



# Kiwibank Sustainability Report



2024





**Welcome to Kiwibank’s 2024 Sustainability Report covering the 12-month period to 30 June 2024.**

At Kiwibank, we are guided by our Purpose of Kiwi making Kiwi better off. Supporting Kiwi to thrive can help us to achieve sustainable growth. Making Kiwi better off now and in the future means delivering on our Purpose Goals of Making Tamariki Better Off, Making Kiwi Better Off and Making Aotearoa Better Off.

This year, given the challenges facing Kiwi and Kiwi businesses, the relevance of our Purpose is even greater. The high cost of living continues to have an impact on the day-to-day lives of Kiwi. For our business customers, we’ve seen confidence drop. Despite this environment, we’ve continued to see Kiwi purchase their first homes and businesses innovate to be more sustainable.

Making Kiwi better off means we work to back our customers through these ups and downs while continuing to improve how we operate as a business.

This report describes the progress we’ve made towards our Purpose and Sustainability Goals, which are a key measure of our performance.

- We furthered our Purpose Goals by supporting more than 62,000 tamariki to build financial literacy using the Banquer platform. We supported more than 45,000 Kiwi to take action to secure their financial future, exceeding our FY24 goal by more than 15,000. And, since our last report, we’ve more than tripled the amount of sustainable finance we provided to businesses, up from approximately \$46 million in FY23 to more than \$177 million this year.

- We’re proud to be certified as a B Corp, which means we’re committed to being a better, sustainable business. This year, we reduced our gender pay gap and developed initiatives to boost underrepresented ethnicities at Kiwibank. We also began researching our supply chain in more detail, and reduced our operational emissions by 29% compared with FY21.
- We’ve also included a new section in this year’s report, *This is trust and experience*, which details our work to build customer trust and deliver a better banking experience.

Alongside our Sustainability Report, we’ve published our first [Climate Statement](#) this year, in compliance with the Aotearoa New Zealand Climate Standards. It expands on the information summarised in the *This is climate action* section and reports extensively on the work we’re doing to prepare for the uncertainties of climate change.

We’re incredibly proud of the mahi (work) done over the past year, and it inspires us to make even more impact in the year ahead.

**Tēnā koutou katoa,**



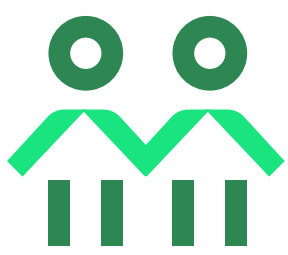
Steve Jurkovich  
Chief Executive



Jon Hartley  
Board Chair



# Our Purpose and Sustainability Goals



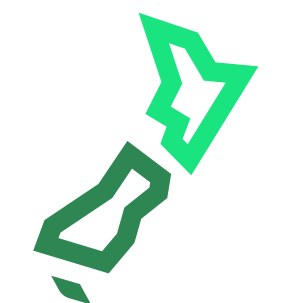
## Tamariki are better off

We will support tamariki (children) to have access to quality financial education by 2030.



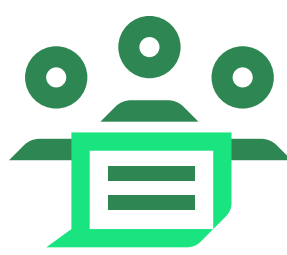
## Kiwi are better off

We will support two million Kiwi to take action to secure their financial future by 2030.



## Aotearoa is better off

We will deliver \$2b in sustainable finance to improve the resilience of Aotearoa by 2030.



## Build an inclusive culture

We want to foster an inclusive culture where we can all belong - one that encourages all of our kaimahi (our people) to do their best work through learning and growth. This helps us to deliver for our customers.



## Taking climate action

By 2025, we will build a sustainable business by reducing our carbon emissions by 40%, be carbon neutral and support customers to transition to a low-carbon future.



## Purpose-led business operations

As a B Corp, we consider the impact that our business will have for our people, our customers, our communities and our environment.





# Contents

## About this report

This report relates to the financial year from 1 July 2023 to 30 June 2024, referred to throughout as “FY24”. Where this report refers to a year, unless stated otherwise, it means the financial year for the equivalent period.

This report provides an overview of the progress we’ve made in relation to our Purpose Goals, Sustainability Goals, building customer trust, and delivering a great experience for our customers, during FY24. It is not intended as a full annual report or overview of all performance associated with Kiwibank. Full financial results are available [here](#) and our Climate Statement can be accessed [here](#).

We have set Purpose Goals for FY25 and they are stated in this report. We aim to refresh our Sustainability Goals during FY25.

The design of this report is inspired by the native harakeke (flax) plant. In te ao Māori, pā harakeke (clusters of flax) symbolise a thriving whānau (family) and community. The outer leaves represent ancestors and grandparents. The inner leaves are the parents protecting and nurturing the central shoots, which are the tamariki reaching for the sun. The harakeke symbolises how we will support Kiwi to thrive. It represents our past that has made us who we are today, and our ambitious future.

## Important information

This report is not an offer document and is not an offer, invitation or investment recommendation to invest in securities issued by Kiwibank. Nothing in this report should be taken as investment, legal, financial, tax, or other advice.

Some statements in this report are forward-looking statements. These statements can be identified by the use of forward-looking terminology such as ‘may’, ‘will’, ‘expect’, ‘aim’ ‘anticipate’, ‘estimate’, ‘continue’, ‘plan’, ‘intend’, ‘believe’ or other similar words.

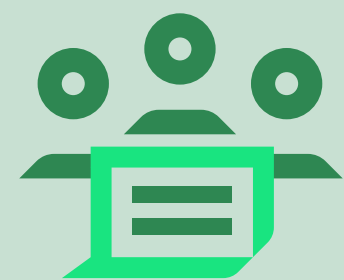
The forward-looking statements in this report are based on estimates, projections and assumptions made by Kiwibank about circumstances and events that have not yet occurred. Although Kiwibank believes these estimates, projections and assumptions to be reasonable, they are inherently uncertain and are subject to significant risk. Therefore, Kiwibank cautions reliance being placed on these forward-looking statements and they should not be regarded as a representation or warranty by Kiwibank or any of its directors, officers, employees or advisers or any other person that those forward-looking statements will be achieved or that the assumptions underlying the forward-looking statements will in fact be correct.

Whether or not Kiwibank meets targets, commitments or intentions expressed in this report is subject to known and unknown risks and uncertainties and will depend on a number of factors out of Kiwibank’s control. It is likely that actual results will vary from those contemplated by these forward-looking statements and such variations may be material.

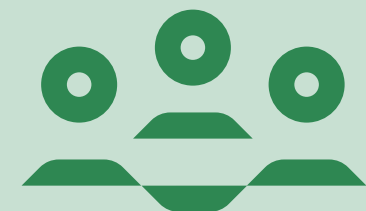
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# Highlights of the year



**62,210** students used Banqer, a financial education platform, bringing our total to more than **350,000** since 2016.<sup>1\*</sup>



**45,376** Kiwi supported to improve their financial security. To date, we've supported **56,679** towards our 2030 goal of 2 million Kiwi.\*



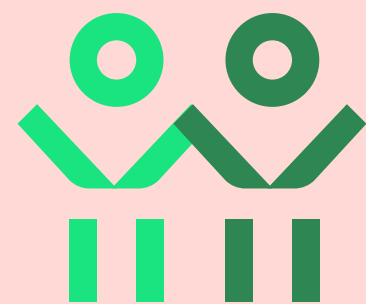
**18,585** customers set **24,709** savings goals using Goal Tracker.



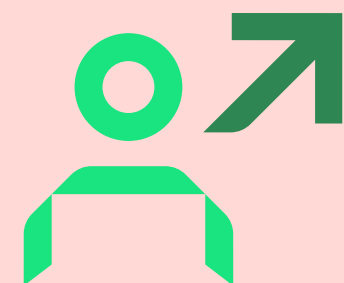
More than **\$177** million in sustainable finance delivered to Kiwi businesses, bringing our total to **\$231.7** million<sup>2</sup> towards our \$2 billion goal.\*



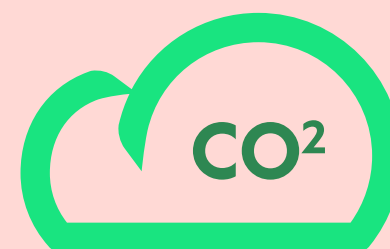
**170** business bankers trained on our sustainable finance offerings.



We launched a financial wellbeing programme for our kaimahi.



We launched employee-led networks for Pacific Peoples and neurodiverse team members.



We reduced operational emissions by 29% compared with FY21.\*



We developed our first [Climate Statement](#).



We conducted research into the social and environmental impacts of our supply chain.

<sup>1</sup> Banqer numbers relate to the 2023 calendar year. <sup>2</sup> We identified an additional \$7 million of sustainable finance provided through Sustainable Energy Loans and business lending that occurred in June 2023. This has been added to our FY23 total.  
\* Important information about how we calculate our progress against each of these goals is set out in the sections of this report that correspond to each goal.





