

Finding our way
to be a resilient,
regenerative,
inclusive Aotearoa.

Sustainable futures report
for the year ended 30 September 2022





CEO statement

Welcome to the 2022 Bank of New Zealand (BNZ) Sustainable Futures Report. For over 160 years, the BNZ has played an integral role in building Aotearoa New Zealand's social and economic future.

Our 2022 Sustainable Futures Report reaffirms our commitment to finding a way to build a resilient, regenerative, and inclusive Aotearoa. Supported by a net zero emissions economy that underpins the long-term social, cultural, and financial wellbeing of all New Zealanders.

We're demonstrating this commitment by harnessing our resources, our experience, and our expertise. Whether it's helping New Zealanders to start or grow their business, to buy a home, or to adapt and transition to a net zero emissions future.

In this report we illustrate the evolution of our commitment to community finance through our longstanding partnership with Good Shepherd. While through our work with Habitat for Humanity and Kāinga Ora, we're helping to provide more warm, dry, resilient homes in New Zealand communities. We've also introduced new initiatives with partners like pay day support funder PaySauce and expanded our commitment to improving New Zealander's cyber skills through our Digital Boost pledge.

We are also transitioning our investment and lending portfolios to net zero emissions by 2050. We are partnering with our customers to transition to low emission, resilient business models by 2050; are working hard to understand climate-related risk across our portfolios; and are actively reducing emissions across our operations and supply chains.

We will report on how we are tracking, acknowledging that transformation of the scale needed, in uncertain times, is going to require collective support and innovation from us and our customers and from others.

We are Te Pēke o Aotearoa, the Bank of New Zealand. Let's find a way towards a sustainable future.

Ngā mihi nui

Dan Huggins
Chief Executive





He kōrero matua nā Te Upoko Mātārae

Nau mai ki te Pūrongo Toitū Āmua o Te Pēke o Aotearoa (BNZ) mō te tau 2022. I roto i te 160 tau, he tūranga whai take tō Te Pēke o Aotearoa kia anga whakamua ai te ao pāpori, ōhanga hoki ki Aotearoa nei hei ngā rā ki tua.

E whakatītina ana te Pūrongo Toitū Āmua i tō mātou manawanui ki te rapu huarahi e manawaroa ai, e mātūtū ai, e whai wāhi mai ai a Aotearoa i runga i ngā tautokotanga o tētahi ōhanga tukunga-kore e whakaū nei i te pae tawhiti ki ngā whaiora ā-pāpori, ā-ahurea, ā-pūtea hoki mō Aotearoa whānui.

Kei te whakatauiratia tō mātou manawanui mā te pupurutanga o ā mātou rauemi, ngā wheako me te mātauranga. Mai i ngā mahi tuku āwhina ki te iwi mō te whakatū pakihi, ki ngā mahi hoko kāinga, ki ngā whakawhitinga rānei ki tētahi anamata tukunga-kore.

I tēnei pūrongo, ka whakaatatia te taioreorenga o tō mātou manawanui ki ngā take pūtea ā-hapori mā roto i ā mātou mahi kōtui me Good Shepherd kua roa nei e kōkiritia ana, ā, mā roto mai hoki i ā mātou mahinga ngātahi ki a Habitat for Humanity me Kainga Ora ki te whakatū kāinga mahana, mārohirohi hoki mō ngā hapori o Aotearoa. Kua kōkiritia e mātou ētahi kaupapa hou me ētahi atu hoa kōtuinga pēnei i a PaySauce, ka mutu, kua whakawhānuitia tō mātou

manawanui ki te whakapai ake i ngā pūkenga ā-ipurangi i runga i tō mātou kī taurangi e kīia nei, ko Digital Boost.

Kei te whakahāngatia ā mātou kōpaki haumitanga, moni taurewa hoki ki ngā kaupapa tukunga-kore i mua i te tau 2050. Ka tūhono mātou ki ā mātou kiritaki ki te whakapūmau i ētahi pou tarāwaho pakihi e whai wāhi mai ai ngā take tukunga-kore, inā, kia manawaroa ai i mua i te tau 2050. Kei te whakapau kaha mātou kia mārama ai ngā tūraru hāngai pū ki ngā take āhuarangi i roto i ā mātou kōpaki katoa, ā, e kaha ana te whai ki te whakaiti iho i ngā tukunga para puta noa i ā mātou whakahaerenga mahi, whakaratonga hoki.

Kei tēnei pūrongo kitea ai e pēhea ana tō mātou haere, me te aha, i roto i ngā whakararu o te wā, e mōhio ana mātou me tautoko tahi mai te katoa, me whāia ngā mahi auaha hoki mō ngā momo whakahoutanga taioreore e hiahia ana.

Ko Te Pēke o Aotearoa tēnei. Tēnā nei tātou ka rapu huarahi mō te toitūtanga hei ngā rā ki tua.

Dan Huggins

Tumu Whakarae, Kaitohutohu Matua hoki

About this report

In the development of this report, BNZ has spent considerable time talking to our customers, our communities, and our colleagues as we seek absolute clarity on the issues and challenges that are material to them.

Views were sought on BNZ's strategies, performance, and its impact on the environment and society. This approach helped identify key risks, opportunities, and trends for BNZ. It helped define where BNZ can support opportunities with the greatest impact for customers, communities, and the environment while supporting the general prosperity of the economy.

After more than two years of COVID-19 dominating views, this year saw climate change emerge as a more significant issue for businesses. It is also an area where BNZ has an important role supporting customers as they reduce emissions and adapt to the changing climate.

Community partners were equally concerned about climate change and economic conditions. Inflationary pressures and the ensuing cost of living impact on financial hardship, as well as financial inclusion, are material issues for both businesses and households.

This report details how BNZ is working hard to support New Zealand with these challenges and opportunities through commitments under BNZ's sustainability strategic pillars, of kaitiakitanga and manaakitanga.

Given the importance of the changing climate to our customers and to our business, we have produced a separate Climate Report 2022, which can be found [here](#).

This report covers the period 1 October 2021 to 30 September 2022 and only relates to BNZ branded entities. It does not, for example, cover the operations of JBWere in New Zealand. It does not contain BNZ's statutory financial reporting information. This information is regularly disclosed [here](#).

Environmental data in this Report is for the year ended 30 June 2022, as we report these to National Australia Bank (NAB), our parent company, in line with Australian annual environmental reporting requirements.

Please provide feedback on this report and the commitments we're making to sustainability@bnz.co.nz

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2022 SNAPSHOT

BNZ Foundation

Established the BNZ Foundation to accelerate **positive change for NZ.**

90% (approximately)

of **frontline bankers** have completed 'Spot and Refer' training since the inception of the economic harm programme in 2020.

↑100%

increase in the number of unique visits to the **Climate Action Toolbox in 2022.**

↓50%

Exposing abusive transactions has resulted in a **reduction of payment systems** used for abuse by half since 2021.

Net CarbonZero

BNZ operational emissions have been certified as carbon neutral since 2010 with Toitū net CarbonZero accreditation obtained in 2022.

\$17.8m

in **low or no interest loans** and advances via our community partnerships since programme inception in 2014.

14 scholarships

of \$3,000 uplifting a cohort of students studying the **University of Auckland Post Graduate Diploma of Māori Business Studies.**

\$2.4b

in 2022 towards our sustainable finance target of \$10 billion by 2025 (focusing on impact in NZ).

↓19%

Total 2022 operational emissions reduced by 19% compared with 2021 and reduced 56% compared with our 2019 baseline.

1,000+

BNZ colleagues graduated 'Career Qualified in Banking' since start of initiative in 2021.

HRD's Employer of Choice Award

for our approach to **celebrating, supporting, and empowering our people.**

39.4%

women in senior leader cohort (target 40%).

Best Workplace

Awarded **HRD's Best Workplace D&I Programme in 2022** for work taken to embed Diversity and Inclusion, gender balance, commitment to bi-culturalism and building an inclusive culture.

6,400 hours

BNZ colleagues volunteered approximately 6,400 hours to support the community.

Scam Savvy week

We helped approximately 50,000 New Zealanders to be safer online during Scam Savvy week in 2022 (over 225,000 New Zealanders since 2018).

No.1 Company

in NZ to **grow your career** in the 2022 LinkedIn Top Companies list, recognising BNZ's investment in our colleague's careers.

\$1.3m

of measurable good / social value from BNZ advances to Habitat for Humanity's Home Repair Programme.

Supreme Award

White Camellia overall Supreme Award for 'ensuring the health, safety and wellbeing of our colleagues' and 'Enterprise development, Supply Chain and Marketing'. BNZ has clear policies and processes in place to **champion gender diversity.**

\$600,000

invested into partnerships to deliver **digital skills in communities** over three years.

51

decarbonisation transition plan assessments completed for emissions intensive customers.

Cyber Skills Aotearoa

launched into NZ schools with Government, industry and educators to equip year 6-13 students to operate safely online.

\$5.50 Social ROI

For every \$1 invested in the Habitat for Humanity's Home Repair Programme \$5.50 social return on investment is achieved.

Free data

for all Vodafone & 2Degrees customers while using our Internet Banking or the BNZ app from their mobile device.

Love Grace

Collected 1,560 filled handbags for Love Grace handbag appeal, containing useful items for women in need (6,385 filled handbags have been collected since 2020).

Tracking our progress

Our commitments		Our progress in FY22	
Kaitiakitanga Accelerate a just transition to a low emissions economy	\$10b in sustainable finance by 2025	\$2.4b sustainable finance taking cumulative total since 2020 to \$2.9b.	On track
	Support 50% of BNZ SME customers to actively measure and reduce emissions by 2025	Enabled 11,029 SMEs to undertake climate action assessments through the Climate Action Toolbox since inception (as of Sept 2022). Emissions calculator embedded into the Climate Action Toolbox in June 2022 enabling SME's to measure their emissions.	More to do
	50 transition assessments for our top 50 emitters by 2022	Transition plan assessments completed for 51 of our emissions-intensive customers.	Completed
	Set 2030 decarbonisation targets for our priority sector targets in 2023	Committed to: <ul style="list-style-type: none"> Exit lending on thermal coal by 2025 and all remaining coal mining by 2030. Transitioning all operational and attributable greenhouse gas (GHG) emissions from our lending and investment portfolios in line with pathways to net zero emissions by 2050. No financing of new greenfield oil or gas extraction and exploration projects and committed to the NAB Group's cap on financing the sector. In FY22, we began assessing the emissions produced in the most emissions intensive sectors financed by BNZ. Our financed emissions for the power generation and oil and gas sectors are disclosed in our 2022 Climate Report . This assessment will allow us to set measurable decarbonisation targets.	On track
	Set remaining sector targets by October 2024	Baseline assessment work is underway on portfolios identified as carbon intensive under the Net Zero Banking Alliance namely agriculture, aluminium, cement, coal, commercial and residential real estate, iron and steel, oil and gas, power generation, and transport.	More to do
	60% emissions reduction by 2025 from a 2019 baseline	Total FY22 emissions reduced by 19% compared with 2021 and 56% compared with our 2019 baseline. We are on track to hit our science-aligned target of a 60% reduction in operational emissions by 2025.	On track

Tracking our progress (continued)

