

Sustainable futures report 2023



Rārangi Kōrero

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Throughout our reports we include toi Māori (Māori art) designs co-created by Hāmiora Bailey (Ngāti Porou Ki Harataunga, Ngāti Huarere). These pattern systems are inspired by toi whakairo, tukutuku, and tāniko (traditional Māori art forms). They act as a poutokomanawa (central pole) along the spine of the report providing support for the content, and Visualising Te Pēke o Aotearoa (Bank of New Zealand) on its haerenga (journey) to create a more sustainable future. As well as representing our people, these toi Māori work to illuminate BNZ’s strategy of integrating te ao Māori (the Māori world) into our business practices, policies, products and services.

Taki Toru (the rising or towing of three), is a reoccurring element within the Whare Tīpuna (communal meeting space). In this report, Taki Toru is used to honour our natural environment and Ngā Atua (the gods). Ranginui (the sky father) and Papatūānuku (the earth mother) set an example for us in how to Manaaki (hold, protect, foster, and care) for others within this realm, Te Ao Mārama (the natural world of life and light).





He Kupu Whakataki Introduction

Tauākī a te Tumu Whakarae

CEO statement



Dan Huggins — BNZ Chief Executive Officer

Welcome to the 2023 Bank of New Zealand (BNZ) Sustainable futures report.

BNZ’s purpose, and the daily mission of all our 5,500 colleagues is to serve our customers well and support the communities that we serve to prosper.

That purpose informs BNZ’s sustainability commitment; to help build a resilient, regenerative, and inclusive Aotearoa New Zealand for the long term.

In establishing our sustainability strategy against our long-term objectives, we recognise the enduring nature of our ambitions, and have committed to regularly sharing our progress, our successes, and our challenges.

This report reflects the twin challenges of 2023 – this year’s major climatic events and the ongoing cost of living pressures. They highlight the critical role of the two pillars of BNZ’s Sustainability Strategy: Kaitiakitanga - to accelerate the just transition to a net zero emission economy, and Manaakitanga - to grow the long-term social, cultural, and financial wellbeing of New Zealanders.

In the pages that follow, we outline progress we are making through growing financial wellbeing, driving digital inclusion, and helping more New Zealanders into warm, dry, resilient homes. These sit alongside our commitment to sustainable finance, enabling more customers to reduce their emissions and our work partnering with customers to help them realise their own low emission ambitions.

Ultimately, this is a people story. I’m proud to include in the 2023 BNZ Sustainability Report many personal stories from our customers and our BNZ colleagues. These bring to life the impact a commitment to a sustainable future for Aotearoa has on the everyday lives of New Zealanders.

Supporting New Zealand to be the best it can be requires a desire for us all to work together matched with meaningful and measurable actions.

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

Ngā mihi nui

Dan Huggins
BNZ Chief Executive Officer

Tauākī a te Tumu Whakarae



Dan Huggins — BNZ Chief Executive Officer

Nau mai ki te Pūrongo Anamata Tōitū a te Bank of New Zealand (BNZ) 2023.

Ko tō te BNZ pūtake, me te koromakinga o ia rā mō ō mātou hoamahi 5,500 ko te mahi mō ō mātou kiritaki me te tautoko i ngā hapori e mahi ai mātou, kia tōnui ai rātou.

E whakaritea ana e taua pūtake te herenga o BNZ ki te toitūtanga; ka āwhina ki te whakapakari i a Aotearoa kia aumangea, kia whakahaumanu tonu, kia kauawhi hoki mō te wā roa.

I te whakapūmautanga o tā mātou rautaki toitū ki ā mātou whāinga paetawhiti, e āhukahuka ana mātou i te āhua mauroa o ō mātou awhero, ka mutu kua ū kia auau te tiritiri i tā mātou kokenga, ō mātou angitu, me ngā wero kei mua i te aroaro.

E whakaata ana tēnei pūrongo i ngā wero e rua o te 2023 – ngā āhuetanga huringa āhuarangi me ngā pēhitanga utu noho haere tonu i tēnei tau. E miramiratia nei e ērā te tūnga waiwai o ngā pou e rua o te Rautaki Toitūtanga o BNZ: Te Kaitiakitanga - te whakatere ake i te whakawhitinga ki te ōhanga tukunga kore i runga i te tōkeke, me te Manaakitanga - te whakatipu i te oranga ohaoha, ahurea me te pāpori wā roa o ngā tāngata o Aotearoa.

I ngā whārangi e whai ana, ka whakarāpopoto mātou i ngā kokenga i ea i a mātou mō te whakatipu i te oranga pūtea, te uruhi i te kauawhi ā-tuihono, me te āwhina kia nui ake ngā tāngata o Aotearoa e noho ana i ngā kāinga mahana,

maroke me te tōtōpū. E haere tahi ana ēnei me tō mātou ū ki te ahumoni toitū, te whakakaha i ngā kiritaki nui ake ki te whakaiti i ā rātou tukunga, me ā mātou pātuitui haere ki ngā kiritaki ki te āwhina i a rātou ki te whakatutuki i ā rātou whāinga tukunga iti.

I te mutunga iho, ko te tangata te mea nui. Nōku te ngākau whakahī kia whai wāhi ki te Pūrongo Toitūtanga a te BNZ 2023 ngā kōrero maha mai i ō mātou kiritaki me ō mātou hoamahi BNZ. Kua ora i ēnei te pānga o te herenga ki te anamata toitū mō Aotearoa ki te ao o ia rā o ngā tāngata o Aotearoa.

E tautokona ai a Aotearoa kia tino pai rawa ka taea me mahi tahi tātou ki te whakatutuki i ngā mahi whitake ka taea te ine.

‘Ehara taku toa i te toa takitahi, he toa takitini.’

Ngā mihi nui

Dan Huggins
BNZ Chief Executive Officer

He whakarāpopoto

2023 Snapshot



\$32.6 million

In no or low interest funds to support those impacted by predatory lending since 2014



\$2 billion

In Sustainable Finance in FY23



9.3% of Māori

Staff representation



48% reduction

In operational emissions against 2019 baseline



42% women

Representation of senior leadership roles in FY23



\$1 billion

In funding available through the Business Recovery and Resilience Fund

Mō te BNZ

About BNZ

We are Te Pēke o Aotearoa, Bank of New Zealand. Our purpose is to serve customers well and help our communities prosper. We are proud to be one of the country's largest and oldest financial institutions, a full-service retail and business bank, and wealth management provider.

We do this by taking a long-term leadership position for a more sustainable and inclusive financial system, building genuine partnerships across the economy.

By harnessing the expertise of our people, we play a vital role in mobilising capital to support a just transition of our economy to a net zero emissions future, and actively support the long-term social, cultural, and financial wellbeing of communities.

Governance

BNZ is owned by National Australia Bank Limited (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 the risks and opportunities for BNZ and its customers (where relevant) are appropriately identified, managed, and disclosed. This includes sustainability and climate risks, opportunities and strategy. Details of our governance and risk management practices can be found in our Climate Report [here](#).

Welcome

5,541



People

99



Branches throughout New Zealand

32



Partner Centres

1861



We opened the doors

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 whakataukī/whakatauākī (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.



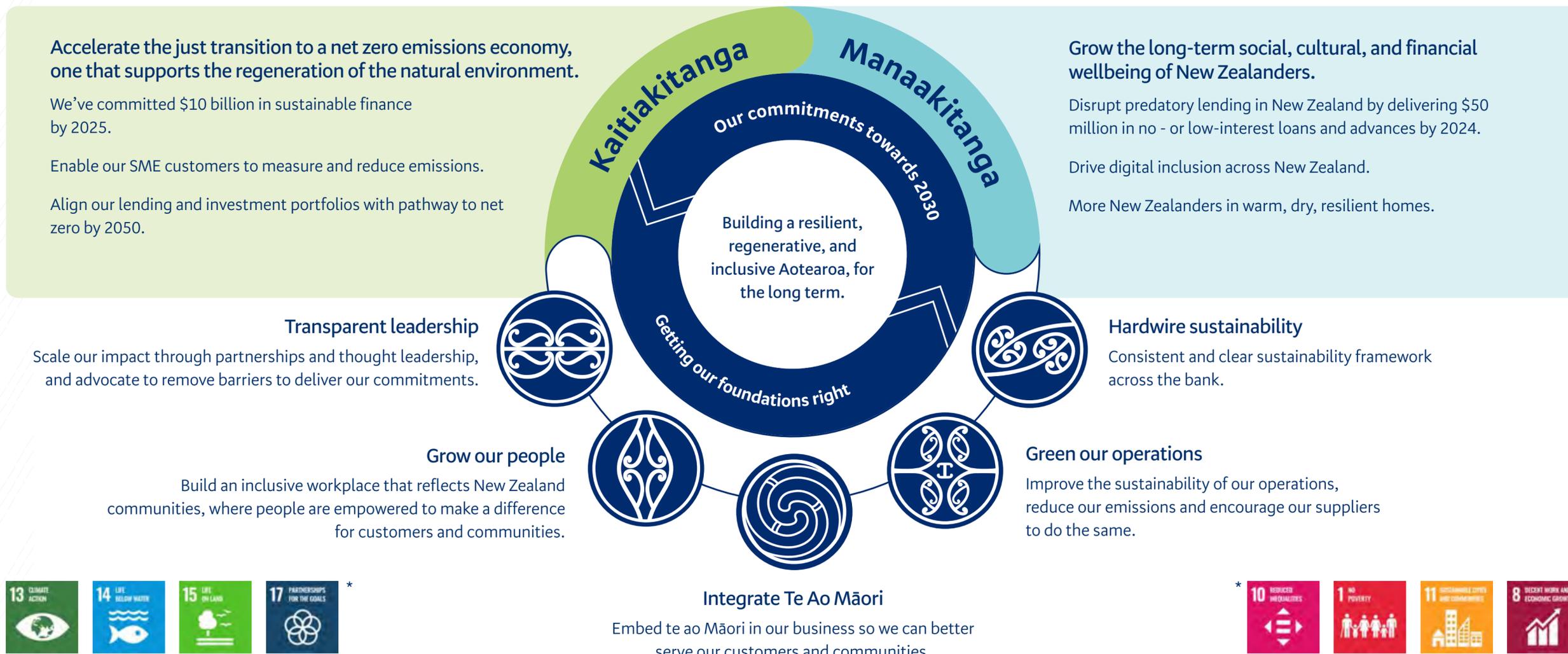
Mahia te mahi | Own it

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

Our values guide us to connect as BNZ whānau, and with our 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.

He pēhea tā mātou whakatutuki i ngā mahi

How we're tracking

Our commitments		Our progress	Indicator ²	
 <p>Kaitiakitanga Accelerate a just transition to a low emissions economy</p>	\$10b in sustainable finance by 2025	\$2b in sustainable finance, taking the cumulative total (since 2020) to \$4.8 ³ b. Note: this excludes social or sustainability bonds by offshore supranational, sovereign and agencies (SSAs) where BNZ has been joint lead managers in the Debt Capital Markets. This is a further \$3.3b of sustainable financing.		More to do
	Support 50% of BNZ SME customers to actively measure and reduce emissions by 2025	The Climate Action Toolbox has enabled 15,244 SMEs, not all BNZ customers, (as of September 2023) to undertake climate action assessments since inception in 2021. In June 2023 industry specific guidance was added to the Toolbox, beginning with the construction industry.		More to do
	Set 2030 decarbonisation targets for our priority sectors in 2023	We are committed to 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. In 2023, in line with our commitments under the Net Zero Banking Alliance and in support of New Zealand's requirements under the Climate Change Response (Zero Carbon) Amendment Act 2019, we set and disclosed decarbonisation targets for four of our priority sectors; Dairy, Coal Mining, Oil and Gas, and Power Generation. BNZ Net Zero Banking Alliance targets disclosure .		On track
	Set remaining sector targets by October 2024	Baseline assessment work is underway on the remaining priority portfolios, as specified by the Net Zero Banking Alliance.		More to do
	60% emissions reduction by 2025 (from a 2019 baseline)	We are on track at 48% reduction in operational Greenhouse gas (GHG) emissions compared with our science-aligned target of 60% by 2025 (2019 baseline ¹).		On track

¹2019 Baseline operational emissions exclude employee commute, courier-postage-freight, upstream purchased fuel and electricity, purchased goods and services and financed emissions. Further details on our 2023 Greenhouse Gas Inventory are reported in our [2023 Climate Report](#)

²On track means that we see a clear trajectory to achieving the target and progress is being made as planned. More to do means that we are continuing to work towards the target but there is more to do.

³These values include \$0.051b of green loans and \$0.038b of eligible sector finance from the year ended 30 September 2022, and \$0.022b of green loans from the year ended 30 September 2021, which were categorised as sustainable finance transactions during the year ended 30 September 2023.