MATERIALITY

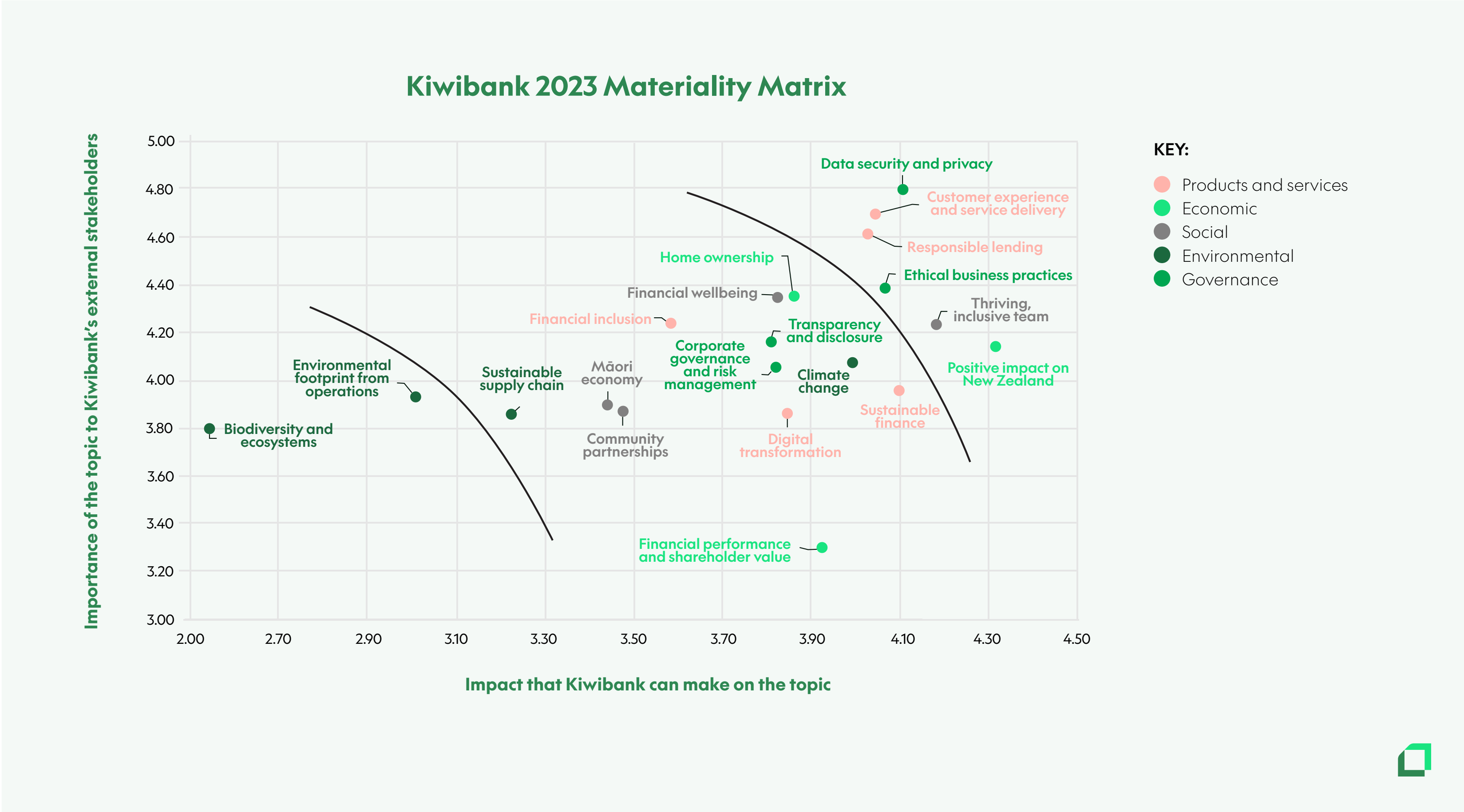


We use a sustainability materiality assessment, which considers the sustainability topics that matter most to our business and our stakeholders, and the impact we can have on those topics. Our last assessment was in FY23 and was aligned with the Global Reporting Initiative (GRI) Standards. These are a globally recognised framework for sustainability reporting.

In this year’s Sustainability Report, we’ve included a new section, *This is trust and experience*. This section reports on our response to fraud and scams, and matters relating to our two most highly rated material topics in FY23, which were:

- **Data security and privacy:** this is protecting customer privacy, and guarding information from security risks.
- **Customer experience and service delivery:** this is providing simple, easy, accessible, and expert banking services to our customers.

To keep delivering on our Purpose of Kiwi making Kiwi better off, we know it’s important to understand what issues matter most to our stakeholders and how those issues change. Accordingly, we plan to refresh our materiality assessment in FY25.





This is  
trust and  
experience







**To deliver on our Purpose of Kiwi making Kiwi better off, we know we need to be truly customer-focused, and continue to grow and maintain the trust of our customers.**

**Customer experience**

We’ve worked hard to make sure we’re really listening to what our customer feedback tells us, and using that insight to guide the enhancements we make. This year, we’ve heard from more than 91,000 customers through our Voice of Customer programme.

**Evaluating customer experience**

Our Voice of Customer programme is how we check the quality of experience we are delivering. We are proud that most customers have consistently rated their banking experiences with Kiwibank positively. This is according to our key customer experience<sup>3</sup> measure. Over the last year, this has improved by one point.

To make Kiwi better off, we need to truly understand our customers’ needs and expectations. During FY24, we invested in new technology for gathering customer feedback in near real-time. Through FY25, we will build on this mahi; it’s vital to ensuring we’re getting the best insights from what our customers tell us so we can better meet their needs. That mahi will include evolving what we measure and expanding the coverage of our Voice of Customer programme.

Customer feedback this year highlighted our people as a key strength. When customers interact with kaimahi, they often mention great service and a high level of care being shown.

On the other hand, some systems and processes, such as digital functionality and accessibility, are identified by customers as needing improvement. Some of the key pieces of mahi we focused on this year to improve our systems, processes, and customer experience in general are discussed in this section.

**Digital and physical access to services**

We want to strike the right balance between physical branches and digital banking services.

In doing so, we’re mindful that the way our customers are using our banking services has changed dramatically in recent years. We’ve seen a smaller number prefer in-person banking, and more customers move online. As of June 2024, 94.8% of customers whose main bank is Kiwibank connected with us using our digital services.<sup>4</sup> Customers who want to learn how to bank digitally can arrange to have one-on-one support from a Kiwibank digital expert.

**Branch network**

Kiwibank has the largest physical banking network in Aotearoa. Our network is made up of 57 Kiwibank branches and 90 Local for Kiwibank sites. At our Local for Kiwibank sites, we partner with local businesses to provide banking services in store, limited to over-the-counter transactions and basic account and card maintenance. We also continue to invest in our branch network: this year, we relocated two branches to be more accessible for our customers.

<sup>3</sup> Our current key customer experience measure is our customer experience (CX) score. In FY25, we will move to using a Customer Satisfaction metric as our key customer experience measure.

<sup>4</sup> Main bank customers are defined as those who have an active home loan with Kiwibank, or who are active users of their Kiwibank accounts for everyday banking needs.





CUSTOMER EXPERIENCE

Customer response times

For our retail customers, we’ve focused on being more accessible and available by reducing the time it takes to respond to enquiries via phone and SecureMail channels. SecureMail enables customers to message us directly via internet banking or on our mobile app. We’ve sought to do this by implementing a number of initiatives:

- We’ve increased training for our contact centre team so they can meet a wider range of customer needs.
- We’ve changed the way our frontline teams work, enabling us to respond to customers faster, regardless of the channel used to contact us.

These initiatives have helped us to reduce the time it takes us to answer customer calls to our contact centre by 27%, despite the rise in customer enquiries we’ve seen in FY24. We improved the time it takes us to respond to a SecureMail message by 6.6%.

For business customers, we’ve been focused on reducing the time it takes to onboard new customers and respond to enquiries. Our process improvements have halved the time it takes for a business banking customer to be onboarded with Kiwibank. We’ve also reduced the time it takes us to respond to a business customer enquiry by more than 66%, and halved our average speed to answer business customer calls.

Transformation

We’re part way through a significant multi-year transformation. This year, we’ve implemented new technologies and processes that have improved the service we deliver to our customers and kaimahi, including:

- A major upgrade and enhancements to our fraud detection platforms that further protect our customers and the bank.
- We launched Google Pay and Apple Pay, providing Kiwibank Visa debit and credit card cardholders with the choice, ease and added security of using mobile wallets.
- We strengthened how we support customers with the launch of a new, simplified digital platform that allows us to proactively contact customers who may be in financial distress. This includes those who are not making credit card repayments, have gone into unauthorised overdraft, or missed a loan payment.

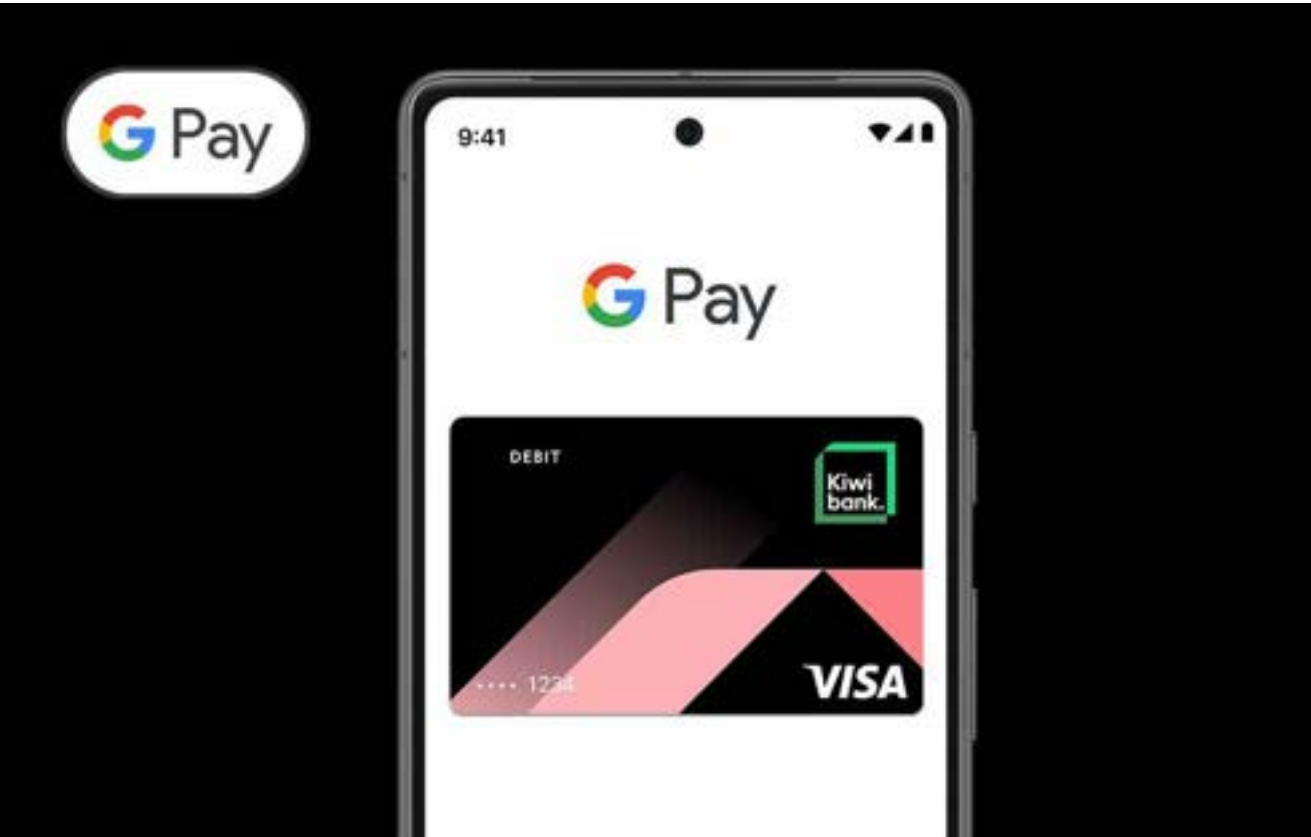
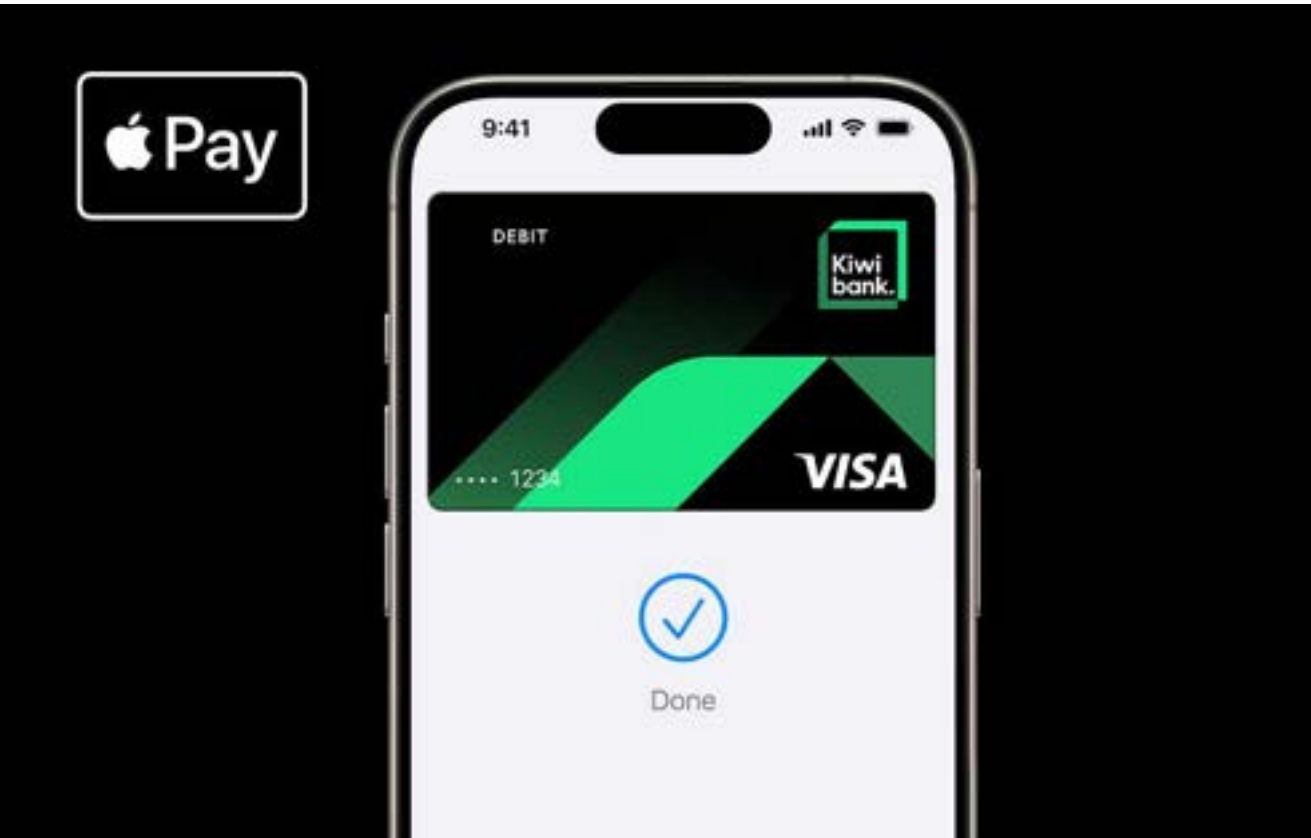
In the coming years, we expect to deliver our core banking platform replacement, shift to a market-leading data and lending platform, and continue to strengthen our risk, fraud and compliance capability.

