



# 2014-2015 Carbon Neutral Program

PUBLIC DISCLOSURE SUMMARY  
1 JULY 2014 - 30 JUNE 2015



An Australian Government Initiative

**Westpac** GROUP

# Declaration

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

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

Our actions are guided by our Sustainability Strategy, which includes the target to establish and maintain carbon neutrality over the period 2013-2017. I am therefore pleased to present Westpac Group's Public Disclosure Summary, detailing our commitment to and achievement of carbon neutrality over the twelve months to 30 June 2015.

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



**Simon LeGear**  
Chief Procurement Officer,  
Westpac Group

Date: 12 October 2015

Type of carbon neutral certification: **Organisation**  
Verification  
Date of most recent external verification/audit: September 2015  
Auditor: EY

## INTRODUCTION

# About Westpac Group

ESTABLISHED IN 1817, WESTPAC GROUP (“WESTPAC”) WAS AUSTRALIA’S FIRST BANK AND COMPANY. TODAY, WE HAVE AROUND 36,000 EMPLOYEES SUPPORTING MORE THAN 12 MILLION CUSTOMERS IN AUSTRALIA, NEW ZEALAND AND THROUGHOUT THE ASIA PACIFIC REGION.

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

We have around 595,000 shareholders, are in the top five listed companies on the ASX and have a strong AA rating. Our vision is to be one of the world’s great service companies, helping our customers, communities and people to prosper and grow.

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

**Westpac was assessed as the most sustainable bank globally in the 2015 Dow Jones Sustainability Indices (DJSI) Review.** Westpac has been recognised as a global leader for banks in the DJSI annually since the awards inception in 2002 and has achieved the global sector leadership position eight times.

## WESTPAC’S COMMITMENT TO SUSTAINABILITY

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

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

**FIGURE 1 - WESTPAC SUSTAINABILITY STRATEGY**



Finding solutions to environmental challenges is core to Westpac’s 2013-2017 Sustainability Strategy. Continuing our proud history of environmental leadership, included in the Strategy are direct environmental targets which aim to reduce the environmental footprint of our operations. In 2014-15 we have expanded our Sustainability Strategy to include an additional three targets to reduce absolute electricity consumption, carbon emissions and water consumption across our property portfolio, further strengthening our commitments to improving our environmental performance.

We continued to monitor and actively manage our direct footprint and have made significant progress against our targets.

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

**TABLE 1 - WESTPAC DIRECT ENVIRONMENTAL FOOTPRINT TARGETS**

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

\* The baseline year for the water reduction target is 2014

Implementation of the Sustainability Strategy is led by the Sustainability Council, a committee of General Managers from across the business. Progress against our Sustainability Strategy is publicly reported in the Annual Review and Sustainability Report, available on our website: [www.westpac.com.au](http://www.westpac.com.au).