Our commitments		Our progress	Indicator	
 <p>Manaakitanga Grow the long-term social, cultural, and financial wellbeing of New Zealanders</p>	<p>Disrupt predatory lending in New Zealand by delivering \$50 million in no and low-interest loans by 2024</p>	<p>Delivered \$32.6 million against targeted \$50 million in no or low-interest loans, and advances, since 2014 (\$17.8 million through Good Loans and Habitat for Humanity New Zealand; and \$14.8 million through PayNow and Money Sweetspot).</p>		<p>On track</p>
	<p>Deliver \$5 million of lending by end of FY24 as part of the Habitat for Humanity Home Repair Programme</p>	<p>Since 2019, \$3.2 million of Habitat Home Repair loans have been provided (a subset of the targeted \$50 million to deliver low- and no- interest lending).</p>		<p>More to do</p>
	<p>Drive digital inclusion</p>	<ul style="list-style-type: none"> As a founding member of the Digital Boost Alliance, we have completed two of the seven pledges made to encourage digital transformation and support improved digital inclusion for our people, customers and communities. Approximately 62,732 New Zealanders reached by our FY23 Scam Savvy campaign week (over 292,000 in total, since 2018). 		<p>On track</p>
<p>Te Ao Māori.</p>	<p>Embed Te Ao Māori in our business so we can better serve our customers and communities</p>	<ul style="list-style-type: none"> More than 500 of our people have participated in Te Pūtaketanga, BNZ’s cultural capability programme (launched in 2020) to support all our BNZ people on their te ao Māori journey. At year end, 9.3% of our people identify as Māori (up from 8.9% in FY22) – our target is that 15% of staff identify as Māori by 2025. 		<p>More to do</p>
<p>Grow our people</p>	<p>Build an inclusive workplace that reflects New Zealand communities</p>	<ul style="list-style-type: none"> BNZ people have the opportunity to gain a globally-recognised qualification with Career Qualified in Banking (CQiB) and 2,322 BNZ are qualified to-date. We increased the representation of women in our senior leadership to 42%, achieving our goal of 40%. We achieved a four-point uplift (from the 2020 baseline) in employee response with our annual Heartbeat survey statement; ‘Our company takes a genuine interest in the employees’ wellbeing’. 		<p>More to do</p>

Supporting the recovery and resilience of New Zealanders impacted by the North Island floods and Cyclone Gabrielle

The start of 2023 saw widespread devastation caused by North Island floods and Cyclone Gabrielle. In response, we announced the \$1 billion Business Recovery and Resilience Fund to help accelerate recovery. Our aim with the fund is to support New Zealand businesses to invest in their future. We know with the right guidance and help, businesses can emerge from these challenges stronger and better positioned to adapt and build resilience against ongoing climate and economic uncertainty.

“We want to ensure that businesses in affected regions have access to the support and resources they need to get back on their feet,”

BNZ CEO, Dan Huggins.



For Gisborne-based BNZ Banker, Kelly Couper, the recovery fund has been invaluable to help with the East Coast rebuild. It means being able to sit with customers at their kitchen table, listen and offer them support to recover in ways that go beyond paying the bills.



The Business Recovery and Resilience Fund is split into two parts: \$250 million was available in low-interest loans to help our affected business customers meet immediate recovery needs and resume normal trading conditions as quickly as possible. This lending could be used to relieve financial pressures while waiting on an insurance payout, to support staff, replenish stock or inventory, or to meet short-term cashflow needs. The remaining \$750 million was made available to all New Zealand businesses to invest in their future and build back better, with a focus on resilience, growth, and sustainability. The road to recovery will take time and we’re committed to providing our customers with immediate relief as well as the resources to ensure their businesses can thrive in the years ahead.

“Being able to offer real, tangible support to our customers, and literally see the colour come back into their face - these are the proudest moments for me as a BNZer”

BNZ Banker, Kelly Couper



Supporting communities on the ground

In March through a one-to-one matched giving fund with our staff, we raised \$20,600 to support communities impacted by severe weather events. We donated this to Taskforce Kiwi, a volunteer organisation made up of military and emergency service veterans and members of the community. The funds helped buy equipment, tools, transport, and Personal Protection Equipment as Taskforce Kiwi worked on-the-ground to support recovery in affected areas alongside local Civil Defence and iwi, Ngāti Kahungunu.

We also donated:

- \$250,000 to The Salvation Army (Foodbank Project)
- \$100,000 to KidsCan.

Over one four-hour shift, BNZ people packed over 1000 food and 600 hygiene parcels at The Salvation Army foodbank in Mt Wellington, to be airlifted to flood-ravaged areas.



Insights

A story of recovery

Following the North Island floods and Cyclone Gabrielle, Hawke’s Bay customer, Te Awahohonu Forest Trust, had their Tarawera Station farm, and adjacent forest severely damaged. The Trust lost commercial trees through slips. Tree debris funnelled into waterways cutting through the farm’s infrastructure taking out important buildings, such as the woolshed, and causing significant damage to stored equipment. Road damage impacted access to many parts of the property delaying full assessment of the damage by up to three months. The cost to reinstate the property is estimated to be more than \$2 million.

“We were literally blown away when the bank extended its offer of support. It’s taken a lot of pressure off, given us the time to look at our budgets, and to work out a plan forward.”

Leon Collier,
Secretary Te Awahohonu Forest Trust



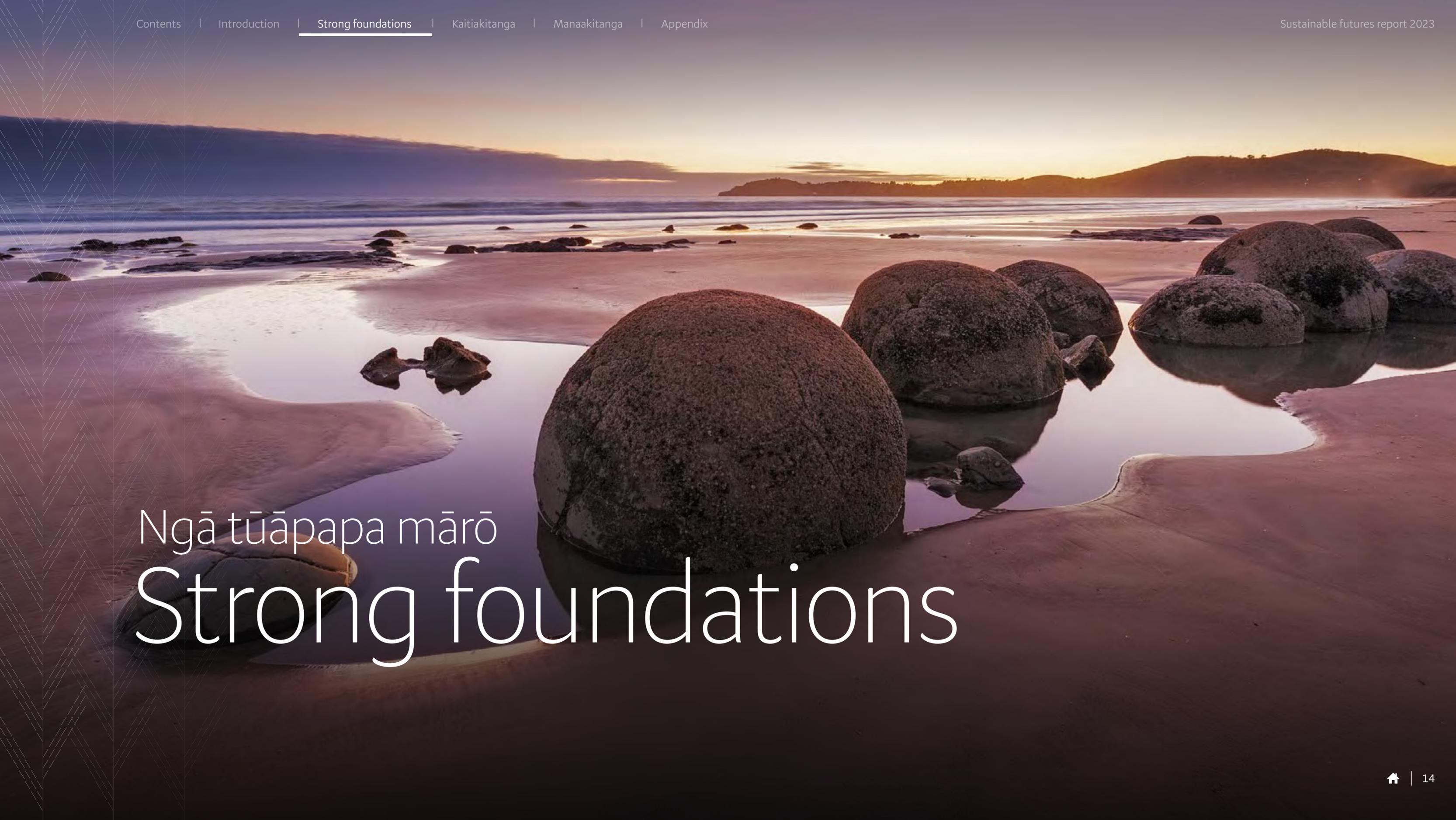
It’s the second time the farm and forest have been hit by severe weather events in the last five years and it’s a real eye-opener for the team to look at how to minimise this risk in the future.

“We had culverts everywhere, but they were just blown out and were not able to act as they should along with the debris traps. In the remediation work, we’re looking at different designs including natural debris traps.”

The Trust is now looking at how to build in resilience for the future. It knows the current management of the forest will need to change and plans to retire some of the forest to native. It is also exploring different ways of harvesting that reduces debris. The Trust is rebuilding for the long term, looking at farm management solutions that will adapt to the changing climate and support the regeneration of the land.

“BNZ’s support has meant we were able throw the needed resource into the initial repairs to get us somewhat operational while we work out the rest of the recovery and reinstatement. It’s been a lifeline and it really felt like the bank went beyond.”





Ngā tūāpapa mārō
Strong foundations

Te whakapakari i tō mātou ahurea kauawhi

Building on a culture of inclusion

We are committed to building an inclusive workplace that reflects New Zealand communities, a place where people are empowered to make a difference. We want everyone to feel respected and included at work, we know that when inclusion is the focus, diversity improves. Our Inclusion Plan is underpinned by our Mātāpono (values) and addresses three pillars: inclusive leadership, an inclusive workplace, and innovation and inclusive practices for our customers. We have a Diversity and Inclusion (D&I) Council that sets the strategy and monitors progress on D&I performance across a range of initiatives.

Our commitment is enabled by:

- » **Strong executive sponsorship.** Our Diversity and Inclusion Council, is chaired by our Chief Executive Officer, and members of our senior leadership team who sponsor each of the D&I community groups outlined in this section.

- » **Embedding the level of connection and capability** of our people, customers and communities with te ao Māori including te reo Māori.
- » **Investing in our data capabilities** to inform our decision making at the highest level, providing more comprehensive ways to reflect our people data.
- » **Creating a workplace where all BNZ people can contribute** to their full potential.

Rainbow tick accreditation and Living Wage



“Tukua kia tū takitahi ngā whetū o te rangi.” Let each star in the sky share its own light bnz.co.nz/careers



FY23 highlights

Grow our people



42% of our senior leadership team are women, surpassing our goal this year of having women in more than 40% of our senior leadership team.



More than 1,300 BNZ people have earned a globally-recognised qualification with Career Qualified in Banking (CQiB) bringing our total to 2,322.



350 BNZ staff completed our Te Pūtaketanga (cultural capability) course in a significant increase from 24 staff in FY22.



At the 2022 Headfit Awards, BNZ was awarded the Business Leaders' Health & Safety Forum Learning & Development Excellence Award for working to address sleep, a significant driver for health and wellbeing.

FY23 highlights

Embed Te Ao Māori in our business so we can better serve our customers and communities



9.3 % of our people identify as Māori – our target is that 15% of staff identify as Māori by 2025, and for that to grow to 15% at each level in the bank by 2030.



Our Let's Ako app (ako means to both teach and learn) was launched on Waitangi Day 2023 to give our people and customers convenient access to te reo Māori support including learning and hearing correct pronunciation and templates for opening and closing meetings and emails. There are more than 1,550 downloads of Let's Ako to date.



Nau Mai (welcome, come forward) is a new initiative to create an inclusive pipeline for recruiting Māori.



We appointed a Māori Capability Lead, focused on enhancing leadership opportunities for BNZ's Māori whānau, and building Māori language and cultural capability for all.

Te wāhi mahi kauawhi

Inclusive workplace

How we're driving inclusive conversations and activating our communities

- Te Taura Tangata
- BNZ Pasifika
- Asia
- Pride
- Neurodiversity

Talking about menopause

Menopause is not widely discussed in the workplace, even though nearly half the population has, or will, experience this biological transition. We were pleased to see a diverse community of more than 1,000 staff attend our first webinar that welcomed external experts to discuss menopause, the physical and mental impacts and how they may change the way a person turns up at work.

Driving greater awareness of neurodiversity

Momentum is building in our work to raise awareness and understanding of the neurodiverse community. We've developed three workstreams within a group representing neurodiverse staff, neurodiverse carers, and neurodiverse customers. We have also hosted three internal workshops with ADHD specialist Alex Campbell:

1. Thriving with ADHD: Mastering the art of self-care
2. Empowering Differences: Working alongside people who have ADHD
3. Building Strengths: Empowering ADHD individuals in our lives.

Let's Kōrero

Our Let's Kōrero podcast shares stories from our people on topics such as neurodiversity at work and gender-inclusive language. Created by our Culture, Diversity, and Inclusion

Team, Let's Kōrero was designed to identify unconscious bias in the workplace and explore identity, inclusion and belonging through storytelling. We have so far created 14 episodes. As a result of this series, we've seen many of our teams come together, using the podcast to drive further discussion and awareness.

Pride

This year our people took part in Sweat with Pride - helping to fight discrimination with perspiration and getting their bodies moving for the month of June. BNZ fundraising contribution for Rainbow communities was the second highest amount raised by business this year. We also held initiatives for pride month, trans awareness week, and non-binary awareness week, and more than 280 of our people, including 73 people leaders, completed both of the Rainbow Tick training modules (Rainbow Tick is a certification program for organisations who accept and value people by embracing the diversity of sexual and gender identities).

Celebrating together

We celebrate Lunar New Year, Diwali, the Mid-Autumn Festival, Pasifika Language Week, Māori Language Week, and International Women's Day with a wide range of events for our people, customers and communities. This year, BNZ announced its sponsorship support for two of Auckland's largest cultural celebrations - the Auckland Diwali Festival and the Auckland Lantern Festival. Celebrating cultural moments is an important part of our Mātāpono and we're excited to be able to share and be a part of these with

the wider community. BNZ's sponsorship of these iconic community events reflects our commitment to embracing diversity, both within BNZ and the wider community and growing the social, cultural and financial wellbeing of our communities.