Our commitments	Our progress in FY22	
Manaakitanga Grow the long-term social, cultural, and financial wellbeing of New Zealanders	Deliver \$5 million of lending by end of FY24 as part of the Habitat for Humanity Home Repair Programme	On track
	Drive digital inclusion <ul style="list-style-type: none"> • Founding member of the Digital Boost Alliance – we have made seven pledges to encourage digital transformation and support improved digital inclusion for our colleagues, our customers, and communities. • Piloting a model, in partnership with Zeald, aimed at building scale and collaboration through clustering and using digital tools to grow and propel local businesses into new markets. Two clusters were formed in FY22, with a third in development. • Approximately 50,000 New Zealanders reached in the FY22 Scam Savvy campaign (over 225,000 since 2018). 	More to do
	Disrupt predatory lending in New Zealand by delivering \$50 million of no and low interest lending by 2024 <ul style="list-style-type: none"> • Delivered \$17.8 million against targeted \$50 million in no or low interest loans and advances since 2014 (\$14.4 million through Good Loans and Habitat for Humanity; and \$3.4 million through PayNow). 	On track
Te Ao Māori	<ul style="list-style-type: none"> • During FY22, we appointed the Head of Māori Colleague Strategy to lead our colleague and competency work and supporting career aspirations for Māori working at BNZ. Our Māori Colleague Strategy has been developed and endorsed by the Executive Team. • At year end, 8.9 % of BNZ colleagues identify as Māori – our target is that 15% of staff identify as Māori by 2025. • In FY22, BNZ amended its policy on loans secured against Māori Freehold Land and, as long as the land has been valued by an acceptable Registered Valuer, we can adopt the same security value for Māori Freehold Land as we would for an equivalent parcel of land held in general title. 	More to do
Grow our people	<ul style="list-style-type: none"> • All BNZ colleagues have the opportunity to gain a globally recognised qualification with Career Qualified in Banking (CQiB) – to date over 1,000 BNZ colleagues have been awarded this qualification. • We maintained a seven-point uplift (from the 2020 baseline) in employee’s responses to our annual Heartbeat survey question ‘Our company takes a genuine interest in the employees’ wellbeing’. 	More to do

About BNZ

BNZ is one of the country's largest and oldest financial institutions; a full-service retail and business bank and wealth management provider.

BNZ is owned by National Australia Bank (NAB) and governed by an independent local board and management team. Information about our governance structures and our Board and Executive Leadership Team can be found [here](#).

The BNZ Board has overall accountability for ensuring risks and opportunities affecting BNZ and its customers are appropriately identified, managed, and disclosed. This includes sustainability and climate risks and opportunities and strategy.

Details of our governance and risk management practices can be found in our Climate Report [here](#).

BNZ Foundation

This year we have established the BNZ Foundation to accelerate positive change for Aotearoa New Zealand through supporting initiatives that create a better future for our communities and the natural environment.

The proceeds of the sale of the BNZ Art Collection have been gifted to the BNZ Foundation, a charitable entity under the Charities Act 2005, to be held by its Trustees in perpetuity and applied to the Foundation's charitable purposes. BNZ colleagues, past and present, should be proud of the legacy of the art collection, which will build on BNZ's commitment to helping communities to create better places to live and flourish.

Across Aotearoa New Zealand there are innovative, future-focussed groups who have found solutions to the challenges their communities face. The BNZ Foundation will provide those initiatives the boost they need to make a real difference to the lives of New Zealanders.

While the BNZ Foundation remains separate from BNZ, the Foundation's priorities and values will align with Te pae tawhiti: BNZ sustainability strategy and the focus on kaitiakitanga and manaakitanga initiatives.

The BNZ Foundation will take a long-term, sustainable, and partnership-led approach with a priority on multi-year partnerships to deliver best outcomes for communities and the natural environment.

We exist to serve customers well and help our communities prosper

We will achieve this by living our mātāpono. (values). Our mātāpono have been taken from whakatauki (proverbs), which traditionally represent the wisdom within Māori culture.



Whāia te iti kahurangi | Excellence for customers

“Whāia te iti kahurangi, ki te tuohu koe me he maunga teitei.” *Strive for excellence, should you stumble, let it be to a lofty mountain.*



Tika, pono, aroha | Be respectful

“Mahia te mahi i runga i te tika, te pono, me te aroha.” *Do what is required of you with correctness, integrity, and compassion.*



Toa takitini | Grow together

“Ehara taku toa i te toa takitahi, he toa takitini.” *My success is not an individual one, but that of a collective.*

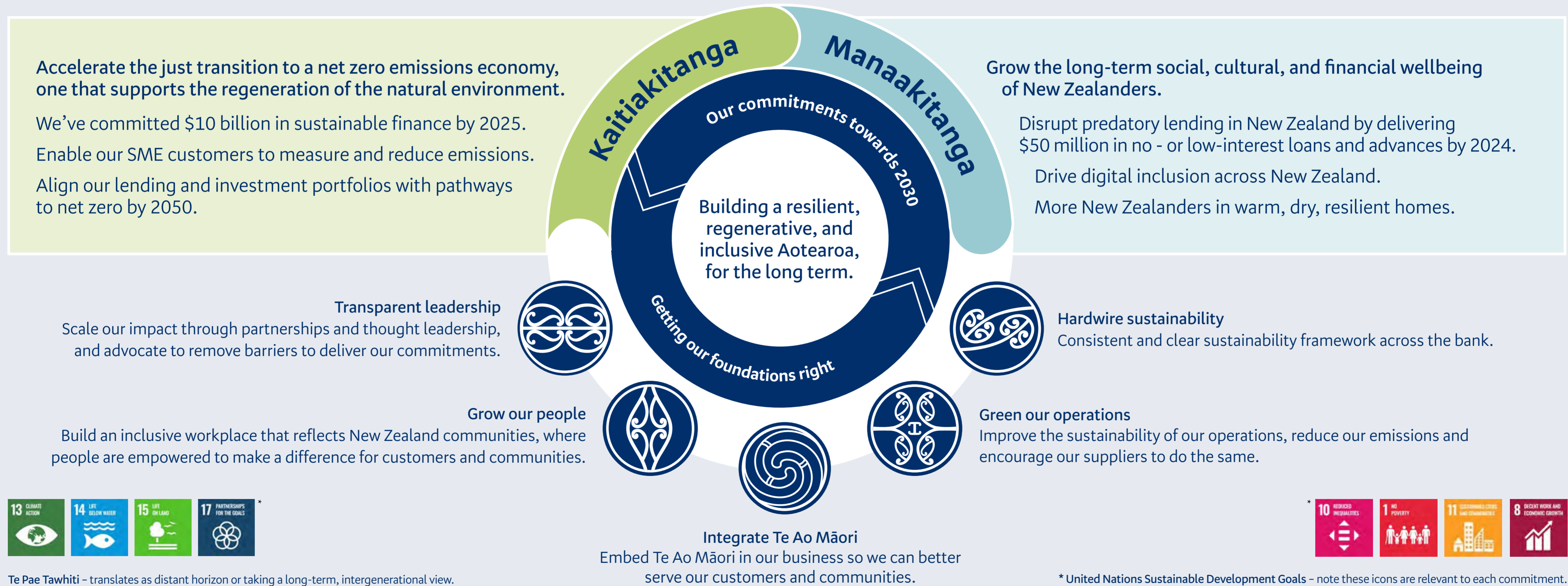


Mahia te mahi | Own it

“Mahia te mahi.” *Take responsibility and do the work that is required of you.*

This approach helps us to connect BNZ's colleagues and customers in a meaningful, inclusive, and authentic way.

Te pae tawhiti: BNZ sustainability strategy



Te Pae Tawhiti - translates as distant horizon or taking a long-term, intergenerational view.

* United Nations Sustainable Development Goals - note these icons are relevant to each commitment.

Kaitiakitanga

The bank for transition

✦ To accelerate the just transition to a net zero emissions economy, one that supports the regeneration of the natural environment.





Climate action and environmental care

A core part of how we deliver kaitiakitanga is the role we play in the mitigation of, and adaptation to, the impacts of climate change and the management of our impact on the environment. Banks have a vital role to play in mobilising capital to transition the economy to a net zero emissions future, not just focussing on emission reductions, but on the interconnectedness of our natural environment and social and cultural wellbeing.

Our climate strategy builds on kaitiakitanga and defines our commitment to fund the transition to net zero emissions and accelerate positive environmental change. We have four core strategic objectives under our climate strategy.

BNZ climate strategy

01. **Transitioning** our investment and lending portfolios to net zero emissions by 2050
02. **Supporting** our customers to transition to low emission, resilient business models by 2050
03. **Understanding** climate-related risk across our portfolios and support our customers to adapt and build resilience
04. **Actively reducing** emissions across our operations and supply chain

Further information about our climate strategy and approach is discussed in our [2022 Climate Report](#)



How we are delivering

01. Transitioning to net zero emissions

BNZ is committed to working with our customers to support the transition to net zero emissions. This commitment requires us to consider the high emitting sectors we finance and clearly state our decarbonisation intentions.

To date, we have made the following public commitments:

In 2020, BNZ committed to exit all lending for thermal coal by 2025 and all remaining banking services for all coal mining by 2030. We have agreed coal exit strategies with most customers in this sector.

In 2021, BNZ committed to transitioning all operational and attributable GHG emissions from our lending and investment portfolios in line with pathways to net zero emissions by 2050.

As part of the NAB Group (the Group), oil and gas exposure is capped. BNZ has committed to not financing greenfield oil extraction projects or onboard new customers with a material focus on oil extraction, oil and gas extraction, production, or any pipeline projects within, or impacting, the Arctic National Wildlife Refuge area or any similar Antarctic Refuge, and oil/tar sands or ultra-deep-water oil and gas extraction projects.

In 2022, we began assessing the emissions produced in the most emissions intensive sectors financed by BNZ. Our financed emissions for the power and oil and gas sectors are disclosed in our [2022 Climate Report](#). This assessment will allow us to set measurable decarbonisation targets for these material sectors.

02. Supporting customers

We do not believe divesting in the short term from all high emitting lending is the most effective way to reduce Aotearoa New Zealand emissions. Rather, BNZ is committed to supporting customers of all sizes to transition to low emissions, resilient business models by 2050, driving meaningful decarbonisation across the real economy and reducing the risk of businesses being left with stranded assets but no access to capital for transformational technology.

In 2020, BNZ was a founding partner of the [Climate Action Toolbox](#) and continues to proudly support its development. In 2022, in partnership with the Sustainable Business Network (SBN) and other key public and private sector partners, we launched the Toitū embedded carbon emissions calculator into the Climate Action Toolbox.

x The Climate Action Toolbox carbon emissions calculator is free and available to any SME. By using the calculator, SMEs can get a detailed, quantitative understanding of their carbon emissions impact, enabling them to set real goals and track reductions over time.



In 2022, we worked with 51 of our most emissions intensive companies to complete transition assessments aligning with the [Transition Pathway Initiative](#) to understand their preparedness for a low emissions economy. We will use these assessments to work with our customers to develop transition plans and identify any further supportive banking services that may be beneficial, such as transitional and sustainable finance.

Further details of BNZ's exposure to high emitting sectors can be found in the [2022 Climate Report](#).

How we are delivering

03. Understanding climate related risk

Understanding the extent of climate related risk is a complex challenge for both BNZ and our customers.

The [2022 Climate Report](#) outlines our approach to climate risk governance, ongoing training for our colleagues, including Board and Executive, on climate change matters, climate strategy, climate risk management, and our current metrics and targets. The report also references an initial assessment considering the impacts of sea level rise and extreme coastal inundation on secured assets in our residential and commercial real estate portfolios. The report also outlines our approach to financed emissions.