# Westpac reporting boundary

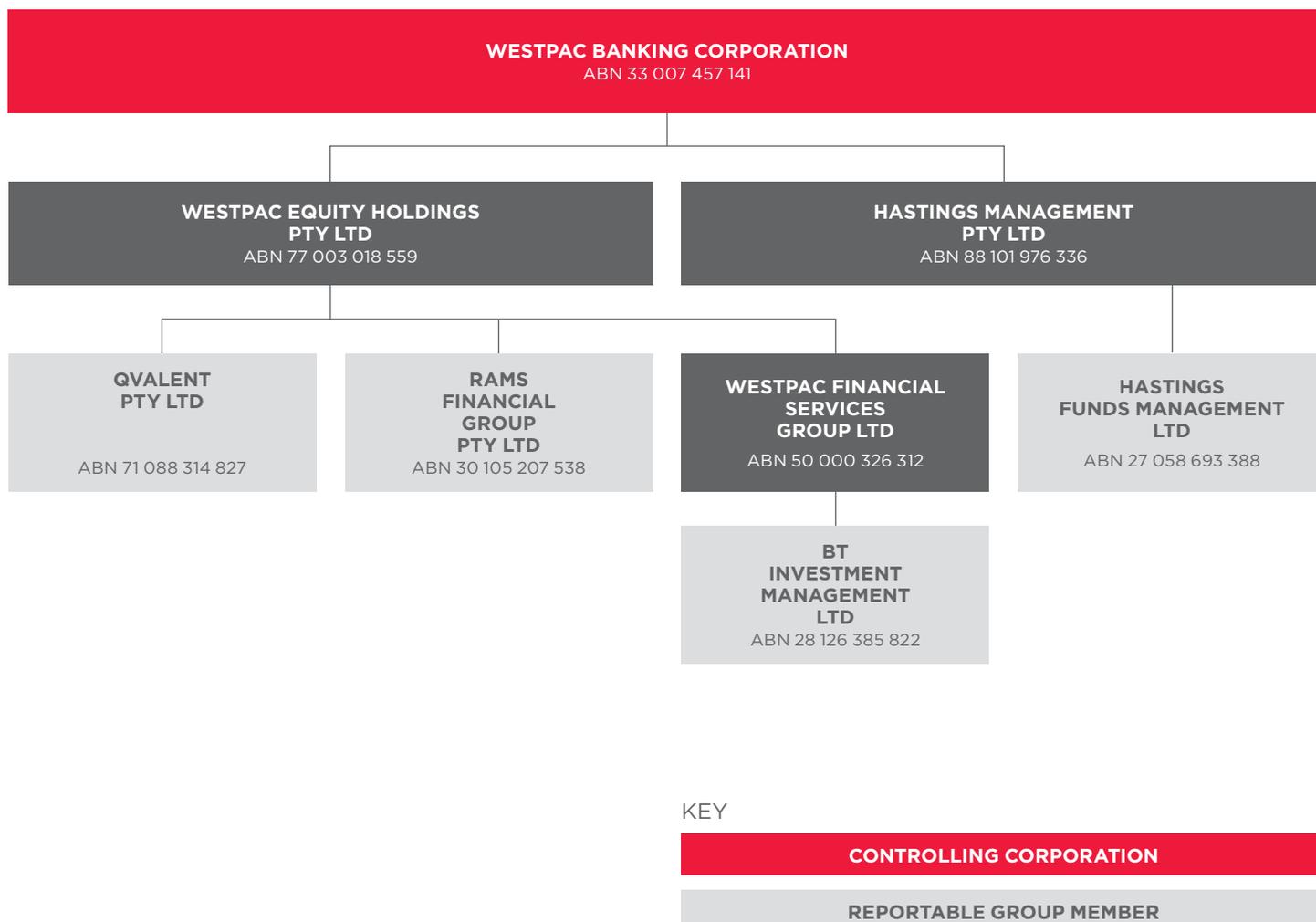
## WESTPAC REPORTING STRUCTURE

For the period 1 July 2014 – 30 June 2015 there have been no changes to Westpac’s structure for the purpose of reporting under the National Carbon Offset Standard Carbon Neutral Program. The Westpac Boundary and Organisational Structure (Figure 2) for the Carbon Neutral Program is the same as that reported under the National Greenhouse and Energy Reporting Act 2007. The five group members are:

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

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

**FIGURE 2 - WESTPAC BOUNDARY AND ORGANISATIONAL STRUCTURE**



## CARBON NEUTRAL INVENTORY BOUNDARY

Westpac’s certification under the National Carbon Offset Standard is for a defined inventory of carbon emissions resulting from the activities of our Australian-based business. Westpac uses an operational control approach to determine facility and reporting boundaries, consistent with the National Greenhouse and Energy Reporting Act 2007 (NGER Act). Scope 1 and Scope 2 emissions are calculated and reported in line with the NGER Act methodology. Scope 3 emissions are reported according to the principles outlined in the Greenhouse Gas Protocol.

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

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

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

**TABLE 2- WESTPAC CARBON NEUTRAL INVENTORY BOUNDARY**

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

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

- Refrigerants from Retail Sites;
- Base building emissions from Retail Sites and ATMs;
- Employee travel - Hotel stays, public transport, employee owned vehicles;
- Employee commuting; and
- Upstream emissions from water consumption.

## CHANGES TO OUR INVENTORY

In 2015, Westpac has expanded the boundary of Scope 3 reporting to include emissions from the upstream extraction and processes of diesel and LPG used for stationary energy. These sources are immaterial to our overall carbon inventory, but have been included for completeness. No other material changes have been made to the Westpac carbon inventory since our initial certification in 2012-13.

In 2014-15 Westpac has undertaken a transformation in our environmental reporting processes, implementing new software to improve accuracy and efficiency in data capture and reporting of our environmental footprint. As part of the transformation, Westpac has reviewed and updated selected Scope 3 emission factors to ensure transparency, consistency and comparability of Scope 3 emissions reporting. The impact of these changes are minor and have not led to a material change in our inventory or base year emissions.