Fast capital improvements

This year, we made changes to our Fast Capital tool that enables business customers to apply online for a loan of up to \$1 million. It can automatically approve decisions up to \$150,000 within a few minutes. It works by integration with the Xero or MYOB account of our customers and assesses customer applications against certain criteria on a scorecard. We determine the customer’s score within a few minutes and let them know whether we can approve the loan or need more information. This year, we improved our scorecard, which has raised our automatic approval rate by 100%. Applications also rose by 25% in FY24.

Service outages

We continue to invest in the long-term sustainability and resilience of our systems. We track how often our digital banking services are unavailable for our customers and we’re pleased to report customers were able to access our banking platforms 99.8% of the time this year. This reflects the big investment we’ve made in our platforms and our continued focus on their resilience.





# Cybersecurity, Fraud and Scams

## Cybersecurity

Banking is one of the most targeted industries for cybercrime, globally. Keeping our systems and the banking of our customers safe is one of our top priorities.

This year, we've completed several initiatives to improve our people's understanding of cyber threats because, along with our technical protections, kaimahi are part of our first line of defence. We refreshed our cybersecurity training and awareness programme this year and we regularly test awareness across Kiwibank by simulating cyber risk events.

## Fraud and scams

We continue to see an increase in fraud and scams targeting Kiwi, both in number and sophistication. We have committed to a multi-year investment in our systems, processes and people to better protect our customers. This year, we've delivered several initiatives.

- > We invested in and continue to upgrade our fraud monitoring systems, to enable enhanced detection and blocking of suspected fraud in real time.
- > Our fraud team continues to grow. The team is instrumental in preventing fraud by monitoring online banking transactions and cards for unusual activity.

- > Beyond the fraud team, we've implemented wider initiatives to educate and train kaimahi on responding to frauds and scams, with a particular focus on our frontline teams.
- > We share information through several channels with our customers to help them recognise fraud and scams.
- > While an industry-level response is important, the strengthening of New Zealand's defences against scams requires continuing and responsive collective action from all stakeholders in the ecosystem, including government, telecommunications companies, social media platforms, and search engines.
- > In the meantime, as a member of the New Zealand Banking Association, we are collaborating with other banks on several industry initiatives. These include:
  - Roll-out of Confirmation of Payee, a security feature that verifies if the account name matches the intended payee during online payments.
  - Establishment of the first phase of the Anti-Scam Centre, which enables the sharing of mule account information.





# This is making tamariki better off

## GOAL

By 2030, we will support  
tamariki to have **access to  
quality financial education.**







**This year, we marked a significant milestone in our goal to support tamariki to have access to quality financial education. In January 2024, we renewed our partnership with Banqer, which provides tamariki with financial education using a digital platform.**

**Supporting tamariki to build financial literacy with Banqer**

Banqer Primary focuses on foundational financial literacy skills, exploring income and expenses, banking, KiwiSaver, tax, transport, and property. Banqer High helps students build more sophisticated skills relating to banking, careers, property, budgeting, insurance and investments. We’ve committed to partnering with Banqer until at least 2026, which will mark 10 years of us working together to make tamariki better off.

**“Our partners at Kiwibank have enabled us to provide financial education for hundreds of thousands of tamariki to help them develop their financial confidence. Education is the foundational building block of financial security, and ultimately financial wellbeing,” said Kendall Flutey, Banqer Co-Founder and CPO (Chief Product Officer).**

Kiwibank's partnership ensures the Banqer Primary programme is free to any school in Aotearoa and we subsidise the Banqer High programme. Since the start of the 2024 calendar year, we’ve also established a Kiwibank Banqer High programme grant. This grant is provided to schools, and enables 2,500 students who wouldn’t otherwise be able to afford Banqer to access it for free.

In the 2023 calendar year, we supported 62,210 students to access the platform across 753 primary and intermediate schools and 181 secondary schools. Banqer was used in a third of all primary and secondary schools across Aotearoa New Zealand – from locations as far north as Kaitiaki, to as far south as Invercargill. As of December 2023, nearly 350,000 students had completed the Banqer programme since the establishment of our partnership in 2016.<sup>6</sup>

<sup>6</sup>Some students may have completed both Banqer Primary and Banqer High and will be counted towards both.

**Our goals for 2024**

- Support a further 67,000 students to build financial confidence by using the Banqer platform.
- Create age-appropriate resources for our own customers.
- Improve our processes for people under 18 to operate their bank accounts.

**Our progress towards FY24 goals**

- In the 2023 calendar year, we supported 62,210 students to use Banqer, achieving 93% of our goal.
- We co-developed, with Banqer, a pamphlet to encourage parents to have conversations about money with their tamariki and shared it with kaimahi.
- We reduced the age restriction on our Visa debit cards from 15 years to 13 years to support age-appropriate financial autonomy.

**Our goal for FY25**

Support an additional 75,000\* tamariki to have access to quality financial education during the 2024 school year.

\*This figure is a correction of that stated in an earlier published version of this report.





CONT...

We know our support of Banqer is making a difference. Banqer has found of those who participated in Banqer High:

- > **41%** of students who didn't have a bank account opened one
- > **27%** of students who didn't have a KiwiSaver opened one
- > The number of students with a budget increased by **34%**
- > The number of students making voluntary contributions to their KiwiSaver increased by **32%**.

**Visa debit age reduction**

We reduced the age restriction on our Visa debit cards from 15 years to 13 years. This change enables more tamariki to have age-appropriate financial autonomy to do things like topping up their transport cards. We're also working with Oranga Tamariki – Ministry for Children to explore ways to make it easier for tamariki in care to open and access bank accounts. This mahi will continue in FY25.

**Financial resources for the tamariki of our people**

We know growing financial confidence starts early. In FY23, we reported on our partnership with a multidisciplinary research group from the University of Canterbury to analyse the impact of financial education programmes like Banqer. That research found that tamariki having access to unbiased, widely available financial education and exposure to real-life money conversations at home are important when it comes to supporting and growing their financial confidence.

In FY24, we co-developed with Banqer a pamphlet to encourage parents to have conversations about money with their tamariki, and shared it with our kaimahi. This is a first, small step towards supporting our customers to engage with their tamariki about money.

We're also looking at how we can create resources that will appeal to more tamariki and align with activities they are interested in. Next year, we will develop this idea further.





CASE STUDY

Beyond the classroom: A student’s journey from learning to doing



THIS YEAR, IN CLASSROOMS ACROSS AOTEAROA, TENS OF THOUSANDS OF STUDENTS HAD THE OPPORTUNITY TO LEARN ABOUT MONEY AND HOW TO MAKE BETTER FINANCIAL DECISIONS. HOWEVER, THE TRUE TEST OF BANQER’S SUCCESS LIES IN HOW THIS KNOWLEDGE HELPS STUDENTS IN THE REAL WORLD.

For Lauryn Spreckley, the lessons learned as part of the Banqer Primary programme have put her in good stead as she makes her way into adulthood studying business and law at AUT university.

During her time at intermediate school, Lauryn and her classmates participated in the Banqer Primary programme. The programme sees students receive a weekly fixed 'income' from which they pay for 'expenses', such as desk rental or electricity costs. Through this hands-on learning experience, students gain practical knowledge about financial literacy concepts, such as the difference between needs and wants, budgeting, KiwiSaver, and preparing for retirement.

Moving into the real world, this practical knowledge has served Lauryn well.

**“Growing up in a large household, money was always tight, so I didn’t get pocket money to practise with. A lot of people in my circle are in a similar situation, so when we started getting wages, sometimes we tended to go all out buying things we couldn’t have growing up,” she says.**

This was not the case for Lauryn when she started doing a paper run because she understood the value of saving rather than spending.

Looking further ahead, Lauryn’s already thinking about preparing for retirement. As a child, Lauryn’s parents opened a KiwiSaver account for her. As an adult, she plans to contribute the maximum amount to her KiwiSaver – which is directly inspired by what she learnt in Banqer.

**“If you can, it can be really valuable to open and regularly contribute to a KiwiSaver account from a young age. I explained to my friends that employers make contributions to your KiwiSaver and the government will also contribute if you put in a certain amount every year. Every little bit helps.”**

Lauryn confidently discusses financial matters with her friends and those in her community. While many shy away from the topic of money, through her volunteer mahi in Ōtara she actively imparts her Banqer knowledge to young people who face challenges in setting financial goals and managing money.