04. Reducing operational emissions

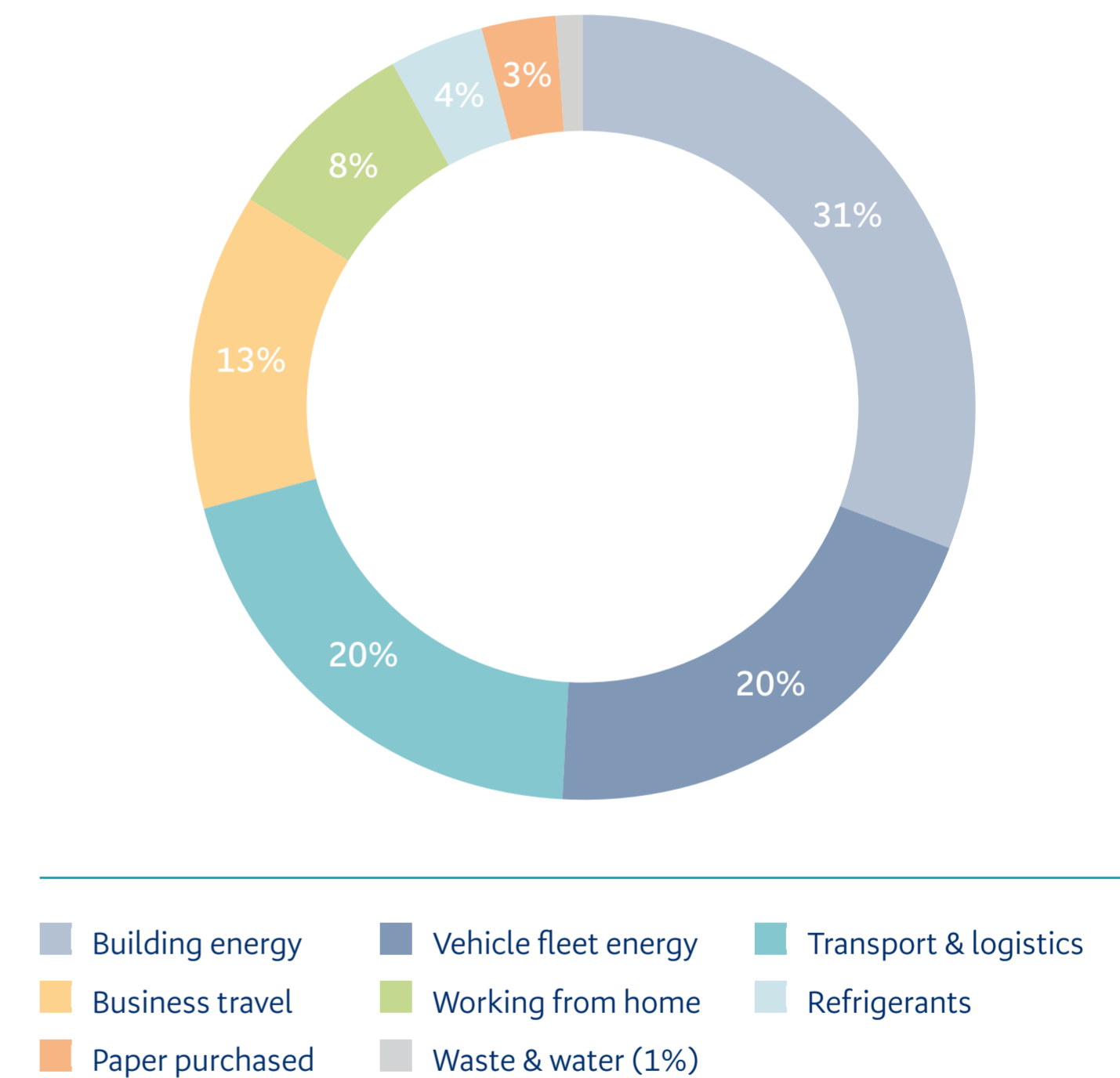
While the largest emissions category for BNZ are those of our customers, BNZ’s climate action starts with ensuring our operations (our buildings, waste processes and how we use transport, such as fleet and flights) are in line with a low emissions future.

At the end of our environmental reporting year (June 2022) our total emissions were 5,647 tCO2e (reference our [Toitū Assurance report](#)). We continually seek ways to improve transparency and measurement of our operational emissions footprint. This year we extended our Scope 3 categories to include transport and logistics (couriers, postage, and cash in transit) which accounts for 20% of our overall operational footprint. Increasing the boundary for Scope 3 emissions increases the measurement of the emissions of our operational activities.

While BNZ has been carbon neutral since 2010 through reduction and annual offsetting of our operations, this year we are proud to have achieved Toitū net carbonzero certification, ensuring that we are measuring, reducing, and offsetting our carbon footprint in line with best practice.

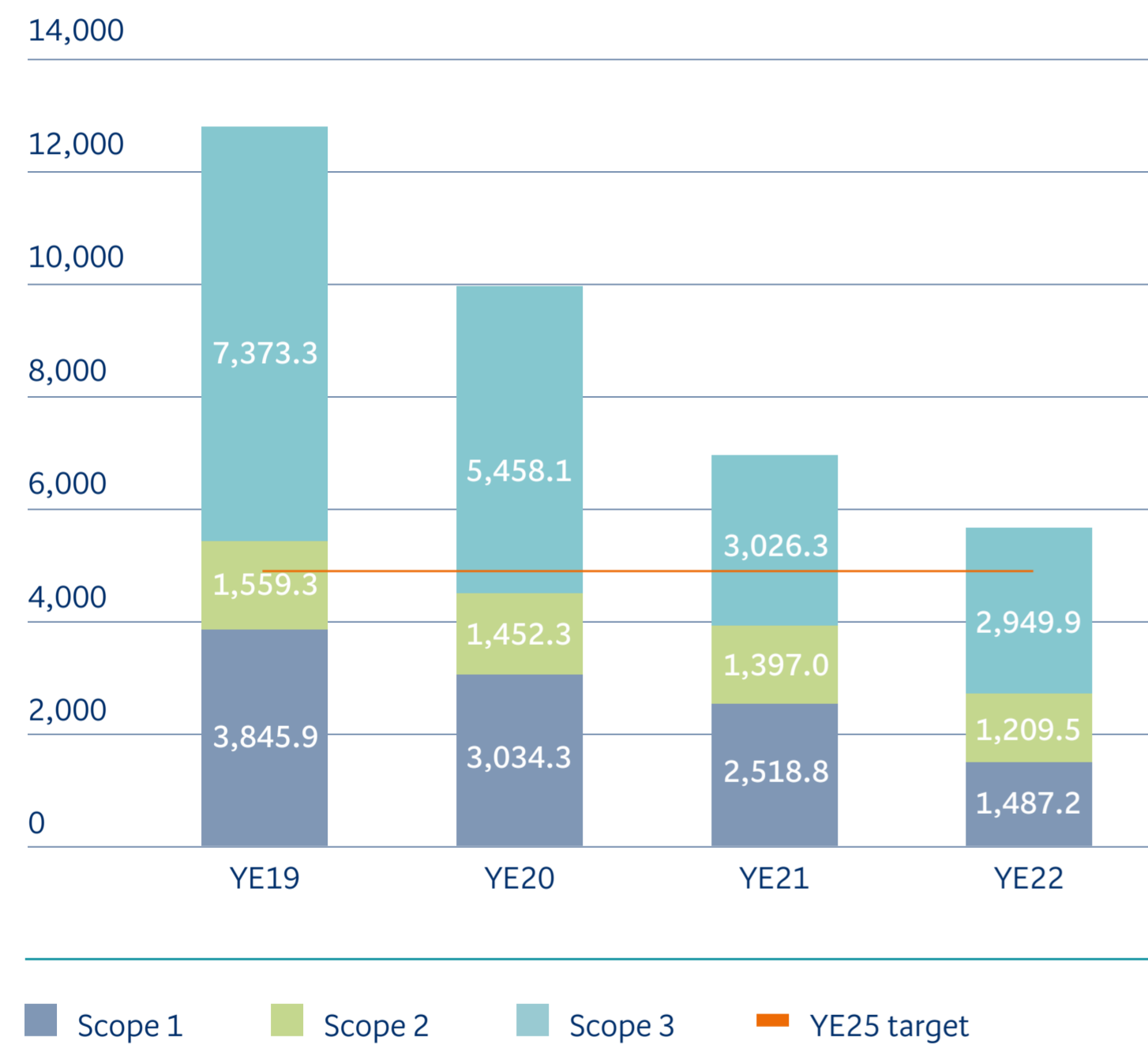
x Total 2022 emissions reduced by 19% compared with 2021.

BNZ operational emissions by source (%) for the year ending June 2022



How we are delivering

BNZ operational emissions – tonnes year on year¹

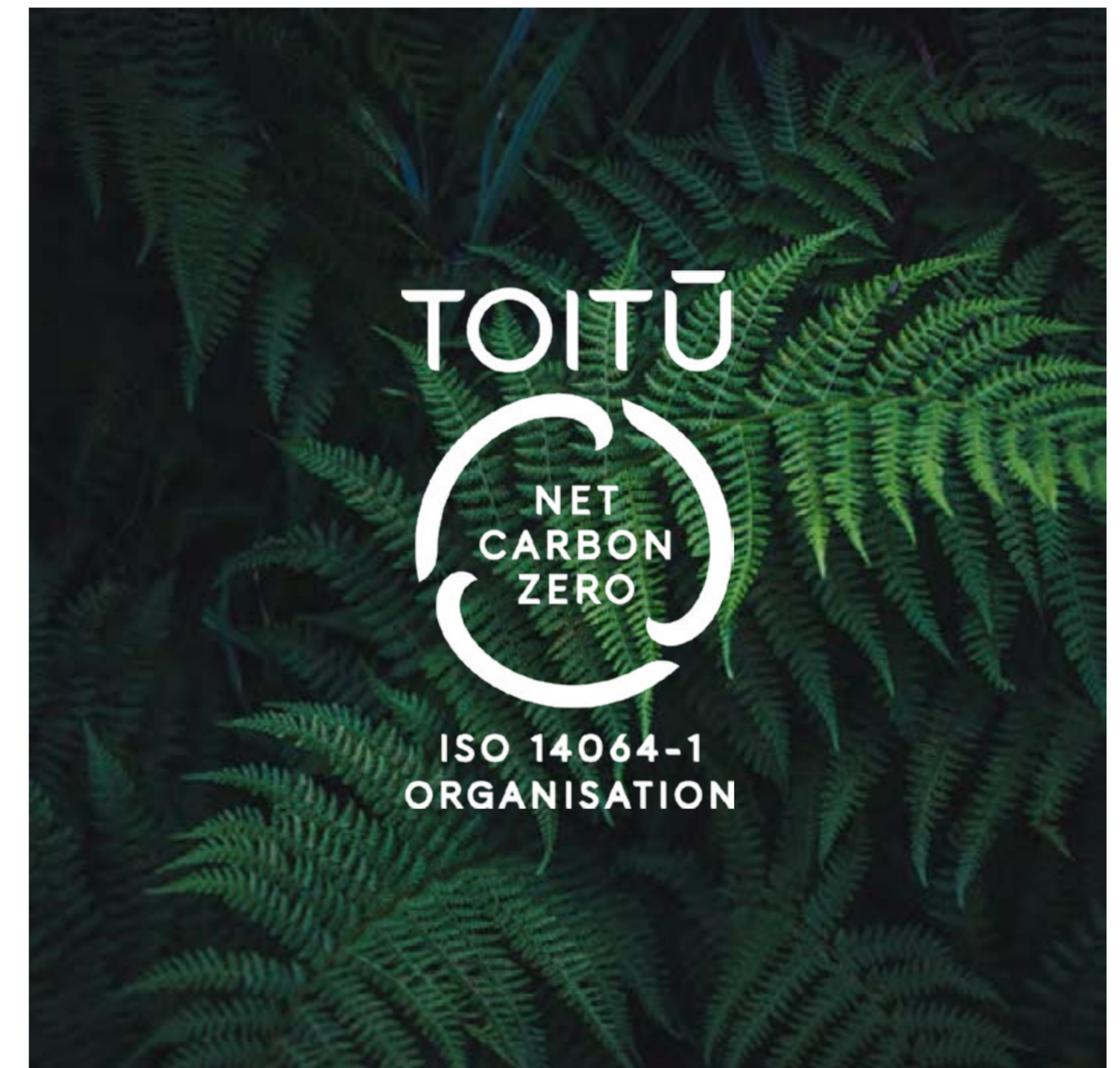


Partnering with our suppliers to manage their emissions

BNZ has increased our engagement with suppliers to support the measurement and reduction of their emissions. This year we worked with our cash-in-transit supplier to help them establish their own emissions management approach. They have consequently joined the Toitū net carbonreduce programme. This active partnership with a key supplier shows how we can influence change across our supply chain and support others to take action.