# Emissions reduction measures

## EMISSION REDUCTION STRATEGY

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

The decision to pursue carbon neutrality continues Westpac's proud history of environmental leadership. Having commenced reporting of emissions in 1996 and achieving a 40 percent emissions reduction between 1996 and 2008, this year marks 15 years of action in energy and emissions reporting and reductions by Westpac.

In 2015, Westpac's Australian operations had total GHG emissions of 232,945 tonnes of CO<sub>2</sub>-e, representing a 6.3 percent decrease in emissions since 2013-14.

Since the base year of 2011-12, Westpac has decreased our carbon emissions by 10.8 percent

**TABLE 3- WESTPAC GROUP AUSTRALIAN EMISSIONS SINCE BASE YEAR 2011/12**

	Baseline	2012-13	2013-14	2014-15
Scope 1	8,587	7,497	7,289	7,772
Scope 2	170,500	167,953	163,351	160,240
Scope 3	82,187	81,433	78,044	64,933
<b>Total GHG Emissions</b>	<b>261,273</b>	<b>256,884</b>	<b>248,685</b>	<b>232,945</b>

Scope 2 emissions from electricity consumption are the major source of emissions for Westpac. In 2015, Scope 2 emissions represented 69 percent of our total emissions. Since the base year of 2011-12, Westpac has reduced Scope 2 emissions by six percent. Figure 3 shows the reduction in our Scope 1, 2 and 3 emissions since the base year.

**FIGURE 3 - WESTPAC GROUP AUSTRALIAN SCOPE 1, 2 AND 3 EMISSIONS**



## EMISSION REDUCTION ACTIONS

Westpac continues to drive emission reductions through our focus on energy efficiency. This year we implemented a number of commercial office energy efficiency initiatives and commenced a pilot energy efficiency program across a number of sites in our retail network.

In 2015, Westpac also completed the first stage of our commercial property consolidation project, transitioning out of three commercial offices into a new energy efficient office building in Melbourne, and consolidating our stand alone Data Centres. Whilst these projects have had a limited impact on the 2014-15 NCOS Inventory, they are expected to result in future emission reductions.

**TABLE 4- WESTPAC GROUP EMISSIONS REDUCTION ACTIONS**

Emission Source	Reduction Measure	Scope	Savings (tCO <sub>2</sub> -e)
Electricity	Commercial office energy efficiency initiatives	2	91
Electricity	Data Centre energy efficiency initiatives	2	90
Electricity	Retail energy efficiency pilot program	2	101
Electricity	Property consolidation project	2 & 3	6,830
<b>Total expected emission reductions</b>			<b>7,112</b>

# Emissions summary

For the period 1 July 2014 – 30 June 2015 total GHG emissions across Scope 1, 2 and 3 emission sources was 232,945 tonnes of CO<sub>2</sub>-e. The major source of emissions were Scope 2 and Scope 3 emissions from purchased electricity, which accounted for 79 percent of emissions. Scope 3 emissions associated with base building operations and air travel were the other major sources of emissions.

**FIGURE 4 - WESTPAC GROUP EMISSION SOURCES**

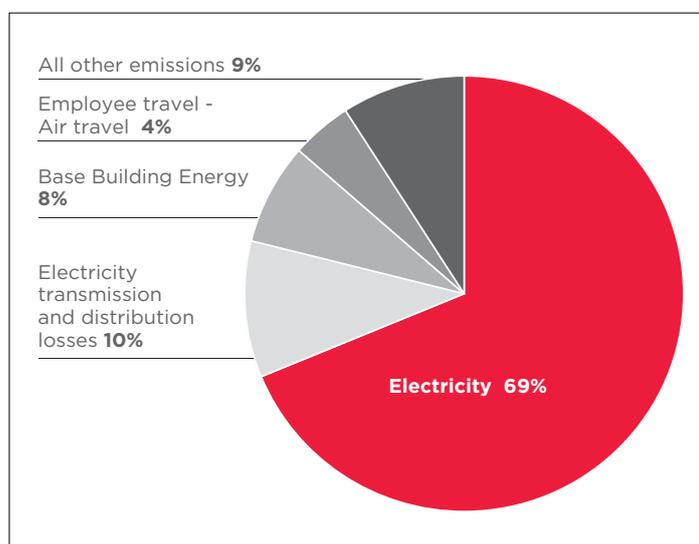


Table 5 presents a detailed breakdown of the greenhouse gas inventory for 2014-15 by Scope. No GreenPower was purchased in this reporting year. No Large Scale Generation Certificates (LGCS) were voluntarily surrendered by Westpac during the reporting year.