“We're blessed to have such invaluable resources, helping us all to acknowledge, reflect and understand the differences between ourselves - which helps make BNZ a stronger, more inclusive place to work each and every day!”

Steff Werman, Culture, Diversity and Inclusion Specialist

Delivering equitable pay and closing the gap



Closing our gender pay gap remains an ongoing focus. Our gender pay gap primarily reflects the structure of our workforce, where women are highly represented in branch network roles. Addressing this structural role gap requires a long-term strategy, to expand on the roles we attract women into, as well as staying focused on ensuring a higher number of women move into leadership roles. The graph adjacent illustrates our gender pay gaps by role level, which shows gaps at each range from 0.4% to 8%.

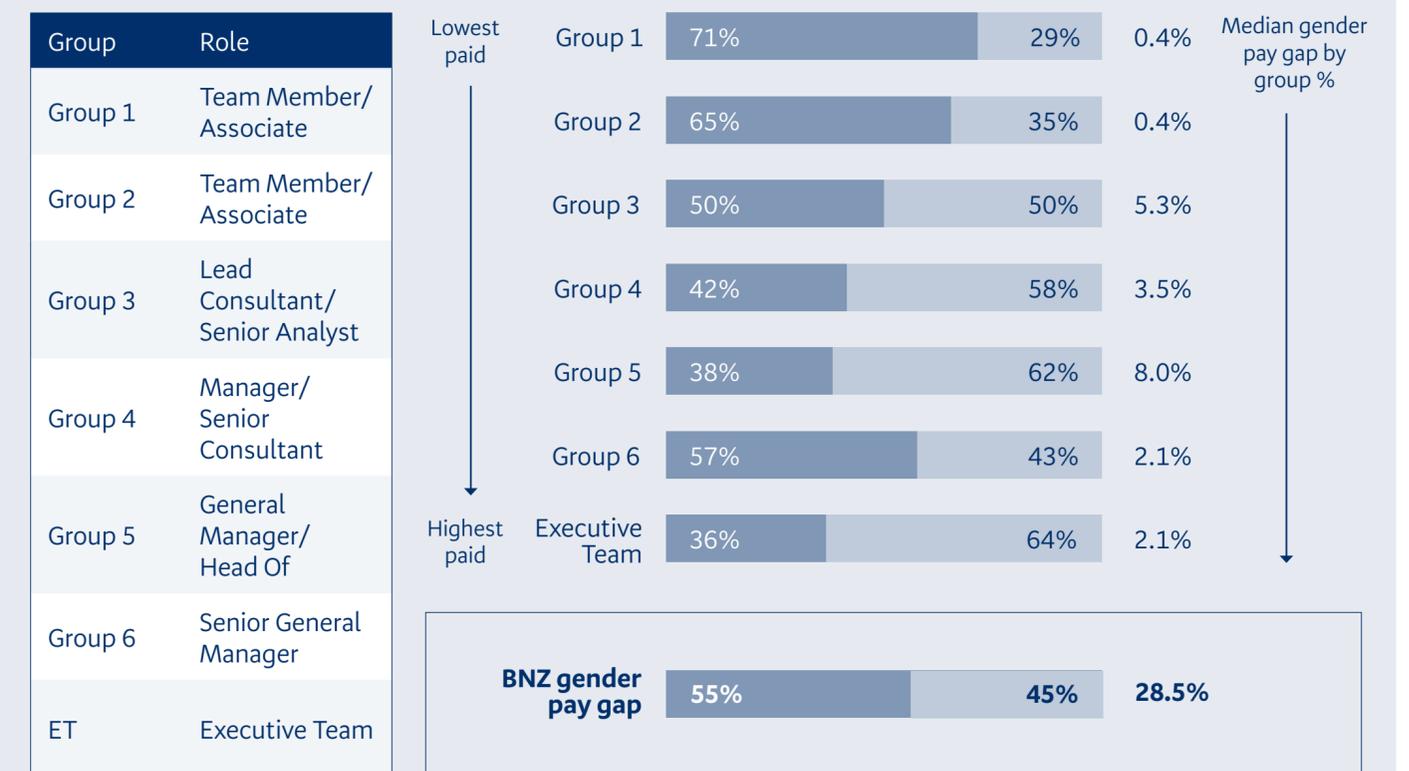
Investing to know, and to grow

We are investing in a new people data platform launching in 2024. This will allow us to collect more inclusive data and to better understand the diversity of our people across our communities. Having better information will improve our ability to address gaps and embed diversity in our everyday decisions. It enables our leaders to actively build diversity in their teams, ensuring we provide varied career opportunities and pathways. For example our Recruitment Diversity Policy requires representation from both men and women in the interview process. It also helps ensure gender mix is considered in the candidate pool, and diversity is a core consideration when we are reviewing succession plans and performance practices.



Our workforce representation and gender pay gap

Our 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.



Includes full-time and part-time permanent employees only. The gender pay gap is calculated by subtracting the women's median hourly rate from the men's median hourly rate and dividing this figure by the men's median hourly rate. At BNZ we recognise people of all genders, including men, women, non-binary and others. BNZ's people data, for the purposes of pay gap reporting, does not currently represent this diversity.

Te hautūtanga kauawhi

Inclusive leadership

42% Of our senior leaders are women
FY22 39.4%

BNZ maintains a strong focus on actively building diversity in our teams, and it is particularly important to our success that we achieve this at a leadership level. Our Distinctive Leadership programme focusses on relationships and connections, which are key elements of

inclusive workplaces. Our programme is now in its third year and over 724 people leaders within BNZ (92% of all people leaders) have completed the programme to date. This year, we launched an online People Leader induction hub to help People Leaders be clear on their roles and responsibilities (including inclusive leadership), provide tools to support

their growth, and to foster connection amongst leaders in all parts of the bank. It offers new People Leaders guidance and support in their first two weeks, first 90 days, first 180 days and beyond.

Insights

Finding future leaders

Caleb Poe started out as an intern but has quickly become a leader.

As graduation loomed, Caleb was unsure where he was heading with his degree, but BNZ's 12-week TupuToa internship programme for Māori and Pasifika tertiary students soon opened his eyes to the breadth of choice within a finance career.

“What really stood out for me was that I was able to be myself. I could see that I was different, but the leaders around me acknowledged my values, energy and attributes, beyond just my finance skills and supported me to embrace these differences rather than shy away from them.”

Following the internship, Caleb was invited to take a permanent position within the BNZ finance team. He has become a Tuakana (mentor) for other TupuToa interns, is providing volunteer technical financial support to the BNZ Foundation, participated on the Pasifika Leadership programme, and is currently one of our Diversity and Inclusion Pasifika leads.

As a Tuakana, Caleb shares these learnings with other interns:

- Find your support system.
- Keep calm.
- Time will often teach you perspective and how to bring in the tools to build resilience.



“Getting into TupuToa was a lifechanging moment as what followed was an internship with BNZ. There were so many different career paths and exposure to varying jobs throughout my internship it really gave me the confidence to see a future I hadn’t yet been able to see for myself.”

Caleb Poe, BNZ Senior Finance Analyst



Here’s how we’re developing inclusive leadership pathways

Te Hōkaitanga	We created Te Hōkaitanga, our 12-month, Māori Leadership Programme, to accelerate our Māori talent into leadership roles. It is designed to improve the representation of Māori, build a strong pipeline of Māori talent, and futureproof BNZ as an employer of choice. This is aligned to achieving our strategic ambition of being the bank for Māori. This year, our second group of Māori future leaders completed this leadership programme. Of the 34 graduates to date, over 30% have since had a role progression.
Te Taura Tangata	Building on the foundations of Te Hōkaitanga, graduates and others can join our Māori Leadership Group; Te Taura Tangata, led by BNZ’s Te Waka Hautu (senior Māori leaders at BNZ).
Mentoring	We have introduced a mentoring programme for future senior leaders and actively review the nominations to ensure there is representation across gender and ethnic groups.
Quietly powerful	We have built a programme of support for leaders with a quieter style, with the goal of increasing the diversity of leadership styles and diversity of thought.
Pasifika leadership	This year, three people graduated from a Pasifika leadership programme. All participants of the programme have since progressed their careers, gaining new roles at BNZ. We have identified a further four BNZ people to complete the programme in 2023, two being TupuToa alumni (people who first joined us on the TupuToa internship programme). This highlights our commitment to creating a career pipeline for Pasifika people through the organisation.

Building cultural connections and capability



When people see and hear our commitment to both tikanga (Māori practices/behaviours) and te reo (language) in our workplace, we create a sense of belonging for Māori to BNZ and for our people to embrace te ao Māori (the Māori world).

BNZ has a goal to be the best bank, for all communities. Although Māori representation in the finance and insurance sectors overall has decreased during the past year¹, BNZ is proud to report the opposite trend, with an increase in representation of Māori compared to last year. We look forward to the roll-on impact of this, as our extensive network enables more Māori to see, and to connect with career pathways in banking.



¹Māori Labour Market Statistics Snapshot – June 2023 (mbie.govt.nz)

Building a strong whareniui (large house)

Our Māori strategy aims to build a strong whareniui built on three pou (pillars).

Our Māori strategy

Pou Tahī - 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.

As our Māori whānau grows, strong networks work hard to offer support across the bank. Our Te Waka Hautū (senior Māori leaders at BNZ) are building a culture of inclusion with opportunities to embed te ao Māori at BNZ. We aim to ensure our culture is focused on sound tikanga, improving Māori customer outcomes, and helps build BNZ into a whare (house) for attracting and retaining Māori. Our senior leadership group embraces responsibility for implementing the three pou of our Māori strategy and for ensuring there is a pipeline of Māori leaders moving through, and up, in the business.

We were proud to see Te Waka Hautū supported by Te Taura Tangata (Māori leadership group) leading Māori across the country to a strong presence in our major centres for

Matariki (Māori new year) and te wiki o te reo Māori (Māori language week) this year, delivering kaupapa Māori (a Māori approach) as a collective at BNZ.



One of our Mātāpono is Toa Takitini (grow together), and we are proud to demonstrate how we are continually standing together, working collectively, and delivering professionally as Māori staff.

BNZ is an active participant in Tāwhia, the Māori bankers’ group.

Tāwhia is a platform for raising Māori issues and opportunities to the banking sector. It has three strategic objectives: bolstering access to capital towards under-developed Māori land and housing, contributing to financial well-being for Māori, and working with the financial sector to boost employment for Māori across the sector.

Nau Mai – creating a whānau from day one

Our Māori recruitment programme called Nau Mai, is designed to specifically allocate roles for Māori and is an inclusive pipeline for recruiting Māori. We also group new recruits to train together, creating a collective sense of whānau right from the start of their BNZ career journey.

Using data to strengthen our wharehūi

We continue to uplift our data capture capabilities at BNZ so that we can better support our Māori customers and design our strategies to focus on delivering systemic change. We are also working with others, including the Reserve Bank of New Zealand, to help improve Māori access to capital.

Inaugural Hui ā-tau

Hui ā-tau is a special meeting, providing an opportunity for Māori who work at BNZ and collaborators to come together as a collective. Here, we connect, share ideas, reflect on the past, and talk about the future. It is a key moment for everyone to align on objectives and priorities for the year

ahead. This year, our Hui ā-tau was attended by around 50 BNZ people from across our business, for two days in Rotorua.

One of our Mātāpono is Toa Takitini (grow together), and we are proud to demonstrate how we are continually standing together, working collectively, and delivering professionally as Māori colleagues.

Te Pūtaketanga – building our people’s cultural capability and confidence in te ao Māori

Te Pūtaketanga is a one-day, bespoke kanohi-ki-te-kanohi (face-to-face) cultural capability programme that covers Te Tiriti (the Treaty), Māori economy, language, BNZ’s Māori Strategy, and BNZ’s Māori Colleague Strategy. It has been available to all BNZ people and is designed by our people, for our people. To support our Māori Colleague Strategy, we have added a new role of Māori Capability Lead who, by working with a team of facilitators from across BNZ, has enabled us to deliver our second Te Pūtaketanga course programme to 350 people in FY23, a 536% increase on FY22. So far, we’ve had over 6% of BNZ staff attend.

Our ambition is to continue to explore new approaches in FY24 and evolve the existing programme. With this in mind, we are looking at new delivery options so that our people can access the content in different ways.

Celebrating success

We think it’s important to celebrate the people in our communities who are achieving excellence in sustainable business.



The Ahuwhenua Trophy

BNZ is proud to mark 21 years of supporting The Ahuwhenua Trophy, which 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

Since 2012, BNZ has proudly supported the Māori Business Leaders Awards as the Premier Partner and sponsor the prestigious Te tohu Kairangi mō te Ihorei Pakihi Māori (outstanding Māori business leadership award), recognising a kaupapa Māori business that has achieved significant success and demonstrated transformation in their chosen industry, sector, or community.

Creating equitable opportunities to upskill

There are always new ways to learn, and that’s why we are committed to upskilling our people to make sure we have the best knowledge and tools to support our customers.



We’re proud to offer all BNZ people (customer-facing and non-customer facing), the opportunity to gain a globally-recognised qualification with Career Qualified in Banking (CQiB). To date, 2,322 BNZ people have been awarded this qualification.

Team learning is also important and we have introduced quarterly Team Focus Sessions on workplace practices such as feedback, collaboration, customer focus, and taking ownership and following up. Our people also have access to hundreds of LinkedIn learning modules, and role-based learning through our bespoke BNZ learning hub.

During 2023, we had 36 BNZ people across Corporate & Institutional Banking and Partnership Banking enrolled in the Green & Sustainable Finance certificate course provided by the Chartered Banker Institute in the UK. To date, 20 BNZ people have completed the course with a number still in progress. Having a group of people undertaking this study together is an important step towards building climate and sustainability capability in our bankers who can then work more effectively with customers on these issues. A further 36 BNZ people across Partnership Banking have been enrolled in the course for completion during 2024.