Toitū enviromark diamond certification

Measuring, managing, and reducing emissions is only one part of how we care for the environment. BNZ has earned Toitū enviromark diamond certification for our Environmental Management System. An environmental management system is a planned approach to managing environmental impacts – requiring us to identify significant impacts arising from everything we do and then developing plans to prevent or reduce those impacts. Toitū enviromark diamond certified organisations exceed the requirements of ISO 14001, one of the world’s best known environmental standards.



1. (i) Historical figures restated to include transport and logistic emissions (ii) Location- based measured emissions and target (iii) Environmental reporting year end is June (iv) tCO₂e = Tonnes of carbon dioxide equivalent.

Accelerating positive change



Sustainable finance

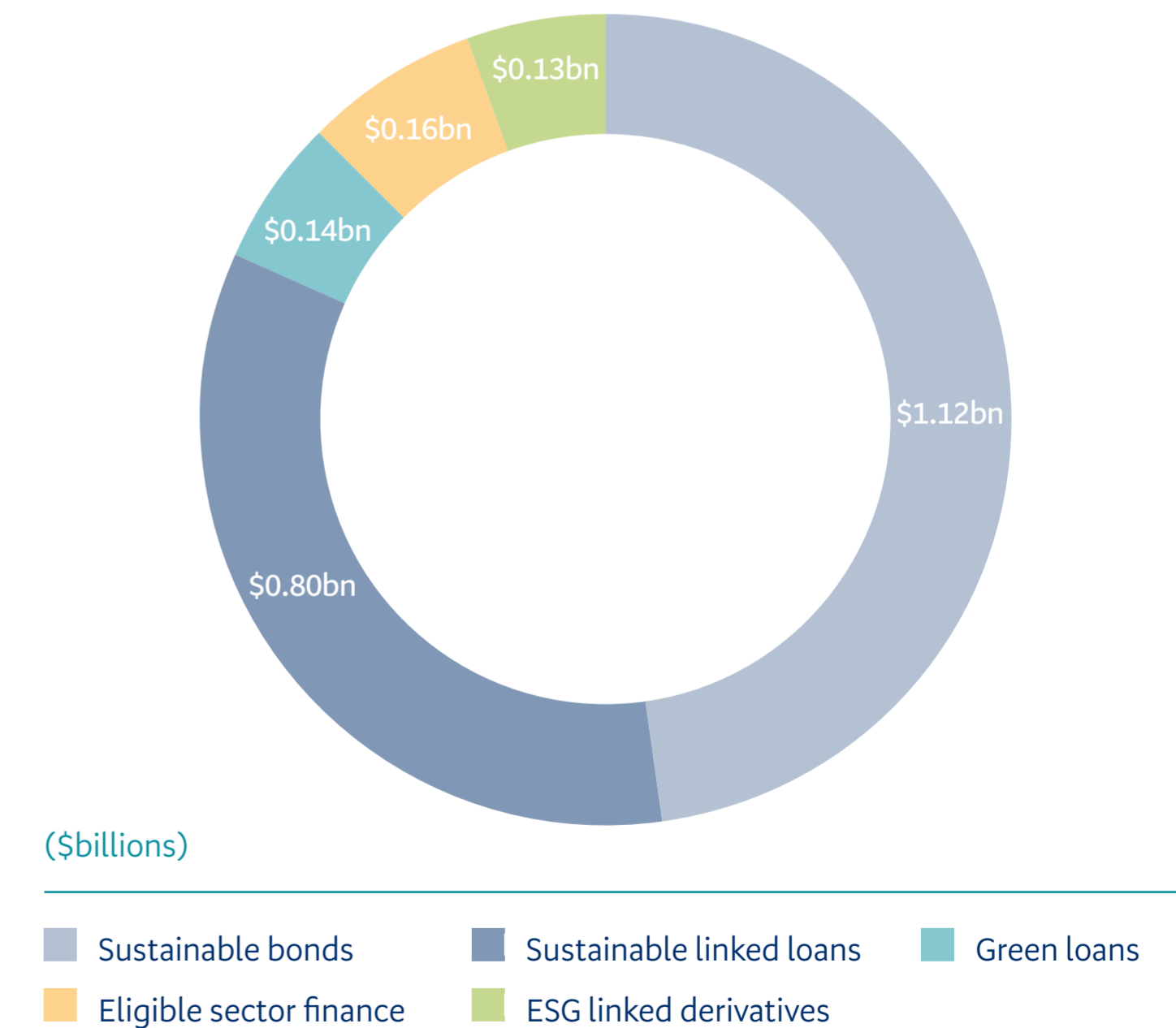
Achieving targeted emissions reductions and a just transition will require shifting capital flows toward businesses investing in the change needed to improve our world for future generations.

In 2020, BNZ committed to delivering \$10 billion of sustainable finance by 2025. In 2022, we delivered \$2.4 billion through sustainability linked loans, sustainability linked derivatives, and green and social bonds.

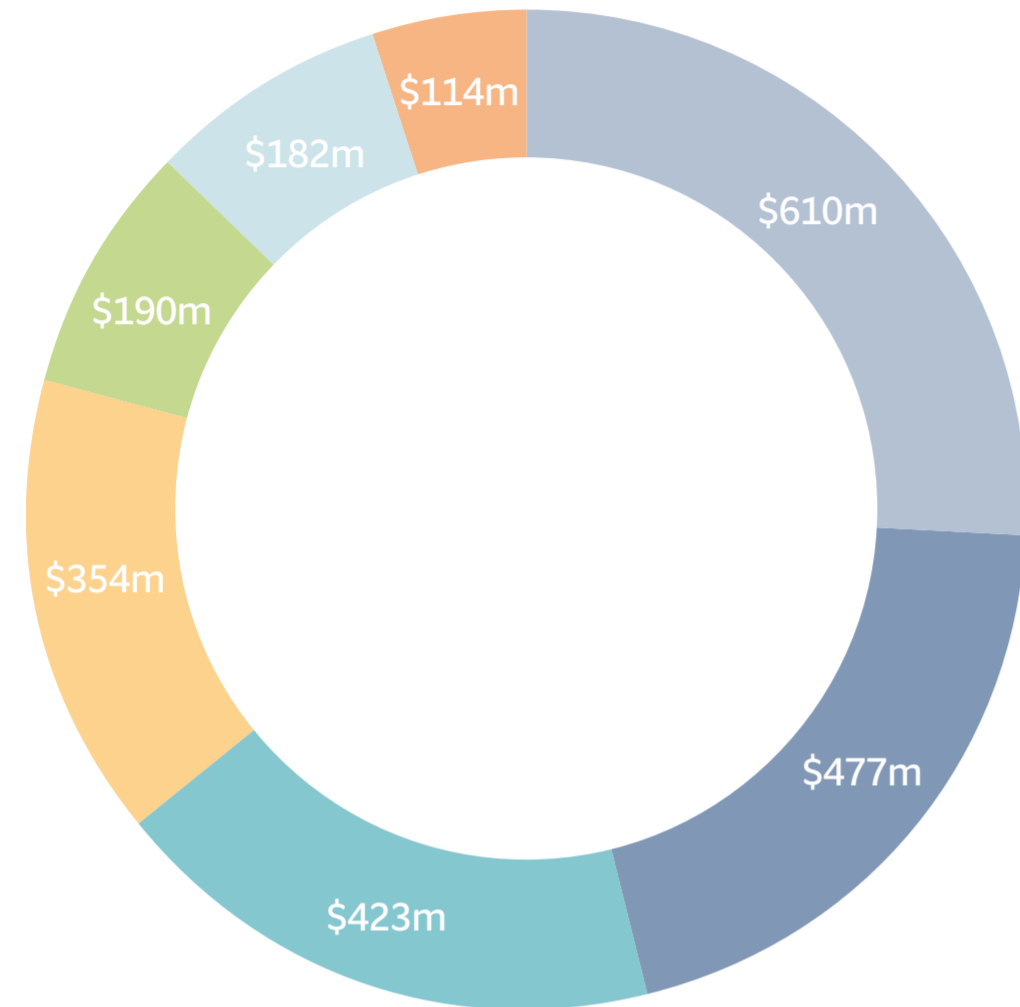
Our [Sustainable Finance Framework](#) describes our approach to sustainable finance and the transactions that contribute to the \$10 billion target. It has been independently reviewed and aligns with internationally recognised frameworks including the Loan Syndications and Trading Association’s (LSTA) Green, Social and Sustainability-linked Loan Principles. Clear frameworks, processes and product offerings will allow us to accelerate our deployment of sustainable finance to 2025 and beyond.

The move from pre-assurance to External Limited Assurance of the Sustainable Finance Framework necessitated a review of the

Sustainable finance types for 2022



Eligible categories of sustainable finance for 2022



- Renewable energy
- Environmentally sustainable management of natural resources and land use
- Affordable housing
- Access to essential services
- Clean transportation
- Green buildings
- Eco-efficient and/or circular economy adapted products

sustainable finance transactions we have previously included in our \$10 billion target. This has resulted in a reduction in the number of eligible transactions in 2021 from \$618 million to \$528 million. This gives a cumulative total for 2021 and 2022 of \$2.9 billion towards our \$10 billion target. The Sustainable Finance Framework will be reviewed in three years or when a material change occurs in market standards, BNZ policy, or BNZ’s sustainability or climate strategies.

Sustainable lending

This year we provided \$940 million in Sustainability Linked or Green loans (labelled finance) incentivising our customers to transition their business and invest in positive environmental and social outcomes.

Early access to capital

As well as labelled sustainable finance, we also focus on how we can support innovative businesses who are having real world positive impact environmentally and socially.