**TABLE 5 - WESTPAC AUSTRALIAN CARBON FOOTPRINT**

Scope	Emissions Source	t CO <sub>2</sub> e
1	Diesel (Stationary)	206.56
1	Natural Gas (Stationary)	783.53
1	LPG (Stationary)	4.29
1	R123 (Building Refrigerant)	9.49
1	R134a (Building Refrigerant)	416.87
1	R22 (Building Refrigerant)	1,060.02
1	R407C (Building Refrigerant)	103.68
1	R410A (Building Refrigerant)	96.47
1	R11 (Building Refrigerant)	299.25
1	Diesel (Transport, Post 2004 vehicles)	42.46
1	Petrol (Gasoline, Post 2004 vehicles)	4,749.44
2	Electricity	160,240.23
3	Electricity transmission and distribution losses	23,582.48
3	Natural Gas transmission and distribution losses	184.86
3	Vehicle Fleet extraction & distribution losses - Diesel	3.22
3	Vehicle Fleet Petrol extraction & distribution losses - Petrol	376.15
3	Diesel (Stationary) extraction & distribution losses	15.75
3	LPG (Stationary) extraction & distribution losses	0.36
3	Paper - Consumption	4,170.74
3	Paper - Disposal	6,300.05
3	Waste Disposal - Landfill	1,655.10
3	Base Building Energy	17,505.67
3	Employee Travel - Air Travel	10,435.72
3	Employee Travel - Taxis	564.73
3	Employee Travel - Hire Vehicles	137.76
	<b>Total Footprint (Net)</b>	<b>232,944.89</b>
	Green Power	0
	<b>Total Footprint (Gross)</b>	<b>232,944.89</b>

# Carbon offsets

Westpac has contractual arrangements for the purchase of a fixed number of carbon offsets for the period 2013 to 2017. At the end of each reporting year (ending 30 June) Westpac will retire the required number of carbon offsets for the year. Any remaining purchased offsets are held for future use. In 2015, 17,945 units were purchased in excess of requirements and are being held for future use.

During the preparation of the 2014-15 reports, a calculation error was identified for the calculation of emissions from paper consumption and paper waste in 2013-14 (previously reported as Paper - Australia and Paper - Customer). This calculation error resulted in an underestimation of Scope 3 emissions of 7,424 t CO<sub>2</sub>-e. The total emissions in 2013-14 were therefore 248,685 tonnes of CO<sub>2</sub>-e. In 2015,

Westpac Group retired sufficient offsets to account for the additional 7,424 t CO<sub>2</sub>-e.

In 2015 we retired offsets totalling **240,369** of Certified Emissions Reduction (CER) type offsets. Table 6 presents a detailed overview on offset type, project title and offset quantity. In total, Westpac holds 63,320 excess CER units for future use.

CER - Certified Emissions Reduction type offsets are an example of 'carbon credits' or 'carbon offsets' issued in return for a reduction of atmospheric carbon emissions through projects under the Kyoto Protocol's Clean Development Mechanism (CDM). One CER equates to an emission reduction of one tonne of CO<sub>2</sub>-e.

**TABLE 6- WESTPAC OFFSET SUMMARY**

Offset Type	Registry	Year Retired	Serial Numbers	Quantity
CER	Australian National Registry of Emissions Units	2015	CN-2817 (554,692,486 - 554,733,436)	40,969
CER	Australian National Registry of Emissions Units	2015	CN-1075 (775,706,521 - 775,743,917)	37,397
CER	Australian National Registry of Emissions Units	2015	CN-4963 (867,007,486 - 867,080,834)	73,349
CER	Australian National Registry of Emissions Units	2015	ID-1144 (6,101,005 - 6,119,376)	18,372
CER	Australian National Registry of Emissions Units	2015	ID-526 (12,261,944 - 12,294,445)	32,502
CER	Australian National Registry of Emissions Units	2015	GE-2404 (421,557 - 459,336)	37,780
<b>Total Offsets Retired</b>				<b>240,369</b>
Total Emissions for 2014-15				232,945
Additional offsets required for 2013/14				7,424
<b>Net Emissions</b>				<b>0</b>
Total offsets held in surplus for future years			BR-171 (73,043,457 - 73,106,777)	63,320