Investing in the future

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 (PGDipBus) Māori Award. Each year, the BNZ scholarship supports 12 to 15 students, particularly Māori students who are enrolled and working towards the BNZ PGDipBusMāori, up to a maximum value of \$50,000 across the group.



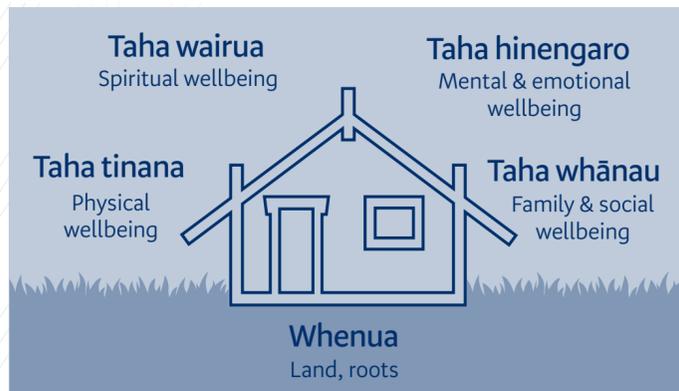
Te oranga

Wellbeing

We continue to actively support the wellbeing and mental health of our people.

This year 13.6% of the organisation used the support of the Employee Assistance Programme (EAP), which is above the New Zealand average of 11.2%. EAP is an important tool to proactively support our people’s wellbeing.

Taking steps to normalise proactive mental health conversations has been the focus of our people wellbeing programmes this year. Our people leaders are all trained in supporting mental health and there is a wellbeing referral programme for those who need support or guidance from the wellbeing team. This year, the team was able to provide a 90-day wellbeing plan template for all BNZ people to access, with reference to te whare tapa whā (see graphic) and the BNZ eight ways to wellbeing.



Te whare tapa whā is a concept for understanding the four cornerstones of Māori health.

Returning with confidence

Coming back to work after parental leave can be challenging and BNZ supports parents returning to work through ‘The Returning with Confidence’ coaching programme. The programme is designed to support our people who are returning after six months or more of parental leave and equips our people with the skills and confidence to navigate their new normal as a working parent. This year we have been able to support six groups of new parents returning to work through our Returning with Confidence coaching programme.

Training bankers to support customers in distress following the 2023 weather events

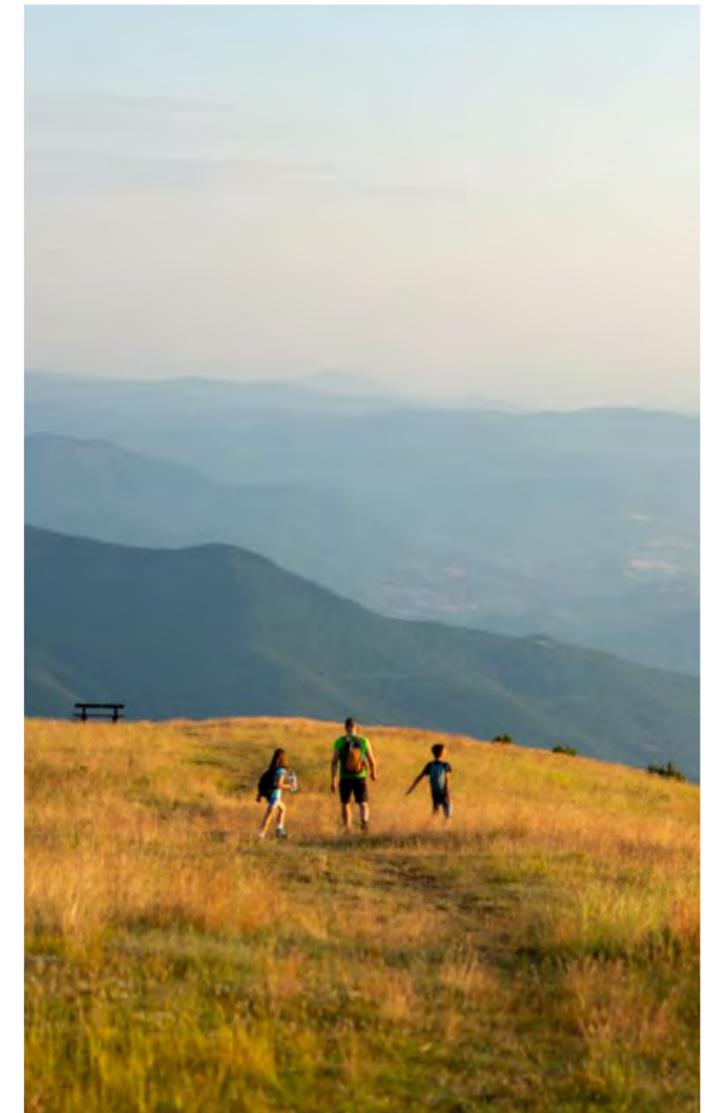
In the wake of this year’s major weather events, we had cases where both our customers and our BNZ people who support them, were experiencing distress and understandably, faced challenges at work. We helped by offering:

- bespoke training for our bankers responding to customers in distress
- training to help people leaders to support their teams

- our Employee Assistance Programme to customers
- additional care for BNZ people while they were supporting customers to ensure they looked out for their own wellbeing too.

More wellbeing initiatives delivered this year include:

- Fit-24, a team-based wellbeing challenge encouraging connection and educating on the importance of sleep, exercise, and food for overall wellbeing.
- Pink shirt day, where our people swapped their uniforms for a pink shirt to take a stand and support the prevention of bullying.
- Movember, where BNZ raised more than \$30,000 to support men’s mental and physical health.



Kaitiakitanga

Te tiaki i te taiao tūturu

Caring for our natural environment

BNZ is committed to accelerating the just transition to a net zero emissions economy, one that supports the regeneration of the natural environment.

As a bank, we have a vital role to play in mobilising capital to transition the economy of Aotearoa New Zealand to a net zero emissions future. We deliver kaitiakitanga by supporting our own business and our customers to access tools to mitigate, and adapt to, the impacts of climate change, and build greater models of resilience for the future.

Our memberships

As with all of our business, when it comes to sustainable business practices, we believe in demonstrating commitment through action. The following commitments and memberships help to keep us striving for higher standards.

- BNZ has been a signatory to the UNEP Finance Initiative’s Principles for Responsible Banking (PRB) as part of the NAB Group since 2019, and as a subsidiary bank member since 2021.
- BNZ has been a member of the [Net Zero Banking Alliance](#) from October 2021, which recognises the vital role of banks in supporting the transition of the real economy

(businesses that produce goods and services) to net zero emissions. We published our first set of targets for Net Zero Banking Alliance priority sectors in May 2023. Within 18 months of signing, we are committed to set 2030 targets (or sooner) and a 2050 target, with intermediary targets to be set every five years. Our target disclosures are published on our website [here](#).

- We’re a member of the Climate Leaders Coalition. Its 2022 statement is published [here](#).
- We’re committed to the [RE100](#) (the global corporate renewable energy initiative bringing together hundreds of businesses committed to 100% renewable electricity). This is through our NAB Group commitment to source 100% of our operational electricity from renewable sources by 2025. BNZ is also committed to reducing our on-site electricity emissions by 20% against a 2019 baseline by 2025.
- Our subsidiary, BNZ Investment Services Limited (BNZISL), is a signatory to the [Principles of Responsible Investment](#), and a signatory and development committee member for the inaugural [Aotearoa New Zealand Stewardship Code](#) - an industry-led framework that outlines guiding principles for responsible investment stewardship in Aotearoa New Zealand.



FY23 highlights

Transitioning our investment and lending portfolios to net zero emissions by 2050



In May 2023, we published our first [BNZ Net Zero Banking Alliance target disclosures](#) for our priority sectors including; Dairy, Coal, Oil and Gas, and Power generation.



Current decarbonisation targets set account for approximately 7% of our total Gross loans and advances to customer (based on Total Committed Exposure (TCE)) at 30 September 2023.¹

FY23 highlights

Supporting our customers to transition to low emission, resilient business models by 2050



\$2 billion Sustainable Finance lending in FY23. To date: \$4.8 billion³.



Over 59,000 SMEs have accessed the Climate Action Toolbox since it launched in 2021. This year over 4,000 completed the climate action assessment to help measure, track, and take action on their carbon footprint. Industry-specific support, starting with construction, now included in the Toolbox.



Established a team of 64 Sustainability Champions across our business to support customers.



\$1 billion in Business Recovery and Resilience Funding was made available.



\$71 million of green consumer lending was delivered outside of the \$10 billion Sustainable Finance target.

FY23 highlights

Understand climate-related risk across our portfolios and support our customers to adapt and build resilience



We have completed our third voluntary Climate Report. Further information about climate-related disclosures is outlined in our [2023 Climate Report](#).

FY23 highlights

Actively reducing emissions across our operations and supply chain



48% reduction in operational emissions against our 60% target from 2019 baseline².



97% of our purchased electricity needs are sourced from renewable sources. In 2021, we appointed Ecotricity, the only electricity retailer that is 100% Toitū carbon zero-certified, having measured ‘cradle-to-grave’ lifecycle GHG emissions of its sourced electricity.



Our new Te Whanganui-a-Tara (Wellington) office at 1 Whitmore Place is built to a five Star Green Building rating.



We’ve reduced our waste to landfill by 46% against our 60% reduction by 2025 target (from a 2019 baseline).



In 2023, BNZ is committing to engage with 67% of our suppliers by emissions (covering purchased goods and services) to have set science-aligned targets by 2028 against a 2023 baseline.



We maintained our Toitū net carbonzero certification for our operations in FY23 and our Toitū enviromark diamond certification for our Environmental Management System.

¹Gross loans and advances to customers includes business lending, real-estate mortgages and personal lending. TCE represents the total amount of irrevocable funding a customer can access at any time. For example, a customer may have \$1 million outstanding to the bank, but we have a TCE to the customer of \$2 million.

²2019 Baseline operational emissions exclude employee commute, courier-postage-freight, upstream purchased fuel and electricity, purchased goods and services, and financed emissions. Further details on our 2023 Greenhouse Gas Inventory are reported in our [2023 Climate Report](#).

³These values include \$0.051b of green loans and \$0.038b of eligible sector finance from the year ended 30 September 2022, and \$0.022b of green loans from the year ended 30 September 2021, which were categorised as sustainable finance transactions during the year ended 30 September 2023.

Ngā tukunga More Kore hei te 2050

Net zero emissions by 2050

BNZ is committed to aligning our investment and lending portfolios with pathways to net zero by 2050 and we are committed to working with customers to support their transition to low emission, more resilient business models. We have assessed our lending portfolio and identified our highest emitting customers and financed emissions for our industry sectors. We set and disclosed our first round of decarbonisation targets in April 2023. These focused on some of our most emissions intensive sectors; Dairy, Coal, Oil and Gas, and Power Generation.

In FY22, we reported financed emissions for our Power Generation and Oil and Gas portfolios for the year ended 30 September 2021, representing 1% of our loan book. This year, we have expanded our financed emissions calculations to cover industry sectors, representing 99% of our Gross loans and advances to customers. Personal lending, representing less than 1% of Gross loans and advances to customers, is excluded given its relatively small size and limited quantification methodologies. See our 2023 Climate report for more information on financed emissions.

In July 2024, we will release the first mandatory climate disclosure for our investment portfolios: BNZ KiwiSaver Scheme, YouWealth, and Private Wealth Series. Our Responsible Investment Policy forms the guiding principles for how our fund managers decide where to invest. Responsible investment focuses exclusively on our investment portfolios and is separate from our lending portfolios. It covers the environmental, social, and governance (ESG) factors that we consider in every investment decision. This helps ensure the investments we make reflect the evolving attitudes of our investors and society. We don't invest in companies that are materially involved in the business of fossil fuels. We have exclusions around sectors such as whaling, tobacco, and prohibited weapons. You can learn more about this here.

Action towards net zero emissions by 2050



We are committed to exit lending to coal mining by 2030. We are likely to continue to have residual performance guarantees to rehabilitate existing thermal coal mining assets.



We are 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.



We are committed to not finance 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.



We disclosed our financed emissions for the power generation, and oil and gas sectors in our 2022 Climate Report. In our 2023 Climate report we have expanded our financed emissions calculations to cover industry sectors, representing 99% of our Gross loans and advances to customers.



We have worked with 51 of our most emissions-intensive customers to complete transition assessments aligning with the Transition Pathway Initiative to understand their preparedness for a low emissions economy.



In line with our commitments under the UN-convened Net Zero Banking Alliance (NZBA) and in support of New Zealand's requirements under the Climate Change Response (Zero Carbon) Amendment Act 2019, we set and disclosed our emission reduction targets for Dairy, Coal Mining, Oil and Gas, and Power Generation BNZ Net Zero Banking Alliance target disclosures.



By the end of 2024, we will set targets for the remaining NZBA sectors, where these are material to our portfolio. As well, we will release our first mandatory climate disclosure.

Te tautoko i ā mātou kiritaki

Supporting our customers

Supporting SMEs to measure and report their footprint

50,000+ people have used the Climate Action Toolbox since it launched in 2021

New Zealand is a nation of small and micro businesses – including self-employed. Defined as those with fewer than 20 employees, there are approximately 546,000 small businesses in New Zealand representing 97% of all firms. They account for 29.3% of employment and contribute over a quarter of New Zealand’s gross domestic product (GDP). Source: Stats NZ

With SMEs forming such an integral part of our economy, a critical step to achieving net zero emissions by 2050 is supporting SMEs to manage their impact on the climate and the way climate impacts their businesses. As part of this, we have committed to support 50% of BNZ SME customers to actively measure and reduce emissions by 2025.