We believe adaptive and non-dilutive debt solutions that match the needs and wants of innovative businesses earlier in their lifecycle, when it matters most, can see more succeed, providing positive outcomes for the environment and our communities. This includes approaches such as Revenue-Based Financing and Project Scale Up, designed to support high growth and high potential businesses earlier in their lifecycle.

X Revenue Based Financing enables us to support businesses and their founders earlier in their lifecycle with non-dilutive financing. Loans of up to \$2million can be provided, supported by the expertise, connections, and full banking services that BNZ has to offer.

X Project Scale Up is a focused approach to growth financing of a select portfolio of New Zealand’s highest growth, highest potential scale up tech businesses. A minimum \$5million of revenues is required and access to a Project Scale Up Growth Panel (a panel of select industry founders, advisors, and professionals experienced in scaling businesses) is available on an opt-in basis to Project Scale Up portfolio companies.

Markets

BNZ continues to be a leader in the green and sustainable bond market. In 2022, BNZ was the only New Zealand bank to be mandated as a Joint Structuring Advisor in relation to the establishment of the New Zealand Sovereign Green Bond Programme. The inaugural Green Bond was issued under this framework on 22nd November 2022 and BNZ acted as a Joint Lead Manager on the transaction.

The Contact Energy Limited’s Green Capital Bond deal, supporting funding of renewable power generation assets in New Zealand, won the INFINZ New Zealand Debt Market Issue of the Year in 2022; BNZ was the Joint Leader Manager and Green Programme Coordinator for this bond deal.

As well as domestic issuances, we continue to support positive social outcomes globally through our support of supranational organisations issuances, although these are not counted towards our \$10 billion target. These organisations have been part of the New Zealand bond market for many years with the International Finance Corporation (IFC) issuing the inaugural green bond in the New Zealand market five years ago.

In 2022, BNZ continued to support these organisations evidenced by roles such as Joint Lead Manager for the World Bank November 2026 medium term note issued to support sustainable development projects for its member states.

BNZ also executed the first ESG Linked Derivative (SLD) in the New Zealand market with retirement village and aged care provider Metlifecare (see case study on next page).

Tying pricing on a hedging product to achievement of environmental and social outcomes can provide business with another mechanism to support achievement of ambitious sustainability targets.

CASE STUDY 01

FABRUM

FABRUM is an excellent example of a New Zealand business providing world leading end-to-end hydrogen solutions.

The FABRUM green hydrogen solution supports the heavy transport sector move away from high emitting fuel sources. The transport industry accounts for approximately 39% of overall GHG emissions in New Zealand.

BNZ's appetite to use adaptive and non-dilutive debt solutions to support innovative businesses meant we were able to provide FABRUM with finance earlier in its lifecycle supporting growth in this important sector.

x We strive to develop technologies that do more with less for longer. Hydrogen is an important part of the decarbonizing the ecosystem and building a cleaner and greener planet for generations to come.

Christopher Boyle, Managing Director of Fabrum



CASE STUDY 02

Metlifecare

BNZ executed the first ESG-linked derivative in the New Zealand market with retirement village and aged care provider, Metlifecare Limited, linking pricing on a hedging product to the achievement of environmental and social targets.

BNZ was the sole participating bank in the \$75 million deal which ties the cost of Metlifecare's interest rate hedging to its performance against environmental and social targets. The transaction was structured in alignment with Metlifecare's 2021 sustainable refinancing of \$1.25 billion.

Under the transaction, BNZ will adjust the pricing on the derivative depending on Metlifecare's performance against pre-agreed, externally audited targets that form part of a wider sustainability-linked loan, including joining the Science-based Targets Initiative, building 6 Green Star rated aged care communities and increasing six-fold the number of Alzheimers New Zealand accredited dementia care beds in its portfolio within five years.

x The deal demonstrates our commitment to innovation, transformation, and sustainability alongside a like-minded partner in BNZ.

Jonathan Wilde, CFO of Metlifecare



CASE STUDY 03

Sudima Hotel

Hind Management, the parent company of Sudima Hotels, has entered a sustainability-linked loan that has both environmental and social impact targets.

The social targets include increased cultural competency for staff and continuous improvement, and delivering beyond compliance to enable accessibility for people with disabilities.

Environmental targets include reducing actual and potential emissions associated with hotel operations over the life of the loan and reducing plastic waste in its supply chain.

The over \$100million loan from BNZ is for general corporate purpose. Sudima Hotels aim to divert the interest cost savings from its sustainability linked lending into sustainability projects and to support achievement of the targets.

Further examples of sustainable finance at BNZ can be found [here](#) including transactions with Silver Fern Farms and Quadrent.

x We are committed to making the world a better place and the ESG initiatives we have in the pipeline would have been done irrespective of this funding partnership. However, this SLL allows us to invest further while adding accountability and transparency to our stated targets, thanks to the rigour of the SLL reporting and measurement process.

Kanika Jhunjhuwala, Executive Director – Sustainability and Environment for Hind Management and Sudima Hotels



Manaakitanga

Supporting customers and communities

✦ To grow the long-term social, cultural, and financial wellbeing of New Zealanders.





Long-term social, cultural, and financial wellbeing

BNZ realises the importance of financial wellbeing, feeling secure, and being in control of your money. We know that things can go wrong, and sometimes extra support or options are needed. BNZ has many initiatives to support New Zealanders during tough times.

Addressing economic harm

In 2020, BNZ put in place a specialist support team that works closely with BNZ customers who are experiencing economic harm. These customers range from those whose partner is a problem gambler through to elder abuse, or people living with domestic violence. BNZ continues to support these people, working closely with organisations such as Good Shepherd NZ, The Salvation Army, and Aged Concern.

Exposing abusive transactions has resulted in a reduction of payment systems used for abuse by half. In May 2021, BNZ exposed a problem previously unrecognised in New Zealand, identifying more than 12,000 transactions in a six-month period where people were using the reference fields of bank transfers to send abusive, harassing, or intimidating messages.

BNZ works to raise awareness of this activity and, because each situation is unique, when an abusive payment is detected, it is resolved on case-by-case basis. Following these actions, BNZ has seen a reduction in these transactions by 50% when compared to the previous 12 months. Where the person receiving the messages is a BNZ customer, they are contacted first to ensure the issue is treated in line with their wishes.



No and low interest loans and advances through partnerships

To accelerate our mission to disrupt predatory lending, we have a target to provide \$50 million for no and low interest loans and advances by 2024. Since 2014, BNZ has delivered \$17.8m against its commitment.

We deliver lending and advances through three key partnerships, aimed at helping people access essential products and services, and avoiding the pitfalls of resorting to high cost, predatory lenders.



1. Our newest partnership, PayNow, is available to customers of payroll company PaySauce and allows employees to access earned funds before their payday. Since March 2021, PayNow has delivered \$3.4 million of advances to more than 500 customers, with over 200 employees using it every month. The average advance is \$200.



2. Good Loans is a partnership between BNZ and Good Shepherd NZ, that provides no interest loans to people on limited incomes for essential household goods and services and debt consolidation, as part of the DEBTSolve programme. DEBTSolve helps people who are struggling with unmanageable debt. Specialist financial wellbeing coaches work with customers including debt coaching and advocating on behalf of customers with their creditors.

BNZ and Good Shepherd NZ partner to provide the programme, with support from the Ministry of Social Development, and community providers delivering the loans in the community. Good Loans have delivered \$11.8 million of loans since inception in 2014.



3. Habitat for Humanity’s Home Repair Programme ‘provides whānau with access to no interest affordable loans for modest income owners to achieve critical maintenance and repairs’. Since 2019, \$2.6 million has been provided in no interest loans. Further details are provided below, under our commitment to more kiwis in warm, dry, resilient homes.





Getting more New Zealanders into warm, dry, and resilient homes

We recognise the importance of warm, dry, and resilient homes for people's wellbeing. We are focused on supporting the construction of new warm, dry homes and the improvement of existing homes.

For members of the community that may have difficulty accessing traditional bank lending for either a home purchase or urgent repairs and improvements, we work with organisations such as Habitat for Humanity and Kāinga Ora to find alternative ways to access a warm, dry home.

Helping more New Zealanders find a place to call home

Our partnership with Kāinga Ora, the First Home Partner, is aimed at helping people who have a household income of under \$130,000 and a minimum of 5% deposit. Those who meet the qualifying criteria can apply to Kāinga Ora for a contribution of equity towards a newly built home.

Kāinga Ora takes an equity share in ownership of a new home the household then buys out over time. Kāinga Ora will typically contribute equity up to a maximum of 25% of the purchase price or \$200,000, while BNZ will provide customers with rest of the financing of the purchase price.



Our bankers are specially trained for this progressive ownership arrangement as customers need to understand their commitment to purchasing the Kāinga Ora equity share over a 15-year period as well as meeting mortgage payments.

We have worked closely with Kāinga Ora to help them shape and design the scheme and documentation between the government housing provider and customers. In FY22, there were 34 First Home Partner customers supported into a new home, with lending of \$19.5 million.

Improving homes

Habitat for Humanity believes that everyone deserves a decent place to live. Through our partnership with Habitat for Humanity, we are supporting homeowners who require urgent repairs to improve the liveability of their homes but lack the funds, or access to appropriate lending, to carry them out.

The programme slowed down due to COVID-19 lockdowns but has gathered pace in 2022, assisting 96 families to access over \$800,000 of no interest lending for critical home repairs.

Habitat for Humanity home repair is currently available in Northland, Auckland, Waikato, Hawke’s Bay, Gisborne, Christchurch, and Invercargill, with plans to expand further throughout New Zealand.

We have had this programme independently reviewed to determine the social value it delivers.



GoodMeasure for Habitat for Humanity

In the year in scope, Habitat for Humanity's delivered \$1,310,000 of measurable good to society in New Zealand.

Understanding Habitat for Humanity's impact
Habitat for Humanity provides whānau with access to no-interest affordable loans for modest income owners to achieve critical maintenance and repairs.

What does Habitat for Humanity do?
Through the Home Repair Programme, Habitat for Humanity creates warmer, drier, safer and healthier homes in Aotearoa for whānau.

Whom does Habitat for Humanity serve?
The Home Repair Programme serves modest income homeowners who are not in the financial position to carry out critical maintenance and repairs specific to whānau needs.

Habitat for Humanity, impact

Social Value

\$1,310,000

Social value definition

Social value generated for each participant	\$4250
Measurable benefits as proportion of programme cost	550%
Cost of the programme per participant	\$768

When we take into account the operating costs of Habitat for Humanity and BNZ, we can calculate the social return on investment that is generated for every dollar in the programme.

Social Return on Investment

\$1:\$5.50

Every \$1 invested in Habitat for Humanity results in \$5.50 returned to NZ (Jul 2020 - Jun 2021)

ImpactLab GoodMeasure Report
Habitat for Humanity, May 2022

GoodMeasure outcomes

These outcomes directly contribute to this year's social value calculations.

- Improve housing
- Improve physical health
- Increase academic achievement (NCEA 3)
- Reduce asthma
- Reduce asthma hospitalisation
- Outcomes related to avoidance of unmanageable debt:
 - Avoid unmanageable debt
 - Reduce addiction
 - Reduce smoking
 - Reduce emergency benefit
 - Reduce child placement
 - Reduce risky behaviour
 - Reduce family violence

Additional outcomes

These outcomes do not directly contribute to this year's social value calculations.

