

## 2. Description of Organisation Activities

### Organisational overview

Westpac Group has branches and controlled entities throughout Australia, New Zealand and the near Pacific region and maintains offices in key financial centres around the world including London, New York, Hong Kong and Singapore.

As at 30 September 2012, the Westpac Group employed approximately 36,000 people (full time equivalent basis) in Australia, New Zealand and around the world, and had global assets of A\$675 billion.

Westpac Group has 3 key customer facing divisions through which we serve nearly 12 million customers:

- Australian Financial Services (AFS) encompasses our retail and business banking operations in Australia and includes the businesses of Westpac Retail & Business Banking, St.George Banking Group and BT Financial Group. It also encompasses Banking Products and Risk Management;
- Westpac Institutional Bank delivers a broad range of financial services to commercial, corporate, institutional and government customers with connections to Australia and New Zealand.; and
- Westpac New Zealand - one of New Zealand's largest banking organisations providing a full range of banking, wealth management and insurance products.

Westpac is ranked in the top 5 listed companies by market capitalisation on the Australian Securities Exchange Limited (ASX). As at 30 September 2012, our market capitalisation was A\$76.5 billion

For the twelve months to 30 September 2012, the Westpac Group's reported net profit after income tax was A\$5,970 million

About 570,000 people and institutions in Australia and overseas are Westpac shareholders.

### Environmental impacts

As one of the country's largest companies Westpac's operations have both direct and indirect impacts on the environment which we have been proactively managing since we first established an environmental policy in 1992.

This has included a strong focus on emissions throughout our value chain including our own operations but also that of our suppliers and customers. This is reflected in our most recent sustainability strategy 'to anticipate and shape the most pressing, emerging societal issues where we have the skills and experience to make a meaningful, positive impact.' This includes a focus on:

- Anticipating the big shifts of demographic and cultural change
- Creating economic solutions to environmental challenges
- Helping customers achieve sustainable financial futures in a changing landscape

Included in this is a suite of environmental targets to improve the performance of our own operations, including a commitment to become carbon neutral over the life of the strategy, other targets for 2017 include:

- Reducing our kWh of electricity/m<sup>2</sup> for commercial and retail sites by 10%
- Achieving a Power Usage Effectiveness for standalone data centres of 1.60
- Reducing office paper by 5%
- Increase recycling rates in our Sydney head office locations to 75%

Our decision to become carbon neutral builds on over 15 years of action in emissions reporting and reductions. This started when we became the first bank to join the Australian Greenhouse Challenge program in 1996. Between then and 2008 we reduced our emissions by 40%. Although we have reduced our emissions by a further 7% since this time the progress has been slower than we anticipated and has revealed that many of the opportunities for reduction have already been realised.

In recognition of these prior actions we have now decided to make our operations carbon neutral. We still have a number of major activities planned to further reduce our emissions, including the consolidation of sites in Melbourne and Sydney into more energy efficient buildings and continued improvements to our branch network, however incremental gains have become harder to achieve.

### **Working with customers and suppliers**

The environmental impacts of our customers is our single largest area of impact and working with these customers remains a key component of our overall approach. This includes the development of products and services to help customers manage their impacts, including financing energy efficiency activities and solar as well as carbon trading expertise. Our most recent strategy commits us to developing a further product or service annually to achieve this aim.

It is also about understanding and managing carbon risk. This started with our role as a foundation signatory to the Equator Principles a decade ago. Since then it has involved internal training for more than 1,800 relationship and credit managers so that we are well placed to engage with our customers on this issue. This has included understanding current risks and mitigation activities as well as changing credit and underwriting standards to reflect those risks.

Finally is support for new markets. To this end we have made a commitment to make up to \$6 billion available for lending and investment to the CleanTech and Environmental Services sector by 2017. This effectively doubles our current exposure and includes renewable energy, greening the property sector, water efficiency and waste management activities and will be achieved through a combination of specific product offerings and increased lending volumes to the sector.

Customers are also given the opportunity to invest in clean energy companies through ArkX Investment Management which is 28% owned by a wholly owned subsidiary of Westpac.

We have formally engaged suppliers on environmental issues since the introduction of our Sustainable Supply Chain Management Policy in 2002 which now requires all suppliers to have in place effective environmental management policies and practices. We also work with specific categories, including paper, fleet and information technology suppliers to reduce the impacts of the products we buy.

For further information on this area please contact Ellen Lenczner at [corporateresponsibility@westpac.com.au](mailto:corporateresponsibility@westpac.com.au)

## **3. Organisational & Geographic Boundary/ Scope & system Boundary**

Boundary consolidation approach:	Operational control
Description of the boundary of the subject of certification (also describe exclusions from the boundary):	Westpac Group's boundary for our Carbon Neutral program includes Australian operations under our operational control (as defined in the NGER Act 2007).

All facilities outside our operational control in Australia and all facilities in other regions (e.g. New Zealand, Pacific, Asia, UK and USA) are excluded from our Carbon Neutral Program.