One of the tools we’ve developed to support this goal is the Climate Action Toolbox. Since its introduction in 2021, the Climate Action Toolbox has supported more than 50,000 people, enabling SME businesses to understand and calculate their carbon footprint.

- 2020**

BNZ in partnership with the Sustainable Business Network (SBN) and other key public and private sector partners founded and developed the Climate Action Toolbox.
- 2021**

Climate Action Toolbox was released.
- 2022**

Carbon emissions calculator embedded in the Toolbox. The calculator gives SMEs a detailed, quantitative understanding of their carbon emissions impact, enabling them to set real goals and track reductions over time.
- 2023**

More upgrades have been made to streamline the toolbox offering and produce action plans for businesses. Recent updates include industry-specific content, with the construction industry being the first.



Helping homeowners access funds for sustainable living options

We offer low interest, home loan top-ups to customers wanting to make their homes warmer or more energy and climate resilient with the following:

- Renewable energy
- Heating and insulation
- Water tanks

Or to upgrade their transport options to:

- EVs or plug-in hybrids
- Electric chargers
- Electric bikes

\$71 million

Of green consumer lending was delivered in FY23. This sits outside the \$10 billion Sustainable Finance target.

Financing the transition

\$4.8 billion

In Sustainable Finance against our \$10 billion target.

We are committed to helping accelerate a just transition and to supporting all our customers to transition to low emission, resilient business models by 2050. This means driving meaningful emission reductions across the real economy in a way that reduces the risk of businesses being left with stranded assets and no access to capital for transformational investment.

In 2020, BNZ committed to delivering \$10 billion of sustainable finance by 2025, in line with the BNZ Sustainable Finance Framework. To date we have delivered:

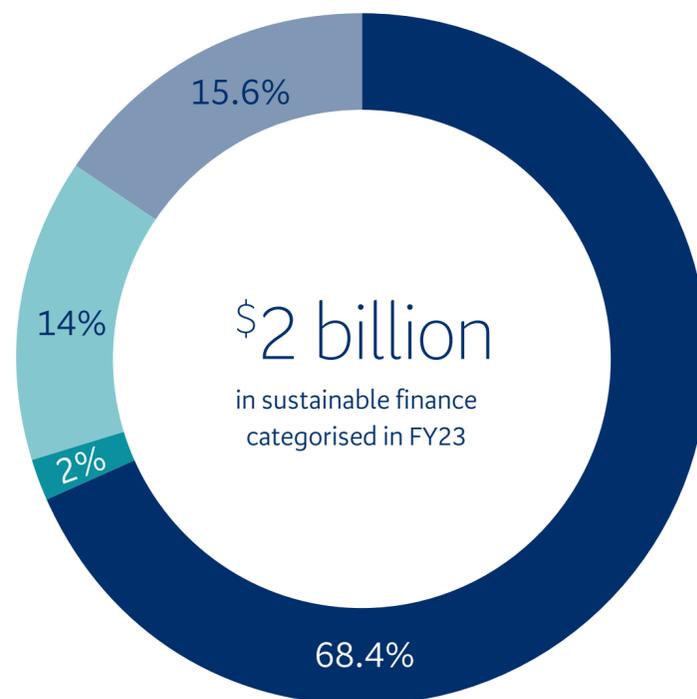
- \$4.8 billion through sustainability-linked loans, sustainability-linked derivatives, and green and social bonds against our \$10 billion target.
- This year we provided \$581 million in sustainability-linked or green loans (labelled finance) incentivising our customers to transition their business and invest in positive environmental and social outcomes.

Our [Sustainable Finance Framework](#) describes our approach and the transactions that contribute to our 2025 \$10 billion sustainable finance 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.

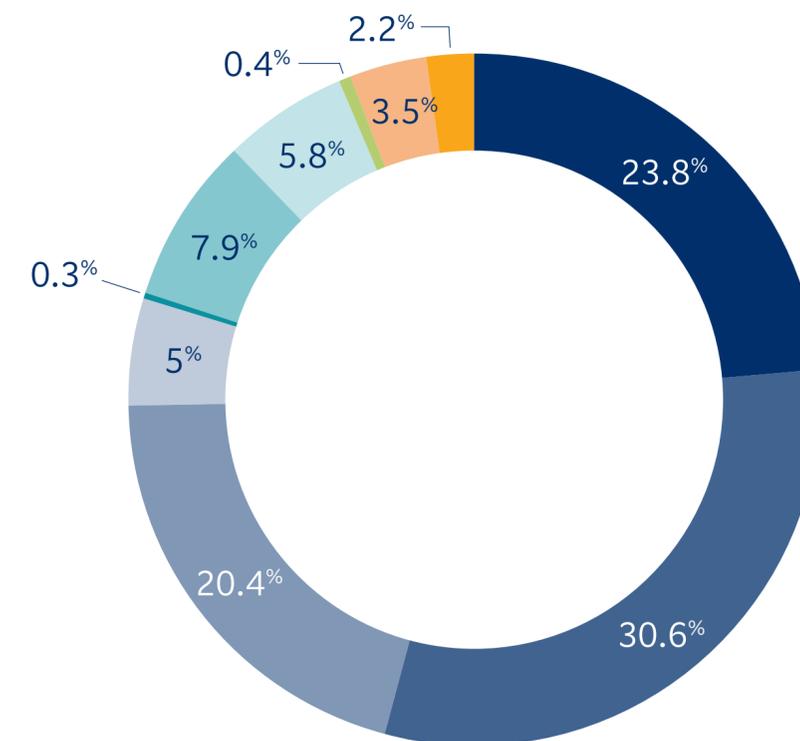
In addition to the sustainable finance activities counted towards our target, BNZ is committed to funding communities to build resilience and transition to a low emissions economy. Two examples of funding that achieves this, but currently sit outside the Sustainable Finance Framework, are the committed \$1 billion Business Recovery and Resilience Fund and \$800 million of social development bonds issuance supported (as lead manager or arranger) by the BNZ Debt Capital Markets in FY23, making a total of \$3.3 billion since FY21.

Sustainable Finance categorised in FY23



- Sustainable bonds - \$1.343b
- Eligible sector finance - \$0.039b
- Sustainability-linked loans - \$0.275b
- Green loans - \$0.306b

Sustainable Finance by category



- Renewable energy - \$468m
- Environmentally sustainable management of natural resources and land use - \$600m
- Socioeconomic advancement and empowerment - \$400m
- Access to essential services - \$98m
- Clean transportation - \$7m
- Green buildings - \$155m
- Energy efficiency \$113m
- Climate change adaptation - \$9m
- Affordable Housing - \$69m
- Food security and sustainable food systems - \$43m

The Sustainable Finance values in the graphs on this page include \$0.051b of green loans and \$0.038b of eligible sector finance from the year ended 30 September 2022, and \$0.022b of green loans from the year ended 30 September 2021, which were categorised as sustainable finance transactions during the year ended 30 September 2023.

Insights

A zero emissions ‘cherry on top’

Forest Lodge Orchard in Central Otago is on a mission to grow and harvest cherries with zero emissions across their operations. It’s a goal that inspires others within the agricultural industry to the possibility of harnessing clean tech to help reach New Zealand’s commitment to net zero emissions by 2050.

The orchard selected the Upright Fruiting Offshoots (UFO) training system to help reduce the energy requirements associated with producing high quantities of high-quality cherries.

BNZ has been on the transition journey with Forest Lodge Orchard since 2021, supporting and challenging the team where necessary to ensure the environmental and commercial benefits align for long-term financial viability.

BNZ was able to support Forest Lodge Orchard with Sustainable Finance to acquire:

- New Zealand’s first electric frost-fighting fans.
- New Zealand’s first electric tractor (The Monarch MK-V), which it shares and demonstrates to other growers.
- EVs.
- Electric forklift, spray unit, mower, and orchard tools.
- Fully-electric farmhouse fuel heating.

To support this transition, Forest Lodge Orchard invested

in onsite solar power generation to support its entire operation, with surplus power sold back to the national grid.

“What we are doing with the elimination of fossil fuels is something incredibly difficult to model, but with BNZ’s support for our vision and ultimately the capital they provided (which other banks were not willing to consider) meant that we could build a world first - an electric farm that has had tens of thousands of visitors in the last 3 years and inspired many to make their next purchasing decision electric.”

Mike Casey, CEO Forest Lodge Orchard



Insights

Taking the high road

The transport industry accounts for approximately 39% of New Zealand’s total GHG emissions, but innovative businesses are working hard to reduce that. FABRUM is an excellent example of a New Zealand business providing world-leading, end-to-end hydrogen solutions that can support the heavy transport sector to move away from high-emitting fuel sources.

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 than traditional banking services would do and support positive changes in the transport sector.

This year, FABRUM has joined forces with a consortium including Airbus to deploy a Hydrogen Hub in New Zealand, starting with Christchurch International Airport. The group has a shared vision to pioneer the commercial deployment of hydrogen-powered aircraft and New Zealand provides the perfect testing ground to develop a blueprint for the aviation industry’s collective ambition towards emission reductions.

“When you are striving to take NZ grown emission reduction technology to the world it requires your entire focus. Growing the business at over 300% year on year, knowing you have the right financial provider behind you to make this possible is critical. With BNZ on the FABRUM team we never had to question their support or their ability to understand what we were trying to do, or what we needed. A truly supportive banking partner, and a truly dedicated team”

Christopher Boyle, FABRUM Executive Chair and Co-founder



Supporting innovative business through early access to capital

We’ve been finding new ways to help young, innovative businesses making a positive change for people and the environment. Many of these businesses are found in the Climate and CleanTech sector, with a focus on products and services that reduce environmental impacts through energy efficiency and sustainable resource use. For these businesses, support is often needed early in their lifecycle.

We now have three innovative, tech-focused finance offerings (representing adaptive and non-dilutive debt solutions) available to relevant Climate and CleanTech businesses in New Zealand: Revenue Based Financing, Project Scale Up, and Contracted Receivables Financing. These are in addition to our day-to-day banking services and reflect a strong desire to support the success of New Zealand’s Climate and CleanTech sector. We also make sure our customers are aware of the public sector funding that’s available for climate mitigation and adaptation activities.

Project Scale Up has offered a significant amount of lending to date. We are currently supporting four businesses with access to capital and opt-in access to a curated mentor panel of industry founders, advisors, and professionals experienced in scaling businesses.

Te mārama ki ngā tūraru ā-ahuarangi

Understanding climate-related risk

Understanding the extent of climate-related risk is a complex challenge for us and our customers. Severe domestic weather events during 2023, and reports of extreme global temperatures, demonstrated the need to understand climate-related risk so we have time to plan for climate adaptation.

Regulation also requires us to act. In October 2021, the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 was passed, requiring approximately 200 organisations including large registered banks, to issue climate statements in compliance with the Aotearoa New Zealand Climate Standards developed by the External Reporting Board. In 2021, we committed to reporting in line with the Taskforce for Climate-related Financial Disclosures and this year we have completed our third voluntary climate report, ensuring we are well-placed to meet the mandatory disclosure requirements from FY2024.

Our [2023 Climate Report](#) outlines modelling of physical climate risks, using 2030 and 2050 time horizons. It also outlines our approach to climate governance, climate strategy, climate risk management (physical and transition risk), and our climate relevant metrics and targets.

So what do we mean by climate-related physical risk?

As our planet warms, the change in our climate will pose varying and more frequent exposure to physical risks. These physical risks resulting from climate change can be either acute; event driven physical risks such as storm tide coastal inundation, fluvial/pluvial flooding; or chronic, longer-term shifts in climate patterns such as sea level rise, drought, and increased temperatures/humidity. In our climate reports, we are laying the foundations for ourselves and our customers to start the necessary journey of understanding our exposure to physical risks, building in adaptation, and transitioning our business to a low-emissions model so we remain a sustainable business.



Te whakaiti i ā mātou tukunga whakahaere

Reducing our operational emissions

48% Reduction
against our 60% reduction target from a 2019 baseline

97% Renewable
electricity FY23 (69% FY22)

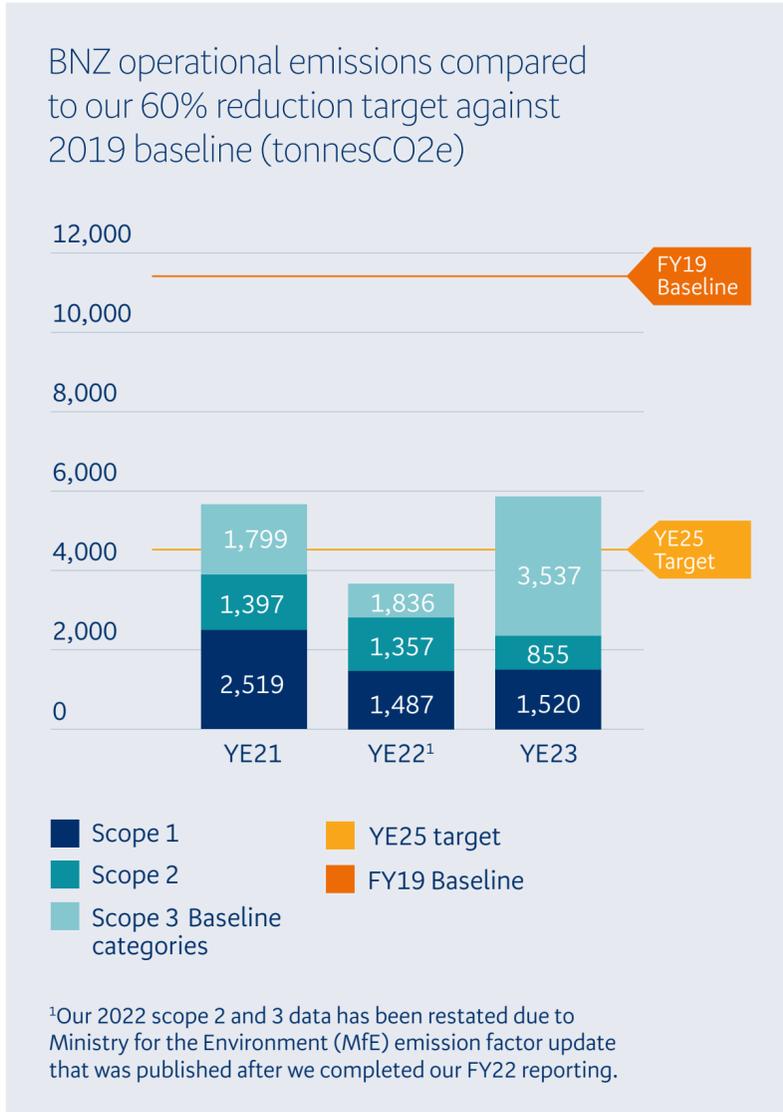
BNZ’s climate action starts with ensuring our own operations (our buildings, waste processes, and how we use transport, such as fleet and flights), are in line with a low emissions future. BNZ has an ambitious operational emissions reduction target of 60% by 2025, from a 2019 baseline. This aligns with our commitment to net zero emissions by 2050, or sooner, and is consistent with limiting warming to 1.5 degrees above pre-industrial levels.