- Increase autonomy
- Increase employment
- Increase residential stability
- Improve living conditions
- Reduce other housing-related illnesses

Boosting digital inclusion



BNZ’s objective is to support our customers, colleagues, and communities to develop the tools, skills, and confidence to participate and benefit from taking part in the digital world.

x Lifting digital skills means more New Zealanders will be able to fully participate in our economy, improving productivity and boosting our economy.

BNZ is a founding member of the Digital Boost Alliance (a collaboration between business and government) and has made seven pledges to encourage digital transformation. These pledges support improved digital inclusion for our colleagues, our customers, and communities. The activities range from basic actions such as having accessible websites through to caring for some of our more vulnerable customers.

Our Digital Boost pledges and how we are tracking

Pledge	FY22 Progress
Support New Zealand SMEs with \$300,000 of value to digitally transform their businesses	We have partnered with digital agency Zeald to pilot the ‘Digital Cluster Initiative’. To date, we have worked with two clusters of businesses, whose ecommerce marketplaces will be launched in early 2023. Link
Supported business through BNZ’s ‘Good to Grow’ scheme with capital to help digitise their businesses	Good to Grow supported businesses with more than \$700million of lending. Part of this funding supported the digitisation of their businesses to improve productivity.
Offer essential digital skills training for all BNZ colleagues by the end of 2022	We have launched a series of digital skills learning content for colleagues. We are continuing to work to develop more content and improve engagement with those colleagues most in need.
Measure progress of digital skills through Digital Skills in Aotearoa research survey and report	We published our digital skills report this year – Digital Skills for Life in Aotearoa 2022. These reports have filled a knowledge gap and been used to direct the development of the government digital strategy and our own digital skills initiatives. Link
Ensure basic online banking services meet accessibility needs by end of 2023	We are well on our way to achieving our AA accessibility goal rating. Ensuring we meet global accessibility standards for our Banking services is a critical part of our Digital Pledge. We have worked with an external provider to gain comprehensive audits of all our banking channels. We know what needs to be fixed and we have plans in place to do so.
Support customers in vulnerable circumstances by providing support to use digital channels	Our digital activities are designed with consideration to customer vulnerability. We have started a range of digital initiatives aimed at improving access for customers in vulnerable circumstances including zero rating data on most phone networks, and bolstering our in-person digital education training of customers.
Provide \$600,000 to support digital training for customers and communities in consultation with Digital Inclusion Coalition Aotearoa	We have launched three partnerships with community based digital skills providers. Our funding will support their community based digital learning and support services, and we will work with them to improve digital inclusion in Aotearoa.

New community initiatives for digital education

For most of BNZ’s customers, our award-winning online banking tools help them with what they need from us in the most convenient way possible. But for some people in society, it is difficult. Barriers include access to devices, internet affordability, and lack of sufficient digital skills.

x BNZ is collaborating with three community organisations: Arataki Systems, 360 Tautua Trust and Digital Seniors, to help us to remove barriers and build digital skills, with a focus on those most in need and at risk of digital harm.

These partnerships are about working together, harnessing our collective strengths, and co-designing content to reach more communities. BNZ is identifying opportunities to contribute content in relation to banking online, staying safe online, and transacting online.

Scam Savvy initiative

Over the past four years, BNZ has continued to build simple accessible scam resources for customers and communities. Through our annual Scam Savvy weeks, BNZ has helped more than 225,000 New Zealanders learn how to spot scams and have provided tips to keep more people safe from scammers. Getscamsavvy.co.nz is available in English, Te Reo Māori, Samoan, and Tongan. BNZ has updated personal and SME presentations available for download in English, Te Reo Māori, Samoan, Tongan, Mandarin, Korean, Hindi, and Punjabi. BNZ has created videos with subtitles and voiceovers available for our low vision and low hearing communities to ensure all communities have access to simple, accessible scam education.

Digital cluster initiative

BNZ is piloting a new visionary model aimed at accelerating regional economic development through digital transformation. Partnering with Zeald (a SME digital transformation and eCommerce agency), and three business groups, BNZ is aiming to transform them into digitally advanced ‘clusters’ demonstrating what’s possible when state-of-the-art ecommerce and digital collaboration tools are put at the heart of New Zealand’s business communities.

BNZ is leveraging our relationships within the BNZ Growth Sector team, New Zealand Trade and Enterprise and the Ministry of Foreign Affairs and Trade to support this initiative. We see this work as a way of helping grow the prosperity of the New Zealand economy, and not just our business customers.

Two clusters have been formed – one of approximately 30 Central Otago winemakers, competitors who work collaboratively on the complexities of international exporting, and the second, Te Tuhi Mareikura Trust, an art collective in Tauranga. A third cluster is in development.

2degrees and Vodafone partnerships

BNZ customers who are on the 2degrees and Vodafone networks can access BNZ banking via Internet banking or the BNZ app without needing to use their own mobile data. This has opened mobile banking to customers whose circumstances make it difficult for them to use other channels to bank and where mobile data has been inaccessible due to cost.

Digital alerts to address economic harm

To enhance our wider focus on supporting customers exposed to, or experiencing, economic harm, customers who use our digital channels to apply for lending will be alerted that confidential support is available if they are being coerced or pressured into borrowing. They are directed to a secure inbox that goes to our economic harm support team.

Our BNZ website is a Shielded Site which has a gateway to Women’s Refuge services so customers can access information without it showing up in their search history.

Digital education

BNZ's customer-facing colleagues have completed specific training in how to engage with and be supportive of customers learning about digital channels, and how to support customers to choose the right channel to suit their needs and situation.

BNZ digital designers and developers meet with groups representing those with additional or different needs, such as Parkinson's New Zealand, to better understand how BNZ can better support these customers. Customers can book a one-on-one 30-minute digital education session at any of our branches, tailored to their specific needs and can bring along their own device.

BNZ runs 'Helping you get your banking sorted' sessions at locations throughout the community including libraries and retirement homes. This covers our online banking channels and other alternative banking options such as Smart ATMs and telephone banking.

These sessions are complemented by help and support content on bnz.co.nz, such as step-by-step videos and printable guides.



Getting our foundations right

✦ Build an inclusive workplace that reflects New Zealand communities, where people are empowered to make a difference for customers and communities.





Inclusive workplace, inclusive leadership

‘Tukua kia tū takitahi ngā whetū o te rangi.’ Let each star in the sky share its own light.

Through inclusion, diversity, wellbeing, leadership, and opportunities to learn and grow, our people have exciting career options at BNZ.

Awards

During FY22, BNZ received awards recognising our work on inclusion and growing our people.

BNZ was awarded:

- HRD’s Best Workplace Diversity and Inclusion (D&I) programme for the work that we have undertaken to embed our D&I Council, our focus on gender balance, our commitment to bi-culturalism and our work on building an inclusive culture at BNZ.
- HRD’s Employer of Choice award that particularly noted our approach to celebrating, supporting, and empowering our people.
- The White Camellia overall Supreme Award as well as awards for ‘Ensuring the health, safety, and well-being of our colleagues’ and ‘Enterprise Development, Supply Chain and Marketing’. BNZ has clear policies and processes in place in these areas to ensure and champion gender diversity.
- The number one company in New Zealand to grow your career, in the 2022 LinkedIn Top Companies list as a recognition of BNZ’s investment in people’s careers and long-term success.



Inclusive workplace

At BNZ, inclusion is core to who we are. When inclusion is the focus, increased diversity follows. BNZ’s inclusion plan is underpinned by our mātāpono – our values. The plan addresses three pillars – inclusive leadership, an inclusive workplace, and innovation and inclusive practices for our customers.

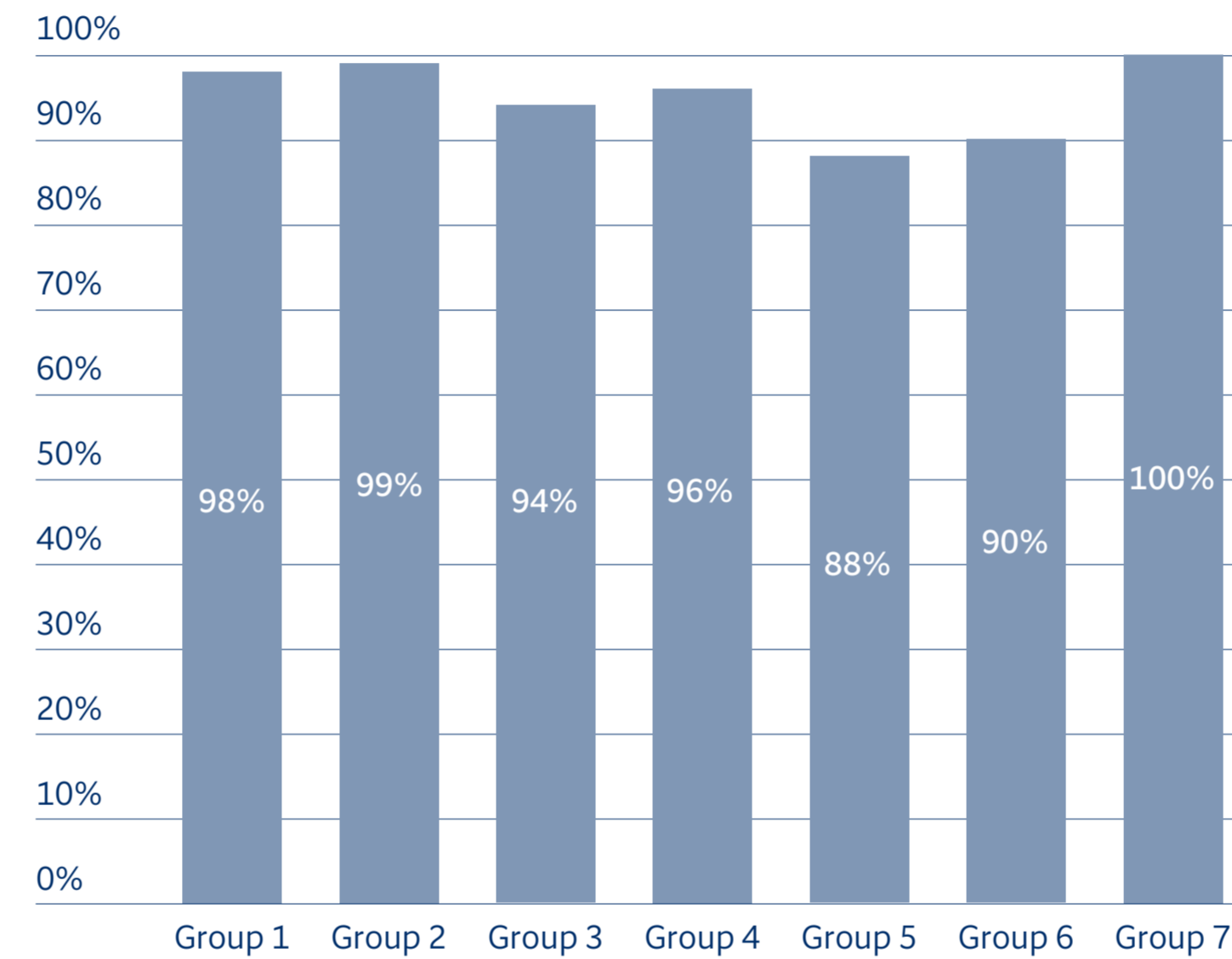
At the heart of the inclusion plan is BNZ’s D&I Council, chaired by the Chief Executive, which sets strategy and monitors progress on D&I performance across a range of initiatives. D&I is supported and encouraged by a range of activities, programmes, and resources. These include the Rainbow Tick accreditation, Rainbow inclusion and Neurodiversity strategies, an internal D&I online hub with resources to onboard new employees, and celebration of Matariki, Pasifika language weeks, Pride Month, and International Women’s Day to name a few.