Lauryn is an advocate for the inclusion of financial literacy in schools. She would love to see Banqer in more schools, especially in lower decile schools and among Pacific Peoples. She believes if everyone had the opportunity to learn about money using a tool like Banqer, it would create a substantial and positive difference to how people manage their money.





# This is making Kiwi better off

## GOAL

By 2030, we will support **2 million** Kiwi to take action to secure their financial futures.







## At Kiwibank, we're working to support our customers to take action to secure their financial futures – but we know financial security means different things to everyone. This is why we're focused on understanding how our customers think about and plan for their financial wellbeing.

### Analysing the data from our Financial Wellbeing Survey

This year, we continued our Financial Wellbeing Survey, gathering insights from more than 8,700 customers (up from 7,000 last year) about what financial wellbeing means to them. We moved our survey to a new analytics platform to provide more insights. We also started using the aggregate survey data to develop a set of financial wellbeing profiles, representing the different needs of our diverse customer base.

It's intended that the data and insights will help us consider product and service improvements that support our customers to achieve greater financial security.

### Supporting our customers to build savings behaviours

In FY24, 18,585 customers set 24,709 savings goals using our Goal Tracker. This is a tool available in our mobile app and internet banking, designed to support customers to build savings habits. We also proactively contacted 50,337 customers who may have the capacity to save, about the benefits of interest-bearing accounts and how our mobile app features can support them to save.<sup>9</sup> In June, we launched a major marketing campaign to tell Kiwi about the tools we have to help them save for the unexpected.

## Our goals for 2024

- Use the insights from our customer financial wellbeing survey to inform our product and service design.
- Support our customers to build savings behaviours.
- Support 30,000 Kiwi to take action to secure their financial futures.
- Support all former refugee customers to learn about financial wellbeing and banking in Aotearoa New Zealand.
- Launch of our Kaimahi Financial Wellbeing Programme to all our kaimahi with the aim of supporting 35% to participate and achieve their goals.

## Our progress towards FY24 goals

- We're analysing survey data to better understand the different financial security profiles of our customers.
- 18,585 customers have set 24,709 savings goals using Goal Tracker.
- We supported 45,376 Kiwi to take action to secure their financial future.<sup>8</sup>
- 924 former refugees were supported to become Kiwibank customers.
- We adjusted our goal, aiming instead to provide coaching to 16% of kaimahi. We met 52% of our revised goal.

## Our goal for FY25

Support an additional 35,000 Kiwi to take action to secure their financial future.

<sup>9</sup> We based our assessment of a customer's capacity to save on whether the balance of their Everyday account is within a particular range.

<sup>8</sup> The number of customers we count as having been supported to secure their financial future in FY24 is based on a range of Kiwibank initiatives including: Goal Tracker (accounting for 41.6% of our FY24 total); conversations with customers about opening or increasing contributions to a KiwiSaver account and/or about securing insurance resulting in referrals to third parties; and other forms of support we provided to our customers to prompt change in their financial behaviour and/or action to improve their financial security. Due to data limitations, we've been unable to identify whether our total figure counts any single customer more than once in the event that we have supported them by more than one of these initiatives.





SUPPORTING KIWI

Proactive customer support

We recognised many of our customers faced a significant increase in their home loan repayments in FY24, as the end of the fixed-rate period for their historically low interest rates concluded. Building on a programme we initiated in FY23, during the past 12 months, we supported more than 8,000 home loan customers to manage the transition. Additionally, we identified customers who consistently maintained negative account balances. We proactively emailed these customers with information about their arranged overdraft and directed them to financial literacy resources. These emails had a 70% open rate. Some customers have since closed their overdraft or reduced their overdraft limit.

Improving the Kāinga Whenua housing scheme

We’ve worked with Kāinga Ora since the inception of the Kāinga Whenua scheme 10 years ago. This initiative supports Māori to achieve home ownership and build papakāinga (villages) or single dwellings on whenua Māori (Māori land).

During the past two years, we’ve worked with Kāinga Ora to lift awareness of the scheme as a lending option for housing on whenua Māori. We’ve also supported significant changes to the scheme including appointing and training a group of specialised lenders. We have evolved our processes to support both individual applicants, and collectives building larger-scale developments. We also have regular hui (meetings) with other partners involved in the scheme (including Te Puni Kōkiri and Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development).

These changes have resulted in Kāinga Whenua loans being approved faster and made more widely available. Prior to these changes being made, on average six loans were approved a year. In the past financial year, we approved 11 loans resulting in 18 new homes being built.

Supporting Kiwi to buy a home

This year, we’ve developed new guides and information to help Kiwi understand their options and navigate the homeownership journey. We’ve shared this information with 2,421 Kiwi looking to buy their first home. We’ve helped 724 customers step onto the property ladder with a First Home Loan, which supports Kiwi who may only have a deposit of as little as 5%.

Supporting our people to secure their financial future

At the end of this year, we neared the first anniversary of our Kaimahi Financial Wellbeing Programme. The programme provides kaimahi with a financial wellbeing coach who works one-on-one with them to understand their financial picture, money habits and financial goals.

At launch, we aimed to provide coaching to 35% of our kaimahi in FY24. However, we quickly recognised our goal was too ambitious; most of the financial wellbeing conversations were taking longer than anticipated due to the level of care provided and the complexity of the goals our kaimahi set. We adjusted our goal, aiming instead to provide coaching to 16% of kaimahi. By the end of FY24, we had met 52% of our revised target, which equates to 200 kaimahi, who set 804 financial goals in total, including:

- Setting 311 long-term goals. These goals included saving for a deposit for a home, reducing mortgages and saving for retirement.
- Setting and achieving 146 short-term goals. These goals included saving for an overseas holiday, wedding or baby expenses, and building an emergency fund.





SPECIAL CARE



The Kiwibank team at the Te Āhuru Mōwai o Aotearoa, Immigration New Zealand's Refugee Resettlement Centre in Auckland.

Special care for our customers

We know life doesn't always go to plan and there are times when our customers need extra care to help manage their finances. Our kaimahi are trained to identify and support customers who may need this special care, including because of physical, cognitive or personal difficulties. Some of the ways we work to provide special care include:

- **Specialised frontline training**  
This year, we refreshed the content for our mandatory special care training, which helps frontline kaimahi identify and look after customers with extra care needs.
- **Gambling block**  
We offer customers a way to block gambling transactions on their account. This year, 666 customers have chosen to block gambling transactions on their cards, a total of 1,789 since we first offered the service in FY21.

- **Former Refugee and Migrant Support Programme**  
We've been working to support the financial wellbeing of new Kiwi with our Former Refugee and Migrant Support Programme. The programme launched in FY24 and 924 former refugees became Kiwibank customers as a result.

- **Ngā Tāngata Microfinance Trust**  
Kiwibank and Ngā Tāngata Microfinance Trust have been working together since 2012 to build a viable microfinance offering for New Zealanders. No-fee, no-interest loans were provided to 202 Kiwi this year, which is a reduction of 247 from last year. However, the total amount of microfinance lent increased by 11.36%.

- **Fraud and scams**  
Globally and locally, financial institutions including Kiwibank are seeing a rise in fraud and scam attempts. We have dedicated teams and systems set up to support customers. For more detail about what we are doing to help keep our customers safe from fraud and scams, see *This is trust and experience*, on page 9.





## CASE STUDY

## Supporting new Kiwi with our Former Refugee and Migrant Support Programme

### Every year, Aotearoa New Zealand welcomes 1,500 refugees.

A five-week stay at Te Āhuru Mōwai o Aotearoa, Immigration New Zealand's Refugee Resettlement Centre in Auckland, provides these newcomers with an opportunity to learn more about Aotearoa. While at the Centre, they can also open a Kiwibank bank account.

Once they're settled in their new home, we work to support the financial wellbeing of these new Kiwi through our Former Refugee and Migrant Support Programme. Launched in FY24, it's focused on building the financial capability of former refugees and migrants across 24 months. The programme starts with basic banking skills such as how to use a bank card, ATM and internet banking. The second stage is about day-to-day management of expenses. The third stage focuses on improving financial security, including insurance, KiwiSaver, and setting financial goals.

Our Te Waiharakeke Blenheim branch is one of around 10 branches frequently visited by former refugee customers. Most commonly, customers come to the branch seeking support with basic banking tasks, such as using a bank card and ATM, paying bills and internet banking. These tasks are the focus of the first stage of the Former Refugee and Migrant Support Programme and the Kiwibank team has been able to draw on programme resources to provide support. However, significant language barriers and cultural differences have made it challenging to implement all the planned stages of the programme.

To support these new Kiwi, the Te Waiharakeke Blenheim team has focused on forming relationships and building trust. They've found one of the most effective ways to do this is by having one-on-one appointments in a quiet space at the branch. This supports a greater feeling of safety, comfort and focus, all of which is conducive to learning. It's not just customers attending: often the whole family will come to the appointment, and kids are provided with financial literacy games and colouring-in activities to keep them entertained.

The Te Waiharakeke Blenheim branch team members have also developed a close relationship with the local Red Cross, one of six organisations that provides community settlement support to former refugees. The Red Cross is sometimes able to provide language support for customers when they first visit the branch. This support has been instrumental in helping to overcome the language barrier.

Looking ahead to next year, the team hopes to support former refugees with the more advanced skills covered in stages two and three of the Former Refugee and Migrant Support Programme, like budgeting, setting financial goals, and preparing for unexpected financial events.

“I was concerned that former refugees had no financial literacy support once they walked out of the Resettlement Centre and into the community. To support their diverse needs, we created a longer-term learning approach. We didn't want to overwhelm these customers in the early stages of their transition.”



Brett Mercer,  
Kiwibank  
Bank Manager – Takanini





## CASE STUDY

## Strengthening financial wellbeing: Supporting our kaimahi at every stage

**AFTER A SUCCESSFUL PILOT LAST YEAR, WE OPENED OUR KAIMAHI FINANCIAL WELLBEING PROGRAMME TO ALL KIWIBANK KAIMAHI ON 1 AUGUST 2023. THAT WAS FIRST DAY OF 2023'S MONEY MONTH, WHICH IS A NATIONAL AWARENESS CAMPAIGN FOR FINANCIAL EDUCATION.**

The Kaimahi Financial Wellbeing Programme provides Kiwibank kaimahi with a financial wellbeing coach who works one-on-one with them to understand their financial picture, money habits and financial aspirations. Together with their coach, participants create a tailored strategy to suit their individual needs, including setting realistic financial goals.

For many Kiwi, including our kaimahi, owning their own home is the most significant financial goal they'll tackle. This was certainly the case for Operational Risk Partner Albert Aragon when he started the Kaimahi Financial Wellbeing Programme. Working one-on-one with his financial coach, he was able to take some practical steps on the journey to home ownership. "The first discussion with my coach was around my aspiration to own my own home. I worked with her to create a detailed budget so I could visualise my financial goals and stay on track."

Albert saved a deposit, secured pre-approval for a home loan, and finally, at the very end of June 2024, put an offer on his first home. The offer was quickly accepted and Albert moved in during July 2024. And the cherry on the top? Meeting his financial coach in person for the first time.