The COVID-19 pandemic contributed to a significant emissions reduction to date of 48% against our 60% reduction, from a 2019 baseline. However, with more staff returning to work in the office and travelling to connect with customers in person, our operational emissions have increased compared to 2022. Despite this, we are confident that with the measures we have in place to limit bounce-back on business travel, and the energy efficiency reduction

plans in place across our building sites and car fleet, we remain on track to meet our 2025 target.

BNZ reports on our emissions in line with Scope 1, 2, and 3 GHG Inventory categories (excluding financed emissions and purchased goods and services). At the end of our environmental reporting year (June 2023) our total gross emissions were 11,340 tCO2e (tonnes of carbon equivalent), a 94% increase in total gross emissions compared to 2022. This significant increase is the result of BNZ increasing the scope of our categories measured across our value chain. This year we have added employee commute and upstream purchased fuel and electricity to our total gross GHG Inventory. These new categories are not included in our operational emissions target of 60% reduction by 2025. Our 2023 Climate report Metrics and Targets section provides a breakdown of emissions and what is included within each scope.

We have a strong environmental management system (EMS) in place, that identifies significant impacts arising from everything we do as a business and our plans to see impacts reduce. This year we earned Toitū enviromark diamond certification for this EMS for the second consecutive year. Toitū enviromark diamond-certified organisations exceed the requirements of ISO 14001, one of the world’s most highly regarded environmental standards for EMS.



BNZ greenhouse gas emissions (tCO₂e⁶)

	YE ⁵ 19 Baseline	YE21	YE22	YE23	YE25 target
Scope 1 ¹	3,846	2,519	1,487	1,520	n/a
Scope 2 ²	1,559	1,397	1,357	855	n/a
Scope 3 ³ - Baseline Categories ⁴	5,964	1,799	1,836	3,537	n/a
Total gross operational emissions against 2019 baseline (tCO₂e)	11,369	5,715	4,680	5,911	4,548
Scope 3 - new emissions sources: Employee commute, courier-freight- logistics, and upstream purchased fuel and electricity.	1,409	1,227	1,155	5,429	n/a
Total gross emissions incl. new scope 3 emissions source excluding financed emissions.	12,779	6,942	5,835	11,340	n/a

¹**Scope 1:** Emissions from operations that are owned and controlled by the reporting company.

²**Scope 2:** Emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the reporting company (calculated using the location-based ie. method).

³**Scope 3:** All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions (excluding financed emissions).

⁴**Baseline** categories include all scope 1, scope 2, and scope 3 emission sources that were captured and measured at the time of setting BNZ’s baseline of FY19 and excluded the following additional scope 3 emissions sources: employee commute, upstream purchased fuel and electricity, courier-postage-freight and financed emissions.

⁵**YE** = BNZ currently measures and reports operational emissions for the period from July to June of the next year, to align with NAB’s environmental reporting period. This is intended to change next year to align with the financial year reporting period. YE22 scope 2 and 3 emissions have been restated due to Ministry for the Environment (MfE) emission factor update that was published after we had completed our YE22 reporting.

⁶**tCO₂e** = Tonnes of carbon dioxide equivalent.

Key steps we've taken to reduce our footprint

Employee commute



This year we have added the total emissions from our people commuting into our Scope 3 emissions inventory. This is an operational emissions category that is not part of our 60% reduction by 2025 target as it was not included in the 2019 baseline. Following the first data collection survey – which had a high response rate, we can set a material baseline emissions figure to help us manage, measure, and inform how we take steps to support our people to make their commute more sustainable.



Our new Te Whanganui-a-Tara (Wellington) office building facilities, including end of journey facilities (showers, lockers, bike storage etc) and our office upgrades in Tāmaki Makaurau (Auckland), to be completed in 2024, including e-bike chargers, will better support active modes of transport.

Reducing air travel



As part of our target to reduce operational emissions, we had a sub-target to reduce air travel emissions by 70% from a 2019 baseline. Due to COVID-19 lockdowns, this target was exceeded in 2020. The need to reconnect with our customers post COVID-19 lockdowns has meant our air travel has increased above 2021 and 2022 levels. Despite that, in 2023 we have achieved a 53% reduction against our 2019 baseline. We will continue to manage air travel, support our customers and focus on other ways to reduce our emissions to ensure we meet our 2025 target to reduce overall operational emission by 2025.

Working with our suppliers



BNZ has increased engagement with suppliers to support their emissions measurement and reduction. We have set a supplier engagement target where we will engage with 67% of BNZ suppliers by emissions (covering purchased goods and services) on emission reductions within their business, aiming for suppliers setting science-aligned targets by 2028 against a 2023 baseline.



This year we worked alongside The Organic Initiative (Oi) to design a custom dispensary to stock free period and adult care products in our central office bathrooms.

BNZ Buildings



Our new building BNZ Place, Te Whanganui-ā-Tara (Wellington) is built to a Five Star Green Building rating with features such as high-performance solar control glass that can generate energy savings, and energy-efficient lighting systems.



BNZ has 17 beehives across two of our Tāmaki Makaurau (Auckland) sites. We work with Bees Up Top to help us manage the hives and each hive has produced, on average, 7kg of honey per season. We distribute this to customers and our people.

Reducing our waste to landfill



Single-use rubbish bags have been removed from bathrooms in our Te Whanganui-a-Tara (Wellington) offices following a 2023 trial of washable bins for disposed tissue, saving a total of 30,000 single use bags. We're now running the same pilot in our Tāmaki Makaurau (Auckland) offices with the aim to introduce the change there too.



We have bins to allow for the separation of waste to bins for landfill, organics, glass, cans and plastic. We also work with a group called All Heart to repurpose any furniture we no longer need.

Electrifying our fleet



We will transition over 90% of our fleet to Plug-in Hybrid Cars (PHEV) or Electric Vehicle (EV) by the end of the calendar year 2023.



To help monitor fleet usage, and encourage our staff to use pool cars for better measurement and recording, we've adopted a new digital app.

Insights

Customer collaboration at its finest

Back in 1987, BNZ sponsored a ‘Dragon’s Den’-style initiative called Flying Start aimed at stimulating small business. It was just the beginning for wool business Maxwell Rodgers (then called New Zealand Wool Furnishings), winning \$30,000 in prize money to help it expand in local and global markets. This was also the start of Maxwell Rodgers’ relationship with BNZ - banking with us as a customer and becoming a key supplier for wool upholstery and fabrics to help furnish BNZ sites across the country.

Maxwell Rodgers has ensured sustainability underpins the journey of its wool from the sheep’s back to the woven textile, partnering with environmentally conscious manufacturing partners throughout the scouring, spinning, dyeing, and weaving process. Wool is selected from farms that hold the Responsible Wool Standard and it is treated by Woolworks - recognised globally as setting the benchmark for environmental practices.

Maxwell Rodgers relationship with BNZ is one of mutual respect and collaboration, with the latest project being the furnishings used in our new building in Te Whanganui-a-Tara (Wellington), which used Maxwell Rodgers wool fabrics to re-upholster and up-cycle furniture from our previous office, reducing waste to landfill.



“BNZ should be applauded for insisting the supply lines are New Zealand-oriented and working to reduce their impact on the environment, and for supporting the New Zealand-made wool story that is an important part of our culture.”

Roger Green, Maxwell Rodgers Founder



Te whakarauora i te taiao tūturu

Regenerating our natural environment

The BNZ Foundation, an independent charitable entity which is funded by the sale of the BNZ Art Collection in 2022, offers the Manaaki Taiao – biodiversity regeneration grant to back initiatives that help regenerate our natural environment.

This year we're pleased to announce the BNZ Foundation has awarded its first grant to The Mussel Reef Restoration Trust. This is in support of the 'Revive Our Gulf' project, focused on restoring the soft-sediment kūtai (green lipped mussels) reefs thereby enhancing biodiversity and abundance in the Hauraki Gulf.

In recent decades, the Hauraki Gulf ecology has suffered from harmful fishing methods, climate change, the arrival of invasive species, and increased pressure from land-

use, causing disruption to the marine ecosystem. It's a challenging situation but the humble mussel can play a vital role in the solution.

Why Mussels?

Kūtai (green lipped mussels) play a vital role in clearing sediment from seawater and acting as a filter for our ocean's health. Not only do they act like the kidney of the sea, they provide a home for juvenile fish and small ocean species and provide food for larger species like tāmure (snapper). At the turn of the century, 800km² of the inner Hauraki Gulf seafloor was carpeted with mussels. Billions of mussels pumping away once filtered the entire volume of water in the Firth of Thames in a single day*. Starting in 1910, the inner

Hauraki Gulf was dredge fished for green-lipped mussels before the Hauraki Gulf mussel fishery completely collapsed around 1965. Since then, the seafloor has been scarred by dredging and further sedimentation, nutrient run-off from farming and urban development.

*Source: [Revive our Gulf](#).

What if we could mussel up the Gulf?

Revive our Gulf (ROG) is a long-term, collaborative project that integrates modern marine science with mātauranga Māori to restore degraded areas. At present, the project is in a 'discovery phase' with activities focused on exploring various restoration techniques and building the knowledge,

capability, and capacity needed to scale mussel restoration.

How do BNZ Foundation funds help?

ROG has deployed more than 350 tonnes of mussels to date, in experimental mussel beds in the Hauraki Gulf. Funding from the BNZ Foundation enables ROG's 'Eyes in the Water' initiative to expand its local monitoring capability, critical to the success of the project. As the range and number of experimental mussel beds expands, monitoring capability will play a pivotal role in supporting the expansion of habitat restoration beyond just the mussel beds.

Insights

Sustainable Pastures

The BNZ-structured Sustainably-Linked Loan (SLL) to corporate dairy farming business Southern Pastures was New Zealand’s first, on-farm SLL. This saw financing costs directly linked to water quality and biodiversity improvement and emissions reductions targets.

Southern Pastures owns 20 farms in Waikato and Canterbury and produces milk under an independently-verified 10 Star Certified Values Programme that sets strict environmental, climatic, animal, and human welfare requirements. It also owns Lewis Road Creamery Ltd.

As it nears the end of the three-year loan term, Southern Pastures has met all key performance indicators and exceeded biodiversity outcomes including:

- Planting native plants in agreed areas under Centre Pivot Irrigators in Canterbury to improve shade, shelter, and biodiversity.
- Continuing to use diverse pasture species to improve rooting depth and therefore pasture resilience, and potentially allow carbon reserves lower in the soil profile.
- Achieved GHG reductions in line with the original 10% reduction glide plan set in 2020.
- Reductions in nitrogen leaching against baseline levels.

“Having objective targets that are set and agreed with other informed professionals and then independently audited, assists to keep the pressure on our environmental stewardship even when business conditions are tight.”

Mark Bridges, Directory of Farming Southern Pastures





Manaakitanga

Te tiaki i ō mātou tāngata me ngā hapori

Care for our people and communities

Our Manaakitanga commitment is to grow the long-term social, cultural, and financial wellbeing of New Zealanders. Our focus is on uplifting the financial wellbeing of our people, customers, and communities. This includes

disrupting predatory lending, boosting digital inclusion, and getting more New Zealanders into warm, dry, resilient homes.



FY23 highlights

Disrupt, and support, those impacted by predatory lending in New Zealand.



\$14.8 million in no or low interest loans and advances delivered against our \$50 million target, to help grow financial wellbeing in New Zealand.



Doubled our support to \$10 million in launch funding for Money Sweetspot, a social enterprise disrupting predatory lending through debt consolidation. Independent research by ImpactLab forecast for every dollar invested in Money Sweetspot's work generates a \$7 social return to New Zealand.



Our [Good Loans](#) partnership with Good Shepherd NZ now offers all Good Loans interest and fee-free. Since 2014, Good Loans has provided \$14.6 million in no or low-cost lending to more than 4,600 families and is estimated to have saved them more than \$7 million in fees and interest.

FY23 highlights

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



\$3.2 million of lending delivered through the Habitat for Humanity New Zealand Home Repair programme since 2019.



Together with Ngāti Whātua Ōrākei Whai Rawa Limited, we launched a new funding framework to develop housing on Māori owned whenua, enabling 24 new whānau homes, yet to be built. Under the new framework, hapū members who meet a bank's normal home lending criteria can secure a bank home loan for papakāinga housing on land owned by the Ngāti Whātua Ōrākei Trust at standard home loan interest rates. The framework is available on request and has been developed to be accessible to other iwi and banks in New Zealand to help develop housing on Māori whenua.

FY23 highlights

Drive digital inclusion across New Zealand.