BNZ also made changes to our parental leave benefits including boosting KiwiSaver contributions to 6% for the time eligible colleagues were on unpaid leave, extending the BNZ top up from 22 weeks to 26 weeks, and removing the requirement to be back at work for 12 months before a subsequent top up.

Pay equality

BNZ’s primary focus has been, and will continue to be, pay equality ensuring that ‘like for like’ roles and like work remuneration differences are minimal between genders. The graph below illustrates our gender pay differentiations by role levels. Closing this gap remains a continued area of focus for BNZ.

Basic salary female to male ratio²



- Group 1 – Team Member/Associate
- Group 2 – Team Leader/Analyst
- Group 3 – Lead Consultant/Senior Analyst
- Group 4 – Manager/Senior Consultant
- Group 5 – General Manager/Head Of
- Group 6 – Executive General Manager/Senior General Manager
- Group 7 – CEO

2. Ratio of female to male salary includes full-time and part-time permanent and fixed-term employees only. The ratio is calculated by dividing female average salary by male average salary per employment level. Salary data excludes contractors. This shows FY22 data, as reported in pay gap information <https://www.bnz.co.nz/assets/bnz/about-us/PDFs/Diversity-and-equality-fact-sheet.pdf?750495ccaa39e49942ab0ab2f28cf5c109b9164a>

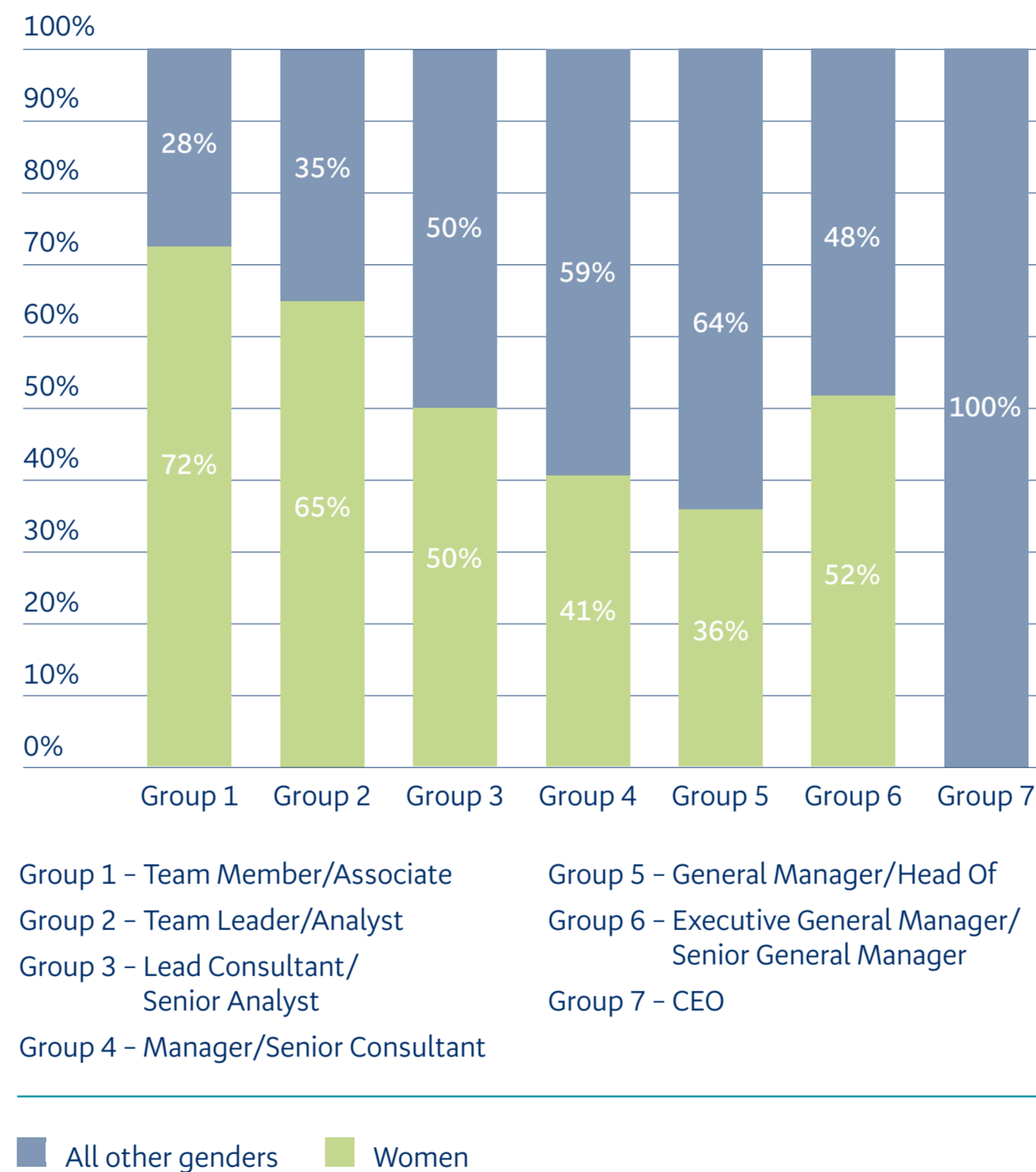


Gender pay gap

A gender pay gap is calculated at a total company level, comparing the median hourly rate for women to the median hourly rate of men irrespective of role. By this measure, BNZ’s gap is 30.6% as of September 2022. BNZ’s gap primarily reflects the structure of our workforce where women make up a large proportion of our extensive branch network. Addressing the structural role gap will require a longer-term shift in which roles we attract women into, as well as a continued focus on ensuring a higher number of women move into leadership roles. Branch roles (typically in Group 1 and 2) have proven attractive to women, ostensibly because these roles provide greater flexibility in part-time working and geography across our network (metro and regional locations). BNZ is proud to be able to provide these varied employment opportunities.



Workforce by employment Level and Gender - Permanent Full Time, Part Time only (%)



Inclusive leadership

BNZ maintains a strong focus on gender equality, championing the achievements of all genders while driving equity in the workplace. Our leaders are committed to inclusion and actively building diversity in their teams.

One of the ways BNZ is doing this is by targeting more women in senior leadership roles. The BNZ target for FY22 was to achieve 40% women in our Senior Leader cohort. BNZ missed this narrowly and ended the year with 39.4% women in the senior leadership roles. BNZ continued the Executive Women Sponsorship Programme for emerging women leaders and the Quietly Powerful programme, aimed at all leaders with a quieter style. BNZ also ensures equal gender representation in all our graduate programmes.

Te Hōkaitanga, is a Māori Leadership Programme created by BNZ to accelerate our Māori talent into leadership roles. Te Hōkaitanga, is a 12-month programme sponsored by the Executive Team and run by Māori, for Māori. It is designed to improve the representation of Māori, build a strong pipeline of Māori talent, and futureproof BNZ as an employer of choice to achieve our strategic ambition of being the bank for Māori.

Te Hōkaitanga won the inaugural HRNZ Supreme Award for demonstrating the greatest overall leadership in human resources practice. While originally thought to be a longer-term goal; BNZ has been able to rapidly accelerate career progression, organisational transformation, and culture change through strategic and thoughtful programme design.

This year a senior Māori Leadership Group of 17 leaders, Te Taura Tangata, was established within BNZ under the direction of the General Manager Māori Business. Many of these leaders are graduates of Te Hōkaitanga – BNZ’s bespoke Māori Leadership programme. The group aims to ensure BNZ’s Māori culture is focused on sound tikanga, improves customer outcomes, and builds BNZ into a whare for attracting and retaining Māori talent. This group has taken on

responsibility for implementing the three pou of our Māori strategy (see Building a strong wharenuī on page 32), and for ensuring there is a pipeline of Māori leaders moving up and through the business.

Employee growth and wellbeing

BNZ believes in investing in employee growth and wellbeing and provides all colleagues access to programmes designed to help them learn, upskill, and develop. Rising talent are given comprehensive leadership courses and talent-development programmes. Colleagues are offered paid volunteer days, staff banking rates, free life insurance and ‘lifestyle leave’ to help colleagues grow their careers and contribute to team culture.

All BNZ colleagues, customer-facing and non-customer facing are being given the opportunity to gain a globally recognised qualification with Career Qualified in Banking (CQiB). BNZ is the only bank in New Zealand offering this qualification managed by FINSIA. To date 1,496 BNZ colleagues have been awarded this qualification.

All people leaders at BNZ go through a three-day Distinctive Leadership Programme, building their leadership capability and setting them up for success. We have over 1,000 people leaders within BNZ and 80% of these leaders have completed the three-day programme to date.

Wellbeing

BNZ genuinely cares about the wellbeing and mental health of our people. This is evidenced by maintaining a seven-point uplift (from the 2020 baseline) in employee’s responses to our annual Heartbeat survey question ‘Our company takes a genuine interest in the employees’ wellbeing’.

Normalising proactive mental health conversations has been a key component of BNZ’s Wellbeing programmes over the past four years.

BNZ provides programmes and management tools that are designed to assist our employees when they need help and assist managers to better understand the pressures and stresses on their team members. Wellbeing programmes are data driven and based on our annual Wellbeing 360 survey. All people leaders are trained in ‘Supporting BNZers mental health’. and there is a wellbeing referral programme where colleagues who need extra support to stay or return to work, receive guidance from the Wellbeing team. The Wellbeing team support colleagues to be at their best to do the mahi which matters. Wellbeing activities in the past year have included exercise classes, a corporate walking challenge, SleepLoop (a sleep improvement programme), return to the office workshops, and people leader training on wellbeing.

The take up of Employees Assistance Programmes (EAP) is an important measure of the wellbeing of our colleagues. Society experienced high levels of fatigue and sickness in 2021/22 and our experience reflected society. Over the past year 13% of the organisation used EAP, above the NZ average of 3%. We monitor EAP usage throughout the year and if usage is down BNZ increases the internal promotion of the support available.

Wellbeing can also be impacted by the nature of work. BNZ uses specialist tools to analyse roles and carry out risk assessments to ensure the structure and responsibilities of roles themselves are not creating undue anxiety and stress. We also provide ongoing coaching and mentoring for roles that require additional support.

This year BNZ had a record number of colleagues participating in Movember, raising funds to support men’s health projects. Colleagues participated in a range of activities to support Movember and the Health, Safety and Wellbeing team supported with a webinar centred around mental health, and provided wellbeing check-ins for anyone that would like one.

x We thoroughly enjoy working with you as a customer, you have by far the most customized offering of any of our customers. Your team focuses heavily on understanding the needs of your people as opposed to a generic wellbeing offering. Your team work hard to include us in supporting your people.

Benestar, EAP provider



Building a strong wharenui

Our Māori strategy

Our Māori strategy aims to build a strong wharenui (large house), built on three pou or pillars. If we build our pou correctly and with strength, we will earn the right to be the bank for Māori.

Pou Tahi

Raising competency in Māori, improving our response to Te Tiriti o Waitangi, cultural practice, te reo, Māori leadership, and recruitment.

Pou Rua

Facilitate solutions for Māori through business solutions, sustainability-linked loans, lending, and financial literacy.