**"My coach has already planned to come and visit when I move in. I almost get emotional when I think about all the support she's given me on my journey. As a migrant without family in New Zealand to guide me through the process of buying a home, and all the hurdles that go along with it, her assistance has been immeasurable. Showing her my first home was very special."**

Relationship Lending Manager Jo Angove was at a different point in her financial journey, but, like Albert, looked to the Kaimahi Financial Wellbeing Programme for guidance. She started the programme with one big goal in mind: reaching retirement with her mortgage paid off and funds in KiwiSaver to support a comfortable lifestyle. "When it came to KiwiSaver, I was contributing 3% of my income and had always intended to increase it. But with the way I thought about my budget, I was always concerned an increase in contribution would reduce my day-to-day spending money," she says.

In a short space of time, her coach helped her realise she didn't need to make a sacrifice in the now to save for her future. "My coach helped me change my perspective. Alongside my day-to-day spending and expenses, I had two savings goals: an overseas holiday in the short term and my KiwiSaver for the longer term. I've been able to decrease the amount I save for my holiday a little bit and boost my KiwiSaver savings. The holiday will still happen, just a few months later and my funds for food, fuel and fun haven't been affected.

**"Going through the Kaimahi Financial Wellbeing Programme showed me a different way to approach my finances, one that works and takes the stress out of budgeting."**





# This is making Aotearoa better off

## GOAL

By 2030, we will deliver **\$2 billion** in sustainable finance to improve the resilience of Aotearoa.







Co-Founder and Chief Executive Officer of Emma Lewisham, Emma Lewisham, with Kiwibank's Head of Sustainable Finance, Tom Williams, and Commercial Growth Manager, Meghna Garg. Emma Lewisham is a B Corp and a Kiwibank customer.

## We want to help Kiwi businesses become more sustainable by investing now, for the future.

Guided by our goal to deliver \$2 billion in sustainable finance to improve the resilience of Aotearoa New Zealand, we've continued to grow and mature our sustainable finance offering.

### Sustainable finance

This year, we provided \$177.9 million in sustainable finance for Kiwi businesses, exceeding our target of \$170 million. Kiwibank's sustainable finance offering includes Sustainability Linked Loans, Sustainable Business Loans, and Sustainable Energy Loans. It also includes lending to B Corps and for purposes we deem to have a credible sustainability benefit. To understand all our sustainable finance products and their approved uses, see pages 41-42 of our FY24 [Climate Statement](#).

This finance supported customers who are progressing sustainability initiatives like purchasing more sustainable assets or equipment, diverting waste from landfill, or transitioning towards more sustainable business models (among other things). In the next financial year, we want to do better again by providing \$200 million of sustainable finance.



Blue Frog cereal being produced. Blue Frog is a B Corp and a Kiwibank customer.

## Our goals for 2024

- Deliver \$170 million in sustainable finance.
- Identify key business focus areas for sustainable finance.
- Complete a strategic review of our Responsible Business Banking Policy.
- Continue to support Kiwi businesses to measure their emissions through our partnership with [Cogo](#).
- Broaden our understanding of environmental, social and governance (ESG) risks across our business.

## Our progress towards FY24 goals

- We delivered \$177.9 million in sustainable finance, exceeding our goal.
- We researched the decarbonisation potential of the main business focus areas we lend to.
- We completed a review of the sectors covered by the Responsible Business Banking Policy. We will implement our revised policy in FY25.
- We continue to provide [Cogo](#) services to businesses. 147 business customers have signed up since the launch.
- We have focused on understanding the key ESG risks for businesses in Aotearoa New Zealand.

## Our goal for FY25

Deliver \$200 million in sustainable finance.



## SUSTAINABLE FINANCE

Having launched Kiwibank’s Sustainable Business Loan in FY23, this year we looked at ways to improve our sustainable finance offering and build the expertise of our kaimahi to support businesses that might need this kind of lending.

In February, we broadened the range of purposes for which the Sustainable Business Loan can be used. In addition to the existing loan purposes, such as sustainable buildings, energy, or transportation, the loan can now be used for purposes including:

- Plug-in hybrid electric vehicles (PHEVs)
- Certified sustainable aquaculture and fisheries
- Conservation and sustainable land use change
- Social and transitional housing.

We’ve also increased the expertise of our team with training sessions for more than 170 business bankers on our sustainable finance offerings.

### Assessing climate change risks within business sectors

Climate change continues to be a complex, dynamic and urgent challenge. It’s important for us to understand how Kiwi businesses are adapting to the impacts of climate change, including transitioning to a low-emissions future. This year, we undertook research, both internally and with external experts, on potential climate change impacts to key industries like transport, manufacturing, healthcare, and aged care. This research helps us understand more about the resilience of these industries as the effects of climate change increase. These insights, along with other policies and frameworks including our business lending strategy and Responsible Business Banking Policy, inform our approach to business lending.

For more information about our approach to managing the risks and opportunities associated with climate change across Kiwibank, and about how we manage climate risks in relation to our lending, see our FY24 [Climate Statement](#).

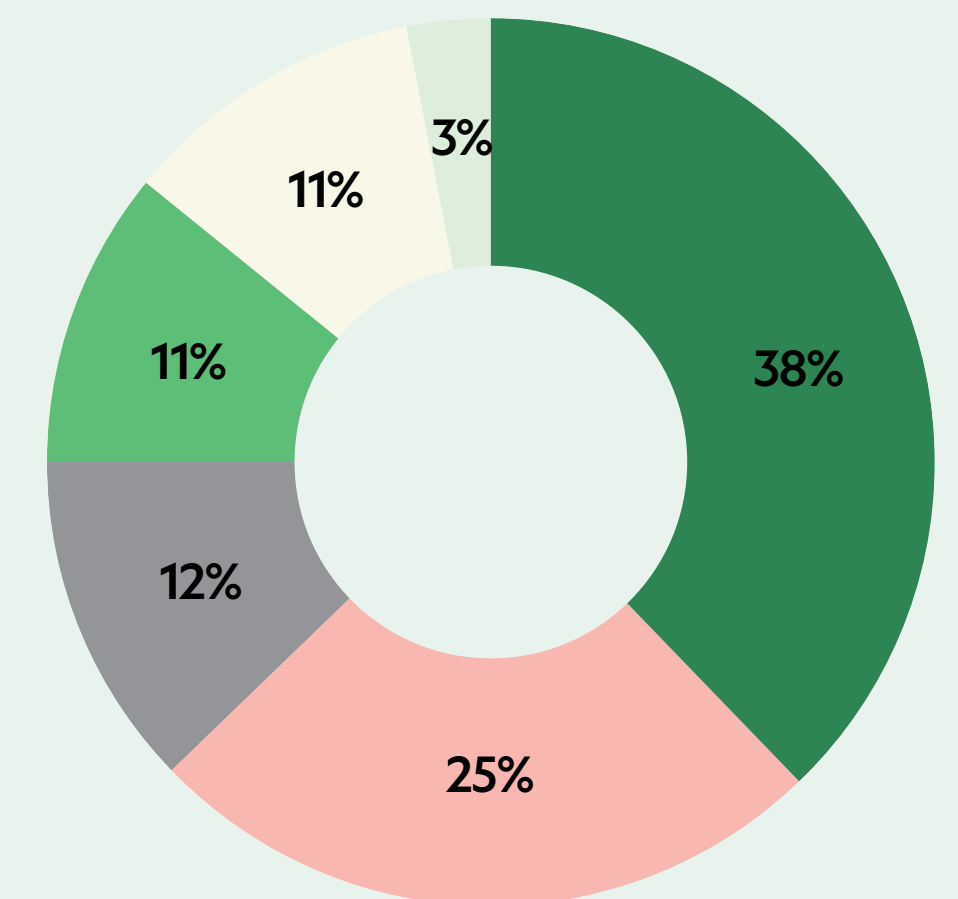
### Responsible Business Banking Policy

In 2020, we published and shared on our website the first iteration of our Responsible Business Banking Policy. This policy outlines how we’ll work with businesses from sectors that may carry ESG risks.

This year, we completed a strategic review of the policy. We found it could be improved by assessing the sectors it addresses, such as gambling, fossil fuels and tobacco, against an independent ESG framework. We’ve completed an initial review and we’re currently working to implement changes.

Next year, we plan to publish a second iteration of the policy.

### Sustainable Business Loans in FY24



- B Corp certified businesses
- Conservation and land use change
- Water and waste management
- Energy efficiency and renewable energy
- Sustainable buildings
- Sustainable transport and equipment





CASE STUDY

Helping developers build more sustainably



AUCKLAND CONSTRUCTION COMPANY JALCON HOMES HAS BUILT THOUSANDS OF HOMES IN AUCKLAND, CONTINUALLY ADAPTING AND EMBRACING NEW INITIATIVES DURING ITS 30-YEAR HISTORY. NOW, WITH OUR SUPPORT, JALCON IS TURNING ITS FOCUS AND ENERGY TO MEASURABLE, AND IMPACTFUL, SUSTAINABILITY GOALS.

Sustainability isn’t new to Jalcon. During the past few years, the team has introduced solar lighting in developments, 'pocket parks', which are green, communal spaces for residents to share and enjoy, and rainwater re-use tanks. They have also strengthened partnerships for more sustainable supply and, more recently, installed community bins containing wood off-cuts that locals can repurpose for building projects or educational purposes.

Yet, with all this great mahi happening, by their own admission, there was no overarching plan or strategy tying it all together.

This all changed last year when Corporate Client Director Jyoti Lath suggested Kiwibank could support Jalcon’s sustainability journey.



“While Jalcon were already incorporating sustainability initiatives in their day-to-day operations, they didn’t have a formal approach with measurable targets,” says Jyoti. “As a relationship manager, I have a mandate to support businesses to implement sustainable initiatives. So, I raised the idea of a Sustainability Linked Loan.”

**Sustainable Finance Lead James Roberts explains that, “Kiwibank’s Sustainability Linked Loans tie customer lending to a set of predetermined sustainability targets, incentivising customers to integrate sustainability into their business. If targets are achieved, interest rates decrease. This is one of the ways Kiwibank supports customers on their sustainability journey.”**

Kiwibank’s Sustainable Finance Lead, James Roberts, and Client Director – Corporate, Jyoti Lath, with Jalcon Chief Executive Officer, Jacob Aitken.

> Continued on next page





CASE STUDY CONT.

Working with an external sustainability consultancy, Jalcon created a sustainability strategy that was co-funded by Kiwibank. The strategy outlines the changes and initiatives Jalcon will undertake to become more sustainable. Its Sustainability Linked Loan will be linked to Jalcon achieving the targets and commitments set in its sustainability strategy.

For recently appointed CEO Jacob Aitken, finalising the sustainability strategy has been a key focus since taking on the leadership position in October 2023.

“I've been with Jalcon for more than a decade and had the opportunity to live in two of our developments. Through this experience, I've seen how integrating sustainability initiatives in our developments makes living there even more enjoyable.