#### 4. Diagram of the Boundary of the Subject of Certification

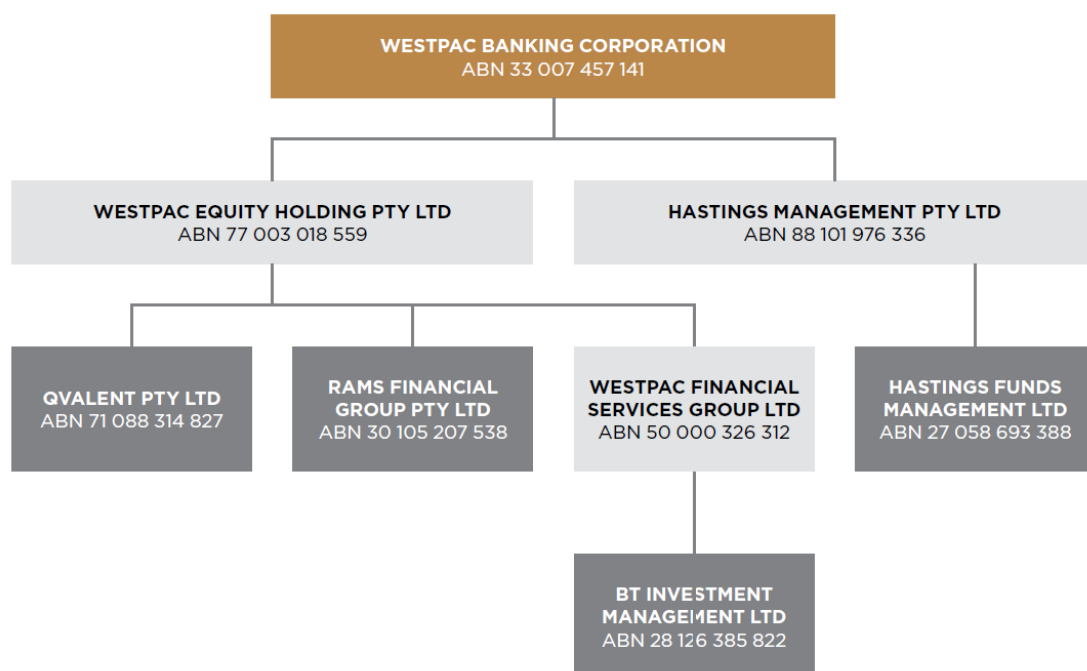


Figure 1: Diagram of the Boundary of the Subject of Certification

#### 5. Purchase of GreenPower and Retirement of GreenPower Eligible Large-Scale Generation Certificates (LGCS)

Table 2: GreenPower

Type	Volume	Unit	t CO <sub>2</sub> -e	Status
GreenPower	62,853.07	kWh	55.31	Purchased

Table 3: LGCs Surrendered

Details of LGCs Voluntarily Surrendered	
Quantity	Serial No.
n/a	n/a

## 6. Purchase of NCOS Carbon Neutral Products

Table 4: Carbon Neutral Products

Product/service	Company	Quantity	Units	t CO <sub>2</sub> -e (if known)
Paper	Australian Paper (purchased from Staples)	890.91 tonnes	345,949 reams	1,167.98 t CO <sub>2</sub> -e
Total (if known)				1,167.98 t CO <sub>2</sub> -e

## 7. Total Carbon Footprint

Organisations that have completed a GHG inventory are to provide a summary of the total footprint from Section 4 of the GHG Inventory here. Organisations that have completed an LCA and are seeking carbon neutral certification for products or services are to include a summary of Section 11 of the LCA.

Table 5: Emission sources, scopes and quantities

Scope	Emission source	t CO <sub>2</sub> -e <sup>2</sup>
1	Diesel (Stationary) – Australia	245.71
1	Natural Gas (Stationary) - Australia	742.85
1	LPG (Stationary) - Australia	6.73
1	R123 (Building Refrigerant) - Australia	11.10

<sup>2</sup> = Activity data x energy content factor (if applicable) x emission factor converted to tonnes CO<sub>2</sub>-e

Scope	Emission source	t CO <sub>2</sub> -e <sup>2</sup>
1	R134a (Building Refrigerant) - Australia	416.87
1	R22 (Building Refrigerant) - Australia	900.73
1	R407C (Building Refrigerant) - Australia	102.87
1	R410A (Building Refrigerant) - Australia	83.29
1	Diesel (Transport, Post 2004 vehicles) - Australia	46.46
1	Unleaded Petrol (Gasoline, Post 2004 vehicles) - Australia	4,940.46
2	Electricity - Australia	167,953.45
3	Electricity transmission and distribution losses - Australia	30,840.46
3	Natural Gas transmission and distribution losses - Australia	190.05
3	Vehicle Fleet petrol extraction & distribution losses - Diesel (Transport, Post 2004 vehicles) - Australia	3.53
3	Vehicle Fleet petrol extraction & distribution losses - Unleaded Petrol (Gasoline, Post 2004 vehicles) - Australia	391.28
3	Paper - Australia	7,476
3	Paper - Customer	3,346
3	Waste Disposal – Landfill - Australia	2,900.80
3	Base Building Energy – Australia	26,523.72
3	Employee Travel – Air Travel - Australia	9,058.45
3	Employee Travel – Taxis - Australia	620
3	Employee Travel – Hire Vehicles - Australia	83
Total carbon footprint in tonnes CO <sub>2</sub> -e (net)		256,883.81