Pou Toru

Influence the market for Māori business to prosper through iwi and public sector relationships.

Pou Tahi

Pou Tahi is about raising BNZ's competency in te ao Māori across the whole enterprise. BNZ is determined to grow its Māori competency, so Māori can see BNZ as both a bank that they can do business with and, importantly, a place where they can work.

During the past year BNZ has appointed a Head of Māori Colleague Strategy to lead our colleague and competency work and support career aspirations for Māori working at BNZ.

BNZ has a bold goal of reaching 15% Māori representation by 2025, which requires a focus on accelerating employment opportunities for Māori. Current intake programmes have been reviewed to find ways to tilt them to be intentionally more inclusive in our approach. At year end, 8.9 % of BNZ colleagues, who have provided personal data, identify as Māori.

At the same time, BNZ is encouraging inclusion at all levels by ensuring support for the aspirations of Māori already working here to progress within the business.

By 2030 we have a target that at every employment level 15% of colleagues will identify as Māori.

The mahi includes two flagship programmes: Te Hōkaiatanga (see above) and Te Pūtaketanga, which is an introduction to Māori language and culture. Despite major interruptions from COVID-19, 185 BNZers completed Te Pūtaketanga in its inaugural year. BNZ plans to take 1,000 employees through Te Pūtaketanga in 2022/23.

Pou Rua

While Pou Tahī is focused on competency and leadership, to build a strong wharenuī, BNZ also needs lending policies and financial products in place to serve Māori. BNZ is adopting a life-time partnership view in our approach to Māori customers.

In the past financial year, BNZ has changed our policy on lending on Māori land to be able to lend up to 80% on residential property on Māori land, 70% for rural and 65% for commercial. The bank's mahi in building up its Māori business activity can be seen in the Eastern Bay of Plenty and North Island Central Plateau regions where a cross-functional team, of BNZ bankers, from branches and business teams, was brought together to consider the commercial opportunity and complete training through Te Pūtaketanga.

Working with business partners such as local accountants, Te Pūtaketanga has enhanced relationships and the business development process. New lending has been provided to Māori businesses, including a substantial kiwifruit orchard development in the Bay of Plenty. The mahi has resulted in a Māori business playbook that can be replicated in other areas of the country in conjunction with Te Pūtaketanga.

Pou Toru

The third pou, Pou Toru, covers the efforts to build stronger relationships with iwi, regulators, and public sector agencies such as Kāinga Ora.

BNZ has been working with the Reserve Bank and Treasury to ensure the Māori strategy is a priority. Together identifying blockages and, with our support finding ways to improve Māori outcomes, whether it is iwi whanau households or Māori business.

BNZ is an active participant in Tawhia, the Māori Bankers' Association. The purpose of Tawhia is to act as a platform to raise Māori financial issues. It has three strategic objectives: bolstering access to capital towards developed Māori land for housing; contributing to financial literacy for Māori and working with the financial sector to boost employment.

Māori work best as collectives, and they are a very diverse business. If we work across teams, we can achieve better outcomes in our service delivery to the Māori sector.

Whetu Rangī, Head of Māori Business Growth

Supporting excellence

We support three key recognitions of excellence.

The Ahuwhenua Trophy- Excellence in Māori Farming Award

BNZ is proud to mark 20 years of supporting The Ahuwhenua Trophy. The Ahuwhenua Trophy acknowledges and celebrates business excellence in New Zealand's important pastoral and horticulture sectors. This competition is held annually, alternating each year between dairy, sheep and beef, and horticulture.

Ngā Taumata Rau – Māori Business Leaders Awards

BNZ has proudly supported Ngā Taumata Rau – Māori Business Leaders Awards -since 2012 as the Premier Partner. We sponsor the prestigious Te tohu Kairangi mō te Ihorei Pakihi Māori – Outstanding Māori Business Leadership Award. The award recognises a kaupapa Māori business that has achieved significant success that demonstrates transformation in their industry, sector, or community. We were especially proud this year to present the award to BNZ customer, North Drill Limited.

University of Auckland – Post Graduate Diploma in Business (PGDipBus) Māori Development Award

In 2021, BNZ established the BNZ Post Graduate Diploma Business – Māori Development BNZ PGDipBusMāori Award. The award is to encourage and support students, particularly Māori students, to undertake BNZ PGDipBusMāori. Instead of this Award going to one student who excels, it was jointly decided that the scholarship will make more of an impact to the pipeline of Māori business talent into the future if it supported a cohort of students. BNZ will support 12-15 students annually who are enrolled and working towards the BNZ PGDipBusMāori with up to \$3,000 per annum in value to a maximum value of \$50,000 across the cohort. To achieve the qualification requires a two-year commitment. Nominations are made to the University of Auckland scholarship officer and the Award is made by the University of Auckland on the recommendation of the Selection Committee, of which, BNZ are a part.

Appendices



Our material topics



When preparing our annual sustainability reporting, we conduct a materiality assessment, asking customers, colleagues, and community partners what matters most to them. We ask about BNZ’s strategies, performance and impact on the environment and society.

For this report, we spoke to approximately 25 external and internal stakeholders, including executives and colleagues across BNZ.

This identified key risks and opportunities, and trends that may impact our business, shift our focus to important sustainability topics, and define where we can make the biggest impact.

Identified topics were ranked through surveys of stakeholders and then calibrated to ensure balanced weightings across internal and external views.

The results were plotted on a materiality matrix.

We continually develop our materiality assessments, and, in FY22, we have increased granularity making direct comparability between previous assessments difficult.

After more than two years of COVID 19 dominance, this year saw climate change as an important topic for businesses and an area where BNZ has a role supporting customers to reduce emissions and adapt to the changing climate.

Community partners were equally concerned about climate change and economic conditions. Inflationary pressures and the impact on financial hardship and financial inclusion for businesses and households was raised as a material issue.

Most of the topics in the category of social impact ranked low on the materiality matrix, however, these topics are part of BNZ values and remain a core focus for BNZ, its customers and its colleagues.

BNZ 2022 materiality matrix



GRI index



BNZ has reported the information cited in this GRI content index for the period 1 October 2021 to 30 September 2022 with reference to the GRI Standards.

GRI Standard Disclosure	Disclosure		Description and/or page number
Organisational profile	2-1	Name of the organisation	Bank of New Zealand (BNZ)
	2-1-c	Head office	80 Queen Street, Auckland, New Zealand
	2-1-c	Location	New Zealand
	2-1-b	Legal type of entity	Limited Liability Company
	2-1-d	Markets served	New Zealand
	2-1-d	Scale of the organisation	National
	2-2	Entities included	<i>About this report</i> section; Page 3
	2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> • Reporting period - 1 October 2021 to 30 September 2022 • Reporting frequency - Annual • Publication date - 20 December 2022 • Contact point for questions regarding the report: sustainability@bnz.co.nz

GRI Standard Disclosure	Disclosure		Description and/or page number
Organisational profile <i>continued</i>	2-4	Restatements of information	• \$618,000 in sustainable finance in FY21 was reported in the FY21 Sustainability Report. This number has been restated to \$528,000 in this report (Page 15)
	2-5	External assurance	<ul style="list-style-type: none"> • EY Assurance over sustainable finance figures • Tōitū carbon programme certification
	2-6	Operations	Full-service bank with retail and commercial financial services including home and business lending, and funds management.
	2-7	Workforce	5,713 permanent, fixed term, and casual employees.
	2-8	Workers who are not employees	1,359 agency temp, contractor, and vendors
Governance	2-9	Governance structure	BNZ Disclosure Statement - Page 2
	2-10	Nomination and selection of highest governance body	BNZ Disclosure Statement - Page 2
	2-11	Chair of highest governance body	BNZ Disclosure Statement - Page 3
	2-12	Role of governance	<ul style="list-style-type: none"> • As a regulated bank, BNZ is required to ensure it has appropriate systems and processes in place to meet its reporting obligations and to effectively manage all of its material risks, including those that relate to ESG. This includes the identification, management, mitigation, and reporting on these risks to Board and other governance forums. • Climate Report 2022 - Page 3-4
	2-13	Delegation of responsibility for managing impacts	Climate Report 2022 - Page 3-4
	2-14	Role of governance in sustainability reporting	<ul style="list-style-type: none"> • The Executive approves sustainability reporting. • Climate Report 2022 - Page 3-4
	2-15	Conflicts of interest	• NAB Group Annual Report 2022 - Page 72-73
	2-16	Communication of critical concerns	<ul style="list-style-type: none"> • NAB Group Annual Report 2022 - Page 46-47 • Climate Report 2022 - Page 3-4
	Governance <i>continued</i>	2-17	Collective knowledge of the highest governance body



GRI Standard Disclosure	Disclosure		Description and/or page number
	2-18	Evaluation of the performance of highest governing body	• NAB Group Annual Report 2022 – Page 69-73
	2-19	Remuneration policies	• NAB Group Annual Report 2022 – Page 71
	2-20	Process to determine remuneration	• NAB Group Annual Report 2022 – Page 71
	2-21	Annual total remuneration ratio	• 2022 NAB Group Sustainability Data Pack
Strategy, policies and practices	2-22-a	<ul style="list-style-type: none"> • CEO statement • Sustainability Strategy 	Page 1 Page 9
	2-23	Policy commitments	NAB Group Annual Report 2022 – Page 48, 49
	2-24	Embedding policy commitments	NAB Group Annual Report 2022 – Page 48, 49
	2-25	Processes to remediate negative impacts	NAB Group Annual Report 2022 – Page 47, 77
	2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> • NAB Group Annual Report 2022 – Page 46-47 • Climate Report 2022 – Page 3-4
	2-27	Compliance with laws and regulations	BNZ Disclosure Statement – Page 3
	2-28	Membership associations	<ul style="list-style-type: none"> • Sustainable Business Council and Climate Leaders Coalition • UNEP FI Principles of Responsible Banking (BNZ Membership) • UN Principles of Responsible Investing • Aotearoa Circle • Tōitū Tahua Centre for Sustainable Finance and Sustainable Business Network — investor, climate.
Stakeholder engagement	2-29	Stakeholder engagement	Materiality Section – Page 35
	2-29-a	Key topics raised through stakeholder engagement	Materiality Section – Page 35
	2-30	Collective bargaining agreements	Colleagues covered by collective bargaining agreement – 11.5%
Material topics	3-1	Process to determine material topics	Materiality Section – Page 35
	3-2	List of material topics	Materiality Section – Page 35

GRI Standard Disclosure	Disclosure		Description and/or page number
	3-2b	Movement in topics since last report	Materiality Section – Page 35
	3-3	Management of material topics	Materiality Section – Page 35
Economic performance	201-2	Financial implications and other risks and opportunities arising from climate change	Climate Report 2022 – Page 9 - 20
Environmental	305-1	Greenhouse gases (GHG) emissions Scope 1	BNZ Operational Emissions – Page 13 & 14
	305-2	GHG Scope 2	BNZ Operational Emissions – Page 13 & 14
	305-3	GHG Scope 3	BNZ Operational Emissions – Page 13 & 14
Social	405-1	Diversity of governance bodies and employees	• Page 28-31
	405-2	Ratio of basic salary and remuneration of women to men	Our People – Gender Pay Gap – Page 29
	413-1	Operations with local community engagement, impact assessments and development programmes	Long-term social, cultural, and financial wellbeing section – Page 20





Get in touch

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