**“It's been great working with Kiwibank. They've provided the support we needed to harness our enthusiasm and turn it into an overarching strategy - one that shows us where we should focus our efforts. And best of all, they've financially incentivised us to make sustainable choices.”**

Jalcon’s sustainability strategy is focused on five environmental and social sustainability initiatives:

- Measuring and reducing their direct (Scope 1), energy-related (Scope 2) and value chain (Scope 3) emissions.
- Tracking and reducing the amount of waste generated in developments.
- Ensuring they source sustainably, complying with a newly created sustainability sourcing code.
- Ensuring employee health and safety in construction, with a focus on mental health.
- Measuring and improving the amount of land dedicated to improving nature in each development or in lieu of this support, supporting a tree planting charity.

Jyoti says working with Jalcon to get their sustainability strategy finalised has been hugely rewarding. “My job is all about finding ways to make our customers better off. For Jalcon, it was clear they had the enthusiasm and we could support with the capability.”



Jyoti Lath,  
Client Director – Corporate  
Kiwibank

“Now, with the sustainability strategy complete, Jalcon has a clear pathway in terms of the actions to be taken to achieve their sustainability goals. I am excited to be working alongside them on their journey.” ”





# This is culture

## GOAL

We want to foster an inclusive culture where we can all belong - one that encourages all of our kaimahi to do their best work through learning and growth. This helps us to deliver for our customers.







Making a difference for all Kiwi starts with making a difference for our kaimahi.

Our gender targets

Our long-term goals are for the gender diversity of our kaimahi to reflect the gender diversity of Aotearoa New Zealand, and for our gender pay gap to be reduced to zero.

As part of our ongoing mahi to address the gender pay gap, we want to see the number of women in more senior roles grow and to recruit more men in salary bands 1-3. We also set ourselves a goal this year to increase the number of women in the Executive Committee and salary bands 4-7 to 40.6%.

**Our gender pay gap is now 30.6%. This is well ahead of our FY24 goal, which was to reduce it from 33.6% to 32.6%.**

Our ethnicity targets

We established ethnicity targets in FY22 that align with the projected ethnicities of working-age people in Aotearoa<sup>10</sup>. We set goals to increase underrepresented ethnicities at Kiwibank compared to national population data. We have the most work to do to increase representation of Māori and Pacific Peoples at Kiwibank, whereas the gap is not significant for other measurable ethnicities.

In FY24, our ethnicity goal for Pacific Peoples for FY24 was 9.2%. However, on reviewing our methods, we realised we had calculated this number incorrectly. Pacific Peoples make up 8.5% of Aotearoa New Zealand’s working age population, so we’ve adjusted our goal for representation of Pacific Peoples accordingly. The change hasn’t affected our programme of mahi, which is focused on enabling and growing our Pacific Peoples communities at Kiwibank.

<sup>10</sup> National ethnic population projections

Our goals for FY24

- Increase the diversity of our kaimahi to:
  - **40.6%** of bands 4-7 plus Executive Committee roles to be women
  - **11.8%** of all kaimahi to be Māori
  - **8.5%** of all kaimahi to be Pacific Peoples.
- Develop Disability and Accessibility Guidelines.
- Ensure all of our people have active development plans in place.

Our progress towards FY24 goals

- At year end FY24, we had achieved:
  - **40%** of bands 4-7 plus Executive Committee roles are women
  - **10.5%** of all kaimahi are Māori
  - **7.1%** of all kaimahi are Pacific Peoples.
- Disability and Accessibility Guidelines were released in May 2024.
- All fixed-term and permanent employees were contacted about starting the development planning process, and 91% completed a personal development plan.





OUR PEOPLE

Progress against our diversity targets

We ran several initiatives this year to help us reach our ethnicity and gender targets.

- > We've focused on better understanding our female and ethnic talent and succession pipelines. Our planning processes give us stronger internal visibility of the potential for development and mobility of diverse talent.
- > We focused on increasing the quality of our data by encouraging kaimahi to provide us with ethnicity information, enabling them to select up to three ethnicities from 308 options, including 132 iwi. At the end of this year, we had ethnicity data for 56% of our permanent kaimahi, which is a marked improvement from 39% at the beginning of the year.
- > We launched Manuia, an employee-led network for our Pacific Peoples. The 70-person network aims to support Pacific Peoples to do their best mahi, create pathways and deliver initiatives such as the Pasifika Student Programme.

- > We offer a te reo Māori and tikanga (Māori customs and practices) learning programme, Te Hoe Ākau, which was developed in partnership with Hēmi Kelly, who is director of Māori language consultancy, Tautika Limited.
- > We established new and strengthened existing relationships with recruitment and placement partners to help us appoint a more diverse range of candidates. This includes working with Rea, which connects young people to well-paid, skilled employment, and SheSharp, which focuses on engaging more women in technology roles.
- > Partnering with Amazon Web Services (AWS), we became the first organisation in Aotearoa to offer the AWS CloudUp for Her programme. The eight-week professional development course provides women with a foundational understanding of cloud technology.

Our partnership with Pride Pledge

This year, we celebrated another milestone in our journey to create an inclusive culture for our Rainbow kaimahi by partnering with Pride Pledge. Pride Pledge is an organisation that provides advice, training, policy and other support services to improve Rainbow inclusion.

This partnership has built on the mahi we've done since we gained our Rainbow Tick certification in 2019 and created our Rainbow Inclusivity Strategy in 2020. Leveraging the expertise we've developed on our own journey, we're developing workshops to support our business customers to start or progress their own journeys to be a Rainbow-inclusive organisation by sharing the knowledge we've built and resources we've created on our journey to date.



Mailena Rawiri, Chair of Manuia, with students from Wainuiomata High School participating in the Pasifika Student Programme.





OUR PEOPLE

Accessibility and Disability Guidelines

In May, we released our Accessibility and Disability Guidelines. The purpose of these guidelines is to enable our team members to do their best mahi by removing barriers, providing tools, and making reasonable accommodations to overcome barriers. Accompanying the release of the guidelines, we provided an information pack for all kaimahi, a leaders’ guide, and a learning module on working accessibly.

Disability Network

We’re also setting up a Disability Network. The aim of this network is to provide a safe community for our disabled people, to advocate and raise awareness of disability at Kiwibank, and to create a mechanism for our disabled people to provide feedback, ideas, and get support.

Neurodiversity Network

We established our Neurodiversity Network Group in December 2023, led by people in the neurodivergent community, along with allies. The group was founded with the aim of making Kiwibank a place where neurodiverse people thrive through connection, advocacy, and representation. By the end of FY24, the group had grown to more than 30 members.

Since its inception, the group has supported the introduction of low sensory rooms in Kiwibank’s main office locations and piloted low sensory ear plugs with group members. They’ve also worked with the recruitment team to develop a neurodivergent-inclusive recruitment experience.

Annual performance and development planning

Our annual performance and development process is one of the ways we support our people to do their best mahi and perform in a way that’s aligned to our strategy and their personal aspirations. The process sees leaders work at the start of each year with their kaimahi to set up an annual performance and development plan for the year ahead. During the year, they have quarterly progress conversations and monthly check-ins. We give guidance to our leaders about how to ensure these conversations are meaningful.

Our aim is for 100% of our kaimahi to have performance and development plans in place. In FY24, all fixed-term and permanent employees were prompted to start the planning process. As at the end of FY24, 91% of kaimahi had created a plan.



Clockwise from left: Mailena Rawiri, Chair of Manuia; Josie Carter, Chair of Kiwibank’s Neurodiversity Network; Jess Segal, Head of Culture Leadership, Diversity, Equity and Inclusion; and Hayley Beattie, Diversity, Equity and Inclusion Consultant.





## CASE STUDY

## Head in the cloud: Helping more women upskill in tech

The representation of women in the tech industry, including Kiwibank's own tech teams, is a gender diversity challenge. Working with a trusted technology provider, we launched an initiative that seeks to change that.

In August 2023, we collaborated with Amazon Web Services (AWS), the world's most comprehensive and widely-used cloud, to become the first organisation in Aotearoa to offer the AWS CloudUp for Her programme. It's an eight-week professional development programme providing a foundational understanding of cloud technology and the knowledge to gain the AWS Certified Cloud Practitioner certification without requiring participants to have any existing technical knowledge.

Digital skills research undertaken by AWS this year found a lack of time is the greatest obstacle to women in Aotearoa accessing digital skills training. We wanted to proactively address this barrier by offering all attendees time away from their role to participate in learning sessions, and two hours per week to complete self-paced modules. At the end of the programme, if participants chose to complete the AWS certification exam, we covered the costs of the exam fee and provided a day of study leave.

Given the course didn't require any prior knowledge, participants came from all areas of the bank, from banking specialists and customer engagement managers through to business analysts.

Kiwibank Programme Coordinator Donna Carter saw the programme as an opportunity to gain new digital skills while evaluating a potential career path in technology.

"As an older woman with six kids and six grandchildren, returning to the workforce five years ago has been a steep learning curve. I feel very grateful to work at Kiwibank, an organisation that is not just talking about learning and developing opportunities, but actually offering them," she says.

**"The programme has given me a deeper understanding of cloud technology, which is helpful in meetings where a basic knowledge of terminology helps provide context."**

One of the course's greatest champions was Technology and Data Governance Analyst Tracey Savelio, who previously graduated from a similar AWS programme with the support of Kiwibank. She has been a mentor for AWS CloudUp for Her participants.

"Since finishing the course, I've had more chances to join discussions about cloud leadership with experienced IT experts and my understanding of cloud technology has improved. The opportunity motivated me to bridge my knowledge gap. I knew I had to do more than just learn on the job."

Tracey is keen to support more Māori and Pasifika into the industry.

**"Māori and Pasifika representation in tech is really low, and I'm passionate about increasing this. I'm from Tokelau, and being a Pasifika woman, I already fit into an underrepresented group. I knew if I did the course and gained my AWS Certification, I could prove to people who look like me that they can do it too."**

Initially, it was intended 50 women would participate in the inaugural programme. However, more than 60 women participated and a second course, with another 25 participants, was held in April.



Kiwibank Technology and Data Governance Analyst, Tracey Savelio.



Kiwibank Programme Coordinator, Donna Carter.