BNZ has partnered with 360 Tautua Trust, Arataki Systems, and Digital Seniors who are focused on uplifting the digital skills of New Zealanders as part of our commitment under the Digital Boost Alliance. Through our support to Digital Seniors they have been able to reach more than 1,000 seniors through their drop-in tech support hubs in the Wairarapa and Auckland this financial year.



We helped 62,732 people be safer online through our FY23 Scam Savvy campaign week (more than 292,000 since 2018). See our Boosting Digital Inclusion section of this report for more information.



We are on track to achieve AA rating for the BNZ website and personal banking channels meeting the Web Content Accessibility Guidelines 2.0 by the end of 2023.



BNZ customers who are on the 2degrees, Spark, Skinny, and One NZ networks can access BNZ banking via Internet banking or the BNZ app without needing to use their own mobile data.

Te whakatipu i te oranga pūtea

Growing financial wellbeing

With the current impacts on the cost of living, a recent New Zealand study found 50% of respondents worried daily or weekly about money and 59% found concerns over finances effect on their wellbeing.¹ We believe every person deserves to feel financially secure and in control of their money within the context of their personal circumstances. We are working to grow financial wellbeing through the following initiatives.

Our work to disrupt predatory lending and keep vulnerable borrowers safe from unfair, high-cost loans, starts by helping people access essential products and services without taking on debt they can't afford.

Since 2014, BNZ has delivered \$32.6 million in lending and advances through four key partnerships:

1. Good Loans with Good Shepherd NZ
2. Paynow with Paysauce
3. Money Sweetspot
4. Habitat for Humanity Home Repair Programme



Good Loans is a partnership between BNZ and Good Shepherd NZ, that this year transitioned to now offering all GoodLoans interest and fee free. Through our partnership with Good Shepherd NZ, BNZ is supporting interest free

“As we all know, this year has been a tough time for many New Zealanders trying to manage the increased cost of living, alongside significant interest rate rises. Within this, I have been incredibly privileged to work alongside amazing organisations working to help ‘lighten the load’ and support people to not only survive, but to thrive. I am immensely proud that BNZ actively supports the mission and work of each of these amazing organisations.”

Jodi Hoare, BNZ Social Impact Partnership Manager



Good Loans of up to \$7,000 to eligible families and individuals on limited incomes for essential household goods and services, and debt consolidation. In addition, BNZ is supporting Good Shepherd NZ to offer interest free Good Loans of up to \$15,000 through its free DEBTSolve programme. DEBTSolve combines debt coaching and advocacy alongside interest free debt solution loans to help more New Zealanders get on top of unmanageable debt.

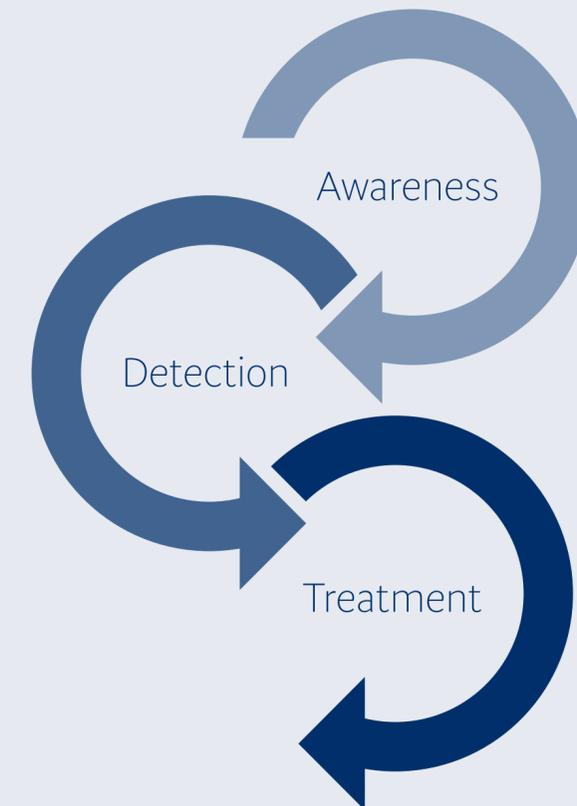
BNZ and Good Shepherd NZ partner to provide the programme, with support from the Ministry of Social Development.

Addressing economic harm

Our specialist support team works closely with our customers and staff experiencing economic harm ranging from problem gambling and addiction to elder abuse or living with domestic violence. In FY23 this team grew from four to six highly trained bankers, reflecting the growing need and, thanks to staff training, awareness of how to ‘spot and refer’ customers when economic harm is identified. Treatment plans are introduced on a case-by-case basis according to the individual needs of the customer.

We’re also working alongside local and international subject matter experts, academics, and support organisations to ensure we can share and continuously improve our approach and response.

Our approach to addressing economic harm



TIP: Victims of abuse can contact Women’s Refuge for help via the sheild logo on bnz.co.nz

¹Financial Services Council. Financial Resilience Index. April, 2023. [FSC Research Report - Financial Resilience Index 2023.pdf \(hubspotusercontent-na1.net\)](https://www.fsc.org.nz/research-reports/financial-resilience-index-2023.pdf)

“Today the house has finally settled and I own it with my new partner. I honestly don’t even know where to start in terms of thanking you for all the help and support you’ve provided me over what has been the absolute most challenging season of my life. You have shown me so much compassion, and always provided a glimmer of hope even when things felt impossible for me. You calmly guided me and helped me face each setback head on, with dignity. I appreciate all that you’ve done for my situation. Your kindness, practical advice, and warm caring nature has meant more to me than I could even put into words. Thank you, thank you, thank you. From the bottom of my heart.”

*Customer anonymised for privacy.



Te āwhina kia nui ake ngā tāngata o Aotearoa e noho ana i ngā whare mahana, maroke me te tōtōpū

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

One in five

About one in five New Zealanders live in a damp house*

Warm, dry, and resilient homes are fundamental for people’s wellbeing. We’ve joined forces with iwi, government, and community organisations to support people facing barriers to access traditional bank lending, people who buy a home, or make urgent repairs and improvements to an existing one.



*2020 New Zealand Census

Embracing new models of lending to allow more New Zealanders the choice of home ownership

We’re working with shared ownership providers, including Kāinga Ora (formerly known as Housing New Zealand), Housing Foundation, and Ngāi Tahu, to support more

New Zealanders into owning their own homes.

Our bankers are specially trained for the progressive ownership arrangement these partners offer, which see customers purchase their equity share over time as well as meeting mortgage payments.

Our team helped Kāinga Ora shape and design the First Home Partner scheme, and the documentation between the government housing provider and customers. In FY23 there were 106 First Home Partner BNZ customers supported into

a new home, with lending of \$66.3million.

This year there were two changes to the criteria designed to increase the number of people eligible to access the scheme. A minimum of 5% deposit is still required, but the annual household income cap has increased from \$130,000 in 2022 to \$150,000, and customers can now buy existing homes (instead of new builds or homes purchased off-plans only). This has created more flexibility for intergenerational whānau buying a home together.

How does shared ownership work?



Insights

Opening doors to ownership

There's no doubt that increasing living costs and house prices have made it even harder to save a deposit for a home. And for a growing number of Kiwis, rent hikes make rental properties difficult to access too.

BNZ customer Isabella was renting in Tāmaki Makaurau (Auckland) but then moved back in with her parents before her workplace relocated to Kerepehi, Waikato. That created the opportunity to own her own home, which had not been possible living on a single income in Tāmaki Makaurau (Auckland). Through the Kāinga Ora First Home Partnership programme, combined with further financing from BNZ, Isabella was able to take up her employer's offer of a land and house package at cost, when she relocated.

"I now own my own home and have this security for me to build a future upon. I have a three minute commute and super friendly community of whom we're on a first-name basis. I would have never purchased my own home without this type of offering," Isabella says.

"My banker, Tim, made the whole process super easy. He had a lot of knowledge about the programme and was able to help answer all my questions. He also took the time to take me through the process and show me my options so that I fully understood what was in front of me."

Isabella, BNZ Customer



Isabella in her new home

Better access to finance for Māori

Our goal is to be the best bank for Māori and an important part of this is access to capital for Māori. That’s why in 2021, we changed our policy to allow lending of up to 80% on residential property built on whenua Māori, up to 70% for rural properties, and up to 65% for commercial properties.

Helping more Māori build on their whenua (land)

We’ve developed an innovative funding framework to help iwi across Aotearoa New Zealand to develop housing on Māori owned whenua (both general title and Māori title).

Historically, securing bank lending for home ownership on Māori owned whenua has presented unique challenges due to its distinct ownership structure and transferability restrictions. Traditional bank lending rules, which typically use property as security, have been a barrier as land is communally owned (on average there are 111 owners per block of Māori land) which makes taking security over it difficult as there are protections in place for selling of whenua out of Māori ownership. This new framework has been developed to unlock inalienable Māori owned (general) whenua for whānau housing, but we believe that this structure is also applicable to Māori title subject to specific Māori land court processes.

Our framework is underpinned by a confidential Deed of Understanding. While employing standard leasehold mortgage practices, the agreement ensures that, should challenges arise, the land’s integrity and control remain firmly with the hapū who would take over in the event of a distressed mortgage. This approach balances the bank’s security requirements with the Hapū’s enduring land rights. Our framework was developed with Ngāti Whātua Ōrākei

Whai Rawa Ltd, and as a first milestone, 24 new whānau homes are set to rise on Hawaiki St, Ōrākei in Tāmaki Makaurau (Auckland).

We have made our funding framework available to other banks in the hope that it will expand access to finance for development on Māori whenua across Aotearoa New Zealand.

Improving the resilience of New Zealand homes

\$3.2 million
provided against a \$5 million target



We are proud to support Habitat for Humanity New Zealand Home Repair Programme, providing modest-income homeowners with access to no-interest, affordable loans to help achieve critical home maintenance and repairs. BNZ is working to deliver up to \$5 million (a subset of the targeted \$50 million to deliver low- and no- interest lending) of lending by the end of FY24 for this programme. Through this partnership, we have this year helped 64 New Zealanders to access more than \$602,915 of no-interest lending.



Te whakapiki i te kauawhi ā-tuihono

Boosting digital inclusion

“One in five adults lack the essential digital skills to safely use everyday online tools to participate in today’s digital economy.”

Source: [BNZ Digital Skills for life in Aotearoa Report](#)



We are working to lift the digital skills of our people, customers, and communities so that more New Zealanders are confident to participate in a productive economy. Our programmes are focused on safety, access, education, and upskilling, including working with others to scale the impact we can have.

Advocating for online safety

According to the 2022 report ‘Building Digital skills for the Changing Workforce in Asia Pacific and Japan’, cybersecurity will be the second most in-demand skill for local employers by 2025. We’re proud to be collaborating with Government, educators, and industry to deliver [Cyber Skills Aotearoa](#), and upskilling our rangatahi to safely navigate the online world. This programme is free to all schools, kura and kura Kaupapa

Māori, in English and te reo Māori, and equips Year 6-13 students with the technical skills and social awareness they need to feel safer and more confident using online services.

Since launch in October 2022, Cyber Skills Aotearoa has reached 12,224 students from more than 250 schools across Aotearoa New Zealand. Our people have helped develop content and deliver some of the cyber content in te reo Māori. Cyber Skills Aotearoa is nominated for The New Zealand Women in Security Awards for the role it’s playing in breaking down barriers and supporting women and non-binary people into employment in the cyber and security sectors and, iSANZ (Information Security Awards New Zealand) ‘Best awareness initiative of the year’ award.

Helping New Zealanders get scam savvy

We are here to help New Zealanders be safer online. Our [research](#) this year revealed a 13% jump in scam activity since 2022. While the research found nine out of ten New Zealanders were targeted by a scam, people appear to be increasingly scam-savvy, with only one in ten falling victim.

Since we launched [Getscamsavvy.co.nz](#) (available in English, Te Reo Māori, Samoan, and Tongan) in 2018, the website has helped more than 292,000 New Zealanders learn how to spot scams. To ensure all communities can access help to recognise signs of a scam, we provide tools and resources for download in English, te reo Māori, Samoan, Tongan,

Mandarin, Korean, Hindi, and Punjabi. Videos with subtitles and voiceovers are available for our low-vision and low-hearing customers.

Scaling digital capabilities through collaboration

Aotearoa New Zealand’s size and remote location means many New Zealand businesses have limited market access and resources. In response, we’ve been piloting the ‘Digital Cluster Initiative’, which aims to overcome these obstacles

by providing digital tools to help grow and propel local businesses into new markets. We’ve been working closely with Te Tuhi Mareikura Trust, a māori artists’ charitable trust who whakapapa to the Tauranga region. In partnership with Zeald (also a Digital Boost Alliance member), we have provided wrap-around support to help establish the Trust’s brand and position in the market.

“We want to give Te Tuhi Mareikura every chance of success with their five-year goal to create an online exhibition centre for their artists to connect, display, and transact online,” Larna Findlay, BNZ Community Partnerships Manager.