Scope	Emission source	t CO <sub>2</sub> -e <sup>2</sup>
3	Greenpower - Australia	55.31
3	Greenpower transmission and distribution losses - Australia	10.96
Total carbon footprint in tonnes CO <sub>2</sub> -e (gross)		256,817.54

## 8. Carbon Offset Purchases and Retirement for this Reporting Period

The Westpac Group has forward purchased carbon offsets for the period 2013 to 2017. The Group will true up at the end of each reporting year ending 30 June and bank offsets for future use.

Please refer to The Westpac Group's Offset Purchasing Guidelines for further details on The Group's strategy for purchasing and cancelled carbon offsets.

Table 6: Offset Cancellations

Offset type	Registry	Serial number	Quantity (t CO <sub>2</sub> -e)
CER	Australian National Registry of Emissions Units	274,445,406 – 274,450,717	5,312
CER	Australian National Registry of Emissions Units	296,196,977 – 296,208,626	11,650
CER	Australian National Registry of Emissions Units	296,208,627 – 296,210,293	1,667
CER	Australian National Registry of Emissions Units	340,850,847 – 340,852,421	1,575
CER	Australian National Registry of Emissions Units	407,793,275 – 407,802,844	9,570
CER	Australian National Registry of Emissions Units	412,876,648 – 412,889,904	13,257

CER	Australian National Registry of Emissions Units	412,921,897 – 412,926,647	4,751
CER	Australian National Registry of Emissions Units	436,711,895 – 436,732,120	20,226
CER	Australian National Registry of Emissions Units	436,732,121 – 436,744,243	12,123
CER	Australian National Registry of Emissions Units	448,258,014 – 448,284,700	26,687
ERU (from AAU)	Australian National Registry of Emissions Units	580,265,528 – 580,415,527	150,000
Total			256,818

## 9. Emission Reduction Measures

Emission reductions are estimated as part of the business case process and verified after implementation to evaluate the project's success. All emission reduction savings are compared against the baseline (2011-12).

Table 7: Emission Reduction Measures

Emission source	Reduction Measure	Scope	Status	Reduction t CO <sub>2</sub> -e
Electricity	Retail Energy Efficiency Project - Lighting Upgrades at 112 branches	2	Implemented in a past reporting period	1,506
Electricity	Retail Energy Efficiency Project - Lighting Upgrades at 100 branches per year to 2017	2	Planned for future reporting period	4,000
Electricity	Sydney Property Consolidation Project	2	Planned for future reporting period	4,562



Emission source	Reduction Measure	Scope	Status	Reduction t CO <sub>2</sub> -e
Electricity	Melbourne Property Consolidation Project	2	Planned for future reporting period	8,978
Electricity	Retail Energy Saving Initiative - Energy Policy and stakeholder engagement for branches and business banking	2	Planned for future reporting period	892
Electricity	Retail energy efficiency initiatives as identified through EEO	2	Implemented this reporting period	42.39
Electricity	Retail energy efficiency initiatives as identified through EEO	2	Implemented in a past reporting period	56.16
Electricity	Retail energy efficiency initiatives as identified through EEO	2	Planned for future reporting period	131.05
Electricity	Commercial office energy efficiency initiatives as identified through EEO	2	Implemented this reporting period	108
Electricity	Commercial office energy efficiency initiatives as identified through EEO	2	Implemented in a past reporting period	3,419
Electricity	Commercial office energy efficiency initiatives as identified through EEO	2	Planned for future reporting period	2,965
Electricity	Data Centre energy efficiency initiatives as identified through EEO	2	Implemented in a past reporting period	5,548
Electricity	Data Centre energy efficiency initiatives as identified through EEO	2	Planned for future reporting	3,517

Emission source	Reduction Measure	Scope	Status	Reduction t CO <sub>2</sub> -e
			period	
Fleet	Vehicle review	3	Planned for future reporting period	268
Taxi & Air Travel	Monthly executive reviews of on-line spend reports for travel	3	Implemented in a past reporting period	2,900
Total emission reductions implemented in this reporting period				150.39
Total expected emission reductions in future reporting periods				25,313.05

## 10. Other Information [Optional]

Participants may wish to include further information about their carbon neutral commitments and promotional activities. This may tell a story about the organisation's activities, where it has come from, where it would like to go to and its successes.

As the Public Disclosure Summary is made publicly available, please ensure that the information here is accurate and supported by appropriate evidence.

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## 11. Declaration

To the best of my knowledge and having implemented the quality controls and standards required under the NCOS Carbon Neutral Program and made all appropriate inquiries, the information provided in this Public Disclosure Summary is true and correct.

Siobhan Toohill



Name of Signatory

Signature

(company representative with the appropriate authority)

Head of Group Sustainability and Community

Position / Title of Signatory

14/01/2014

Date