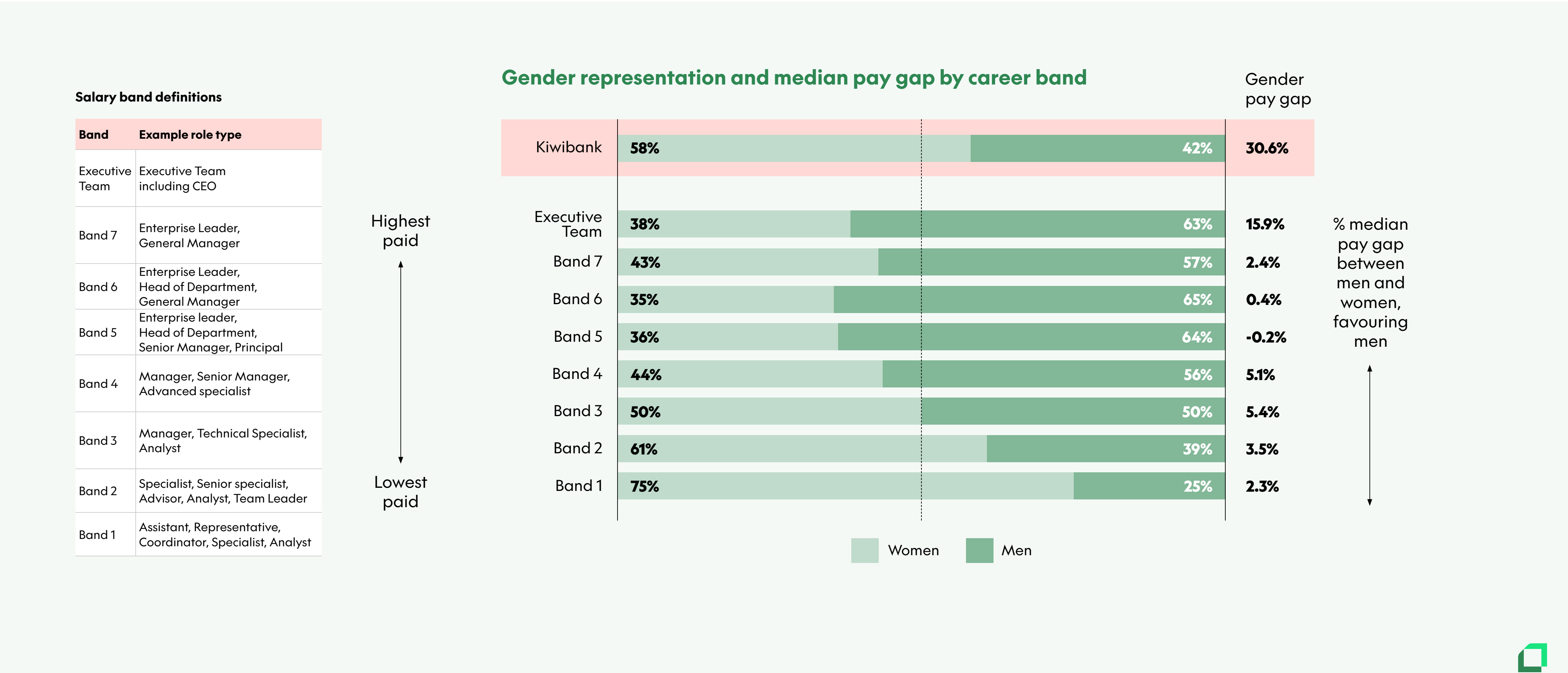
GENDER PAY GAP

Two years on: How we’re progressing on our gender pay gap

MARCH 2024 MARKED TWO YEARS SINCE WE EMBARKED ON OUR JOURNEY TO REDUCE OUR GENDER PAY GAP.

After first reporting publicly on our gender pay gap in March 2022, we set ourselves a target to reduce our gender pay gap by 4% in FY23. We were immensely disappointed to find at the end of FY23 our gap had not improved on our FY22 measure of 33.6%. We realised this journey was likely to be longer and more challenging than initially anticipated. This year, we tempered our ambition and set a new goal to reduce our gender pay gap from 33.6% to 32.6%. At the end of FY24, we were pleased to find we had exceeded that goal, reducing our gender pay gap to 30.6%.

Every year as part of our salary review process, we review gender pay gaps for people in the same role or salary band. Where gaps of over 5% exist, they are investigated. If we can find no justification for the gap (for example, differences in level of expertise and performance in the role), then we address it.





GENDER PAY GAP CONT.

Gender parity

We know achieving gender parity (where men and women are equally represented at all the different levels in an organisation) is key to closing our gender pay gap.

We currently have more women in customer facing/support roles (Bands 1-2) which typically pay less, and more men in senior roles (Bands 4-7) which typically pay more. This is the fundamental reason for our current gender pay gap.

Our FY24 goal was to have 40.6% women in senior roles (which tend to be Senior Managers, Heads of, General Managers, or Executives) and we achieved 40%. For FY25, our goal is 42.1%.

To help us achieve our FY24 goal, we started work on a number of diversity, equity and inclusion (DEI) recruitment initiatives to attract more women into leadership. Additionally, we know, based on research conducted within Kiwibank and externally, that there’s a lot of work to be done on changing mindsets around ‘gendered’ roles. We did the following this year to address gender parity:

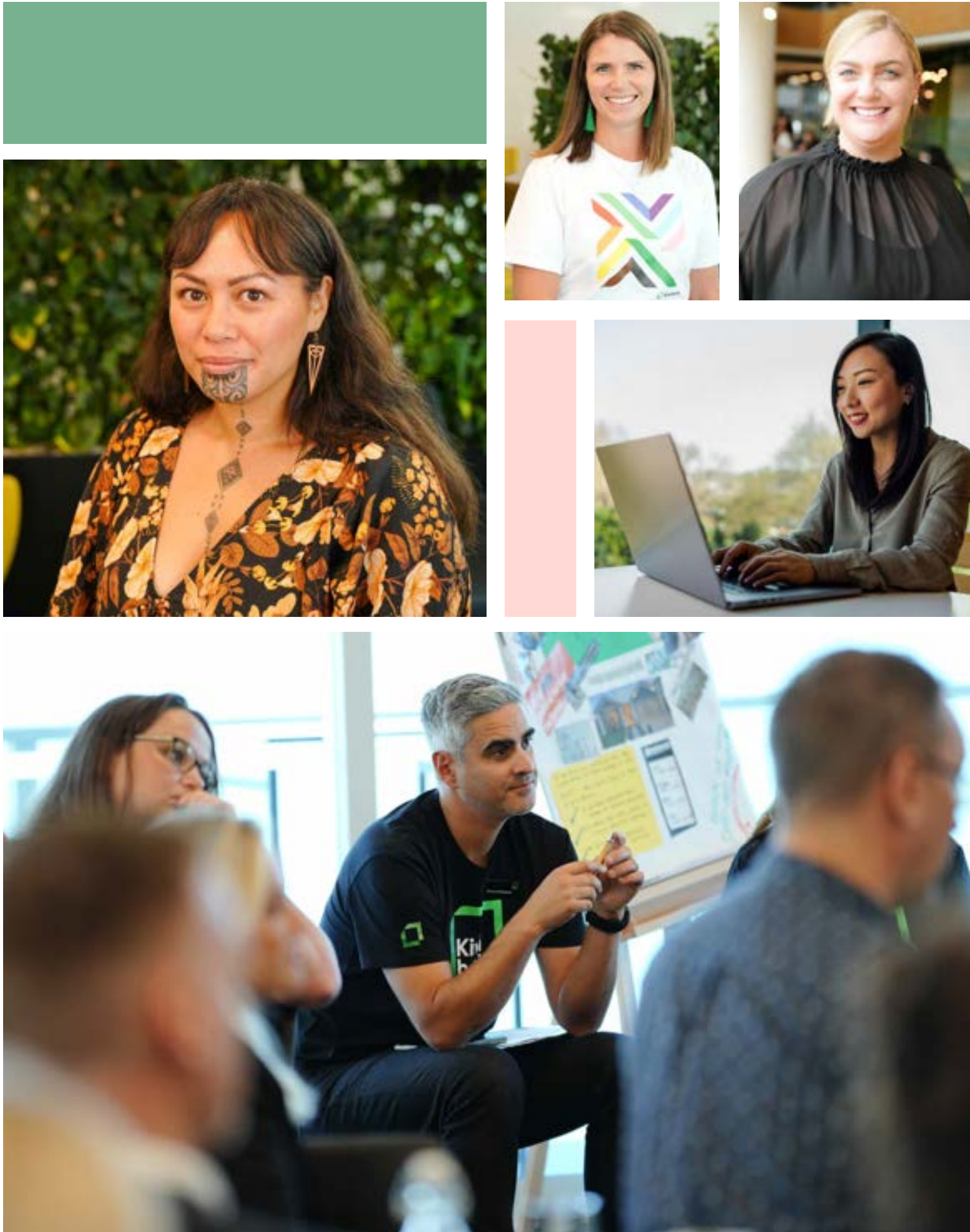
➤ Every business area set DEI goals specific to their team. For example, we know our Legal and People teams have more women than men at the leadership level. However, in other business areas, such as our Digital and Technology and Customer Business teams, men are more highly represented in leadership. We established talent and succession plans for teams and roles that aren’t currently meeting their targets.

➤ We tracked and reviewed our progress against our gender pay gap goals. We report on our gender pay gap and DEI recruitment goals to our Executive team every quarter. This ensures each executive is across the gender parity and pay gap challenges and opportunities in their business area, and can be proactive about addressing them. We regularly report to our Board on our gender pay gap, and annually provide them a detailed overview of the salary review process.

➤ We took care to ensure we’re following our DEI Recruitment Guidelines. Hiring managers need to interview and shortlist a balanced candidate pool for every job vacancy, and interview panels are expected to demonstrate diversity. We’re also partnering with organisations like SheSharp and HireHer that work to bridge the gender and ethnicity gaps in the science, technology, engineering and maths (STEM) industries.

➤ We’ve established a process to capture the career aspirations of our kaimahi and provide development opportunities to support those goals. We advertise internal promotion opportunities and provide targeted development opportunities.

➤ We regularly review the benefits we offer our kamahi, and our broader employee value proposition, to help us attract and retain women in roles at all levels of Kiwibank.



Clockwise from top left: KeihaTe Ngoungou, Māori Advisor; Nicole McGregor, Marketing Manager; Margo Talbot, Performance Lead, Safety and Wellbeing; Emily Wong, Digital Marketing Manager, and Simon Hofmann, General Manager, Marketing and Brand.





# This is climate action

## GOAL

By 2025, we will build a sustainable business by reducing our carbon emissions by 40%, be carbon neutral, and support customers to transition to a low-carbon future.





### Our goals for FY24

- Develop our transition plan to lay out the pathway we'll follow to ensure our business and our customers contribute to a low-emissions future.
- Continue to use carbon budgets to manage our air travel emissions.
- Reduce the operational emissions we measure by 28% compared to our FY21 baseline including:
  - 20% reduction in electricity
  - Converting 50% of our fleet to electric.
- Set targets for reducing the emissions from our lending activities (our financed emissions).
- Incorporate material climate risk and opportunity into strategic decisions and our enterprise risk management.

### Our progress towards FY24 goals

- We made progress on developing our first transition plan, which we will publish in our FY25 Climate Statement.
- All business areas used carbon budgets to manage their air travel emissions.
- We reduced the operational emissions we measure by 29% compared to our FY21 baseline year, including<sup>12</sup>:
  - A 39% reduction in electricity since our FY21 baseline year
  - Converting 35% of our fleet to electric vehicles in FY24. Now, 57% of our vehicles are electric.
- We established Kiwibank's financed emissions reporting capability in FY24. We will begin measurement in FY25.
- We deepened our understanding of Kiwibank's climate risks and opportunities, informed by our first climate scenario analysis.

<sup>12</sup> In FY23, we set ourselves a sub-target for FY24 to reduce our emissions from data centre energy consumption. However, we have identified an uncertainty in the data measuring our progress against this sub-target, which means we no longer consider reduction of data centre energy consumption a reliable measure of our progress to reduce Kiwibank's emissions. More information is included on page 35 of our FY24 [Climate Statement](#).