Progress on our Digital Boost Alliance pledges

Pledge	FY23 Progress
Supporting New Zealand SMEs to digitally transform their business through digital courses to the value of \$300,000.	Over the last year we've piloted a 'Digital Cluster' that's about bringing state-of-the-art ecommerce and digital collaboration tools together to propel local businesses into new markets. We have now commenced a two-year pilot with Te Tuhi Mareikura Trust, an art collective in Tauranga who are establishing an online exhibition centre as a central point for Māori artists to connect, display and transact online.
Supported business through BNZ's 'Good to Grow' scheme with capital to help digitise their businesses.	Completed in 2022. Good to Grow supported businesses with more than \$700 million of lending.
Offer essential digital skills training for all BNZ colleagues by the end of 2022.	Completed in 2022. We continue to provide a series of digital skills learning content for colleagues. This includes upskilling BNZ people to meet Essential Digital skills based on the UK Government framework and includes skills assessments and then learnings integrated into Banker Career Accreditation Pathway (BCAP) foundation for all new bankers.
Continuing to measure the progress of digital skills of New Zealanders and SMEs through their Digital Skills in Aotearoa regular research survey and report.	On hold for 2023. 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. Our 2022 Digital Skills in Aotearoa report can be found here: BNZ Digital Skills for life in Aotearoa Report .
Ensuring that basic online banking services meet accessibility needs (Web Content Accessibility Guidelines 2.0) for the BNZ website and personal banking channels by the end of 2023.	Full external audit was completed early 2023 outlining the areas for improvement. BNZ will meet the WCAG2.0 by end of calendar year 2023. Our channels will be reaudited to ensure BNZ achieves the AA rating as per our Digital Boost Alliance pledge.
Supporting customers in vulnerable circumstances (such as victims of domestic abuse) 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.
Providing \$600,000 to support face-to-face digital skills training for customers and the community in consultation with Digital Inclusion Coalition Aotearoa (DECA).	In October 2022 we announced our three digital skills partnerships to address the most underrepresented communities in digital inclusion being Māori, Pasifika, and seniors. Our funding will support their community based digital learning and support services, and we will work with them to improve digital inclusion in Aotearoa.

Āpitiḡanga

Appendix

Ka pēhea mātou e pūrongo ai

How we report

This report covers the period 1 October 2022 to 30 September 2023 and only relates to BNZ-branded entities. It does not, for example, cover the operations of JBWere in Aotearoa 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 2023, as we report these to National Australia Bank Limited (NAB), our parent company, in line with Australian annual environmental reporting requirements.

Please provide feedback on this report and the commitments we're making. We genuinely value input and ideas from our people, customers and communities. sustainability@bnz.co.nz

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risks and uncertainties and will depend on a number of factors out of its control, including but not limited to governmental policy, regulatory and economic factors and actions of its customers.

Our stakeholders

In the development of these reports, we spend considerable time talking to our people, customers, and communities, 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 our business. It helped

reinforce where we can support opportunities with the greatest impact for our people, customers, communities, and the environment, while supporting the general prosperity of the economy.

We continue to see climate change emerge as a more significant issue for businesses. It is also an area where we play an important role, supporting customers as they reduce emissions and adapt to the changing climate. Inflationary pressures, the ensuing cost of living, and financial inclusion, are material issues for both businesses and households. This report details how we are working hard to support Aotearoa New Zealand with these challenges and opportunities through commitments under BNZ's sustainability strategic pillars of kaitiakitanga and manaakitanga.

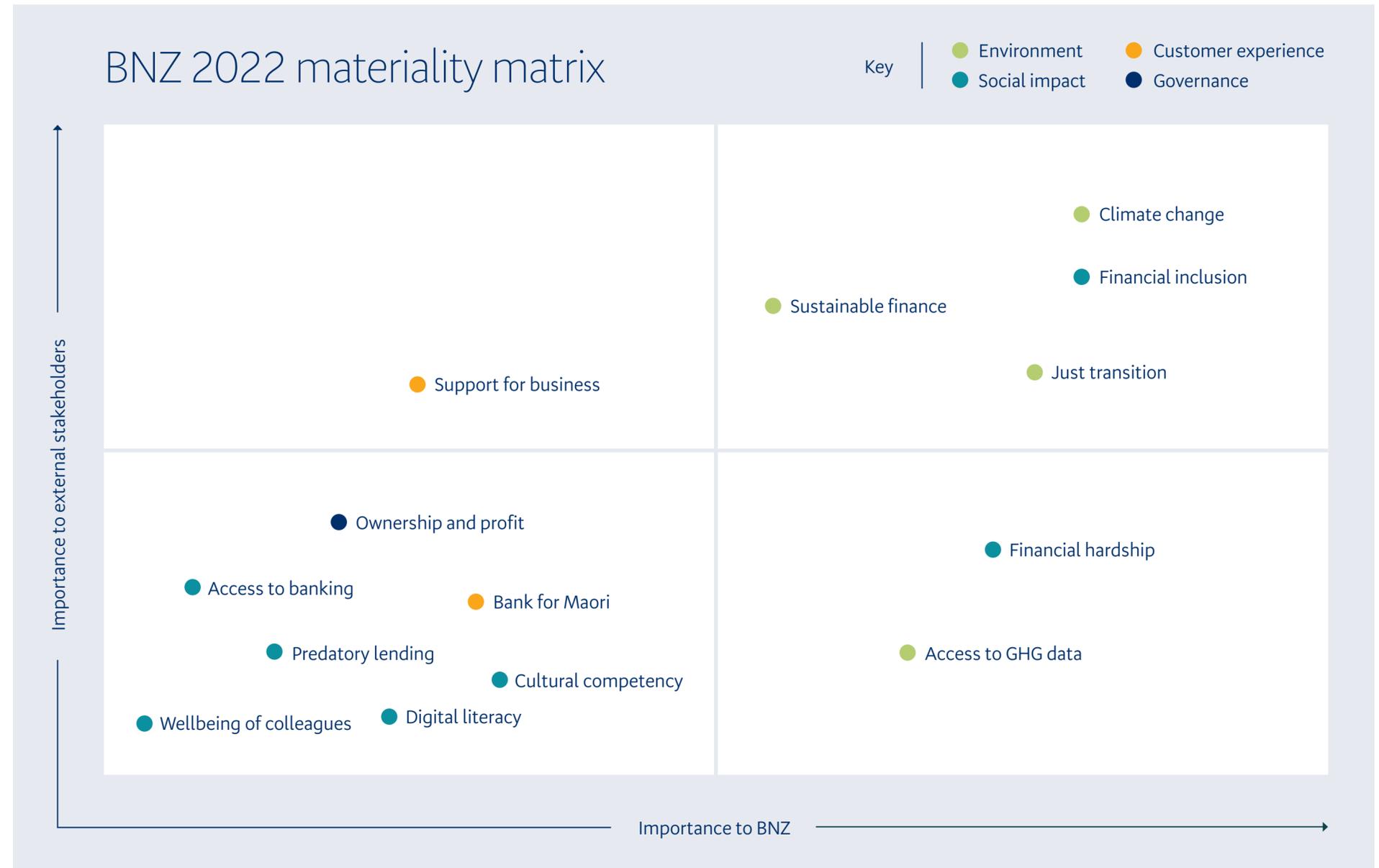
Reporting what matters

Since 2020, we have undertaken materiality assessments when preparing our annual sustainability reports. This involves engaging with key stakeholders to understand BNZ’s most significant impacts on the economy, environment, and people. A material issue that holds lower importance on our matrix is not a reflection of how well it is currently managed. Through this process we can identify key risks and opportunities, and trends that may impact our business, inform where we may shift our focus, and define where we can make the biggest impact.

Our approach

Following our FY22 independently conducted, interview-based materiality assessment (see adjacent), we undertook a ‘lighter touch’ survey this year. We received survey responses from 116 external and internal stakeholders, including executives and leadership across BNZ, and increased granularity to provide a sense check of the ranking of the material issues identified in FY22. We plan on conducting a more extensive materiality assessment again in the next two years.

Much like FY22, this year saw inflationary pressures and the impact on financial hardship and financial inclusion for businesses, communities, and individuals as an important material issue. Our FY23 survey highlighted the amplification of this issue with financial hardship and financial wellbeing and inclusion overtaking climate change (the top issue in FY22). Climate change was still seen as a ‘top-five’ issue in this year’s assessment and an area where BNZ has an important role in supporting customers to transition to low emissions, resilient business models, and adapt to the changing climate. Our survey also showed Digital literacy/inclusion shift to increased importance that is for both internal and external stakeholders survey. This is also aligned with the research findings discussed in our ‘Boosting Digital inclusion’ section of this report. Given the current local and global economic climate, it makes sense that cost of living related issues are seen as the most important in 2023. This is also in line with recent findings in Kantar Better Futures 2023 report, which found that 72% of New Zealand respondents named the cost of living as their primary concern. This has also been reflected in the demand we’ve seen through the partnerships we support with Good Shepherd NZ, Paysauce, and Money Sweetspot who are all working hard to uplift the long-term financial wellbeing of New Zealanders.



GRI Index

BNZ has reported the information cited in this GRI content index for the period 1 October 2022 to 30 September 2023 with reference to the GRI Standards.

GRI Standard Disclosure	Disclosure	Description and/or page number	
Organisation profile	2-1	Name of 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 organisation	National
	2-2	Entities included	About this report section; Page 51
	2-3	Reporting period, frequency and contact point	Reporting period – 1 October 2022 to 30 September 2023 • Reporting frequency – annual • Publication date – 8 December 2023 • Contact point for questions regarding the report: sustainability@bnz.co.nz
	2-4	Restatements of information	• The Sustainable Finance values in the graphs on page 30 include 0.046b of eligible sector and activity finance from the year ended 30 September 2022, and 0.022b of green loans from the year ended 30 September 2021, which were categorised as sustainable finance transactions during the year ended 30 September 2023. • Our 2022 scope 2 and 3 data has been restated due to a Ministry for the Environment (MfE) emission factor update that was published after we completed our FY22 reporting (Page 34)
	2-5	External assurance	• EY Assurance over sustainable finance figures • Toitū net carbonzero certification

GRI Standard Disclosure	Disclosure		Description and/or page number
Organisation profile	2-6	Operations	Full-service bank with retail and commercial financial services including home and business lending, and funds management.
	2-7	Workforce	About BNZ; Page 7
	2-8	Workers who are not employees	441 fixed term, casual, agency temp, and vendors.
Governance	2-9	Governance structure	BNZ Website
	2-10	Nomination and selection of highest governance body	NAB Group Annual Report 2023; Pages 74 - 80
	2-11	Chair of highest governance body	BNZ Website
	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 2023 – Governance Section
	2-13	Delegation of responsibility for managing impacts	Climate Report 2023 – BNZ Board and Board Committees Section; BNZ Executive Management Section
	2-14	Role of governance in sustainability reporting	<ul style="list-style-type: none"> The Executive approves sustainability reporting. Climate Report 2023 – Environment, Social and Governance Executive Committee (ESG EC) Section
	2-15	Conflicts of interest	NAB Group Annual Report 2023 – Page 77 - 78
	2-16	Communication of critical concerns	NAB Group Annual Report 2023 - Page 50 – 55; 72 Climate Report 2023 – BNZ Executive Management Section
	2-17	Collective knowledge of the highest governance body	Climate Report 2023 – BNZ Board and Board Committees Section
	2-18	Evaluation of the performance of highest governing body	NAB Group Annual Report 2023 – Page 76 - 78
2-19	Remuneration policies	NAB Group Annual Report 2023 – Page 115; 117 - 120	

GRI Standard Disclosure	Disclosure		Description and/or page number
	2-20	Process to determine remuneration	NAB Group Annual Report 2023 – Page 117 - 120
	2-21	Annual total remuneration ratio	2023 NAB Group Sustainability Data Pack – Remuneration tab
Strategy, policies and practices	2-22-a	<ul style="list-style-type: none"> • CEO statement • Sustainability Strategy 	Page 4 Page 9
	2-23	Policy commitments	NAB Group Annual Report 2023 – Page 21 – 24; 26 - 34
	2-24	Embedding policy commitments	NAB Group Annual Report 2023 – Page 21 – 24; 47 - 55
	2-25	Processes to remediate negative impacts	NAB Group Annual Report 2023 – Page 50 - 53
	2-26	Mechanisms for seeking advice and raising concerns	NAB Group Annual Report 2023– Page 23; 50; 82
	2-27	Compliance with laws and regulations	BNZ Disclosure Statement – Pending Proceedings or Arbitration section
	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 • Toitū Tahua Centre for Sustainable Finance and Sustainable Business Network – investor, climate. • Aotearoa Stewardship Code
Stakeholder engagement	2-29	Stakeholder engagement	Materiality Section – Page 52
	2-29-a	Key topics raised through stakeholder engagement	Materiality Section – Page 52
Material topics	2-30	Collective bargaining agreements	BNZ people covered by collective bargaining agreement – 8.5%
	3-1	Process to determine material topics	Materiality Section – Page 52

GRI Standard Disclosure	Disclosure		Description and/or page number
Material topics	3-2	List of material topics	Materiality Section – Page 52
	3-2b	Movement in topics since last report	Materiality Section – Page 52
	3-3	Management of material topics	Materiality Section – Page 52
Economic performance	202-1	Financial implications and other risks and opportunities arising from climate change	Climate Report 2023 – Strategy Section; Risk Management Section
Environmental	305-1	Greenhouse gases (GHG) emissions Scope 1	BNZ Operational Emissions – Page 35
	305-2	GHG Scope 2	BNZ Operational Emissions – Page 35
	305-3	GHG Scope 3	BNZ Operational Emissions – Page 35
Social	405-1	Diversity of governance bodies and employees	Page 17 & 18
	405-2	Ratio of basic salary and remuneration of women to men	Our People – Gender Pay Gap – Page 18
	413-1	Operations with local community engagement, impact assessments and development programmes	Long-term social, cultural, and financial wellbeing section – Pages 41 - 49

Ngā whakapā

Contacts

BNZ sustainability enquiries

Call 0800 275 269

Email sustainability@bnz.co.nz

BNZ Corporate head office Auckland

80 Queen Street,

Auckland CBD,

Auckland 1010

bnz.co.nz

BNZ general enquiries

Call 0800 275 269 for general enquiries

Free phone available 8am-8pm Monday to Friday,
and 9am-6pm Saturday, Sunday and on public holidays.

From overseas call +64 4 931 82091.

Internet Banking and the BNZ app are available 24/7

for general banking enquiries.

bnz.co.nz/contact

Find all our sustainability reports, policies and approach [here](#).