Understanding and building our resilience to the uncertain future impacts of climate change is a significant challenge. We're focused on developing our bank-wide plan to respond to it, including reducing our carbon footprint.

#### Publishing our first Climate Statement

This year, we developed our first [Climate Statement](#) in compliance with Aotearoa New Zealand Climate Standards. These reporting requirements are designed to encourage transparency from certain entities (generally large listed companies and certain financial institutions, including banks) about (amongst other things):

- The climate-related risks and opportunities they face; and
- How they are responding to those risks and opportunities, including preparing for the transition to a low-emissions, climate-resilient future.



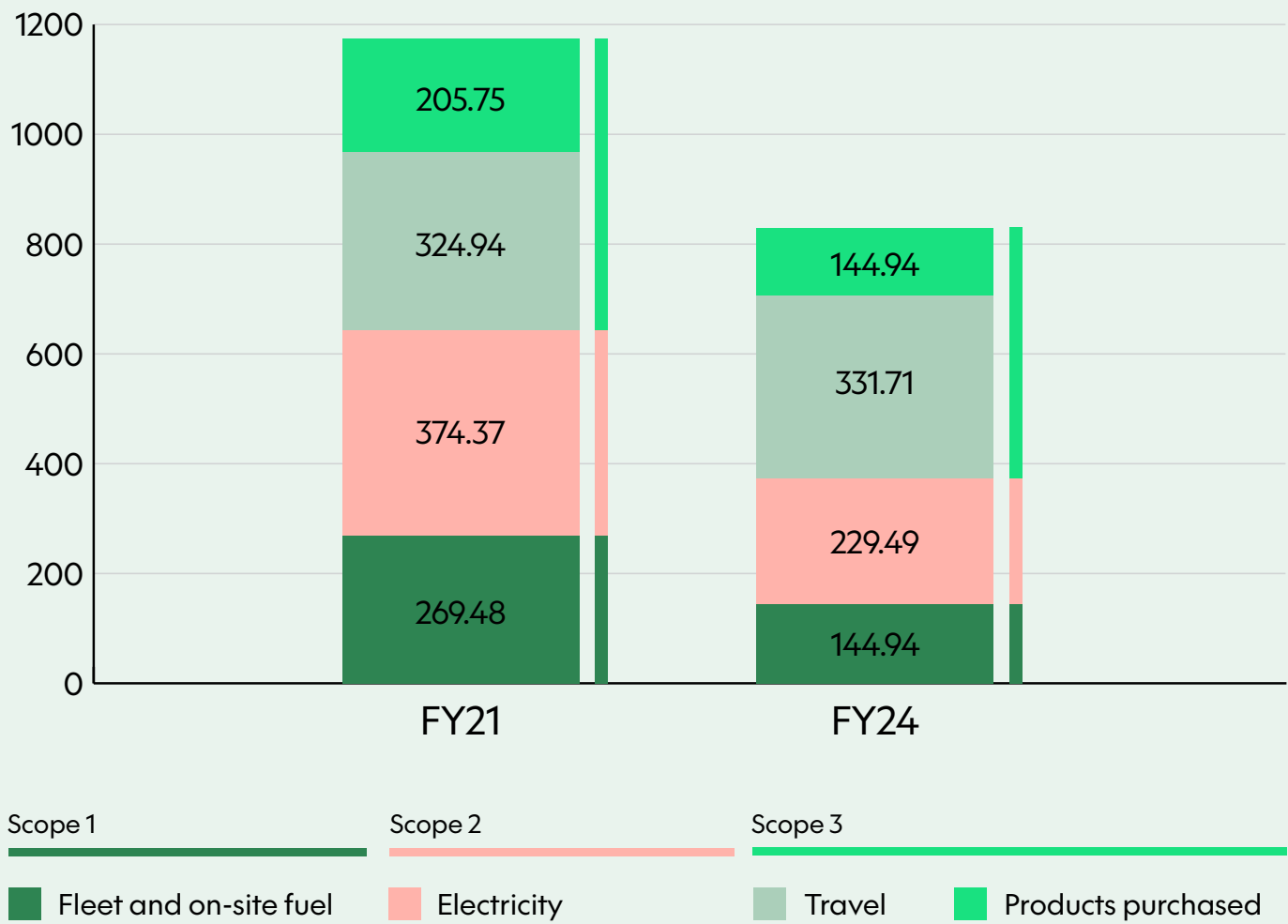


### Reducing our carbon footprint

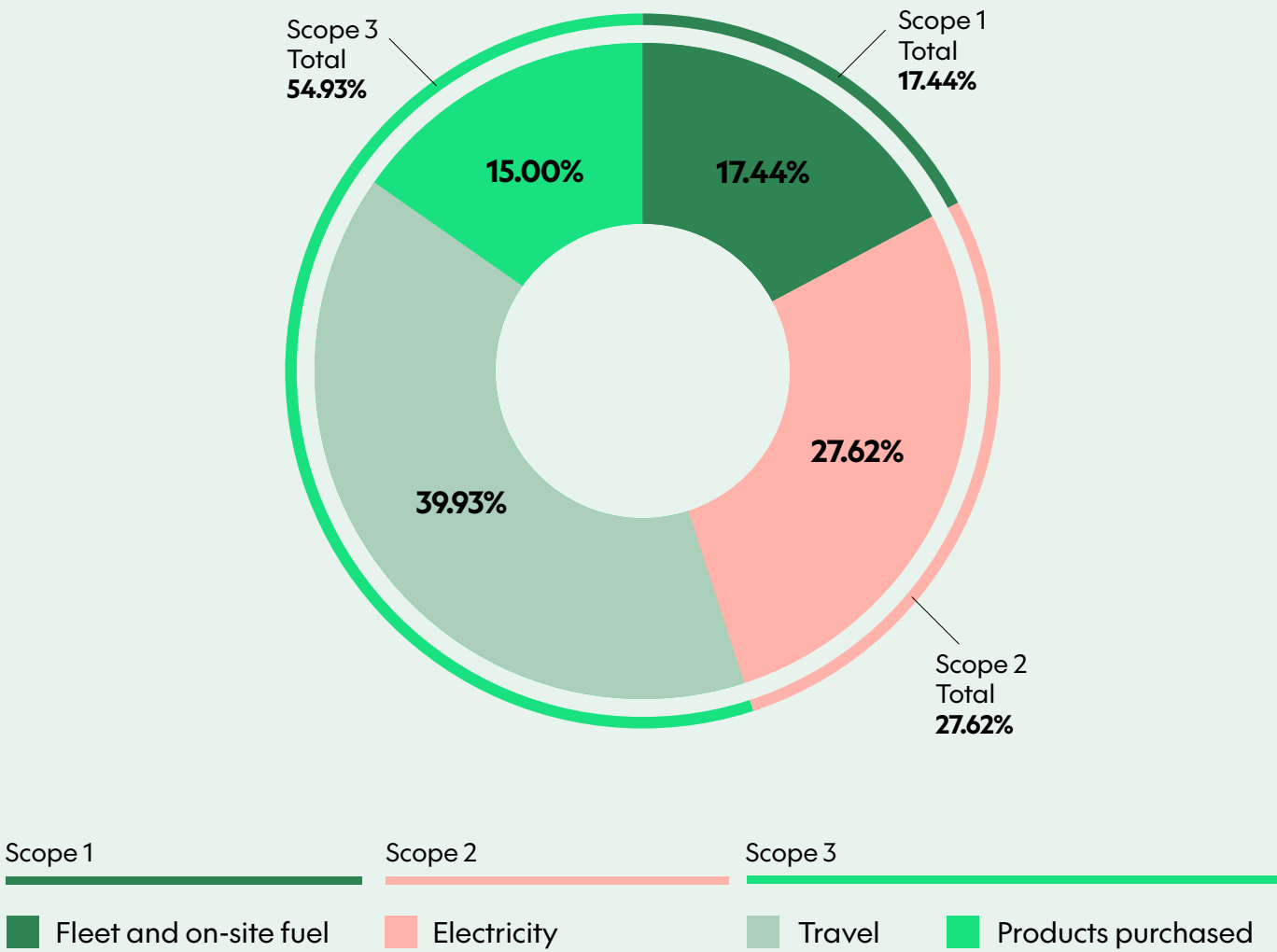
In FY21, we set targets to reduce certain sources of emissions resulting from our operations. These targets put us on a path to reduce our environmental impact, with the ambition of becoming carbon-neutral by FY25. Carbon neutrality is achieving a balance between our measured operational emissions and the emissions we indirectly remove from the atmosphere by way of offsetting.

Our operational emissions reduction target is to reduce our gross measured emissions by 40% by FY25, compared to our baseline year of FY21. This year, we achieved a reduction of 29% from our baseline. You can find more detail on our operational emissions reduction progress, including the emissions sources we are measuring and reducing and those excluded, in our FY24 [Climate Statement](#).

Our emissions trend since baseline year



Operational emissions in FY24



**Fleet and on-site fuel:** Diesel generators, fuel cards and refrigerant gas use

**Electricity:** Electricity and electric vehicle charging

**Travel:** Business air travel, accommodation, car hire, taxis, Uber, and mileage claims

**Products purchased:** Paper usage, general waste, data centres, and transmission and distribution line losses





# This is purpose-led business operations

## GOAL

As a B Corp, we consider the impact we have on our people, customers, community and the environment.







**We’re proud of the mahi we’ve done as a B Corp to consider the impact we have on our kaimahi, customers, community and the environment – and there’s always more to be done.**

**Wardrobe sustainability**

Last year, we introduced a new Kiwibank Wardrobe for our kaimahi. We considered sustainability in its design and production (including how best to dispose of the garments once we’d finished using them). We want to continuously improve, so this year, in collaboration with our supplier, we began researching the environmental and social impact of the different fabrics used in our wardrobe.

**Reducing our electronic waste**

This year, we’ve worked with our IT equipment provider to re-purpose and reuse our end-of-life technology equipment, where possible. In FY24, we retired more than 200 devices, and three were given to Recycle A Device, a not-for-profit that provides technology engineering lessons to secondary school students using donated laptops.

**Purpose and Sustainability Network**

At Kiwibank, our kaimahi are engaged and enthusiastic about our Purpose and sustainability. In November, we established the Purpose and Sustainability Network to harness this enthusiasm. The intention is to support Kiwibank to deliver on its Purpose and Sustainability Goals by enabling our kaimahi to design and drive internal operational initiatives. We’re now working on developing the group’s operating framework and goals.

**Our goals for FY24**

- Continue to develop our wardrobe to ensure it meets our sustainability expectations.
- Create an internal Purpose and Sustainability Network to increase engagement and education across our bank.
- Continue to uplift tikanga and educate our Business Banking team on the fundamentals of Māori business.
- Continuously improve our credit policies to ensure they are equitable for our customers.

**Our progress towards FY24 goals**

- We began fabric research to understand the environmental and social impact of the different fabrics used in our wardrobe.
- The Purpose and Sustainability Network has been established and we are now working on setting up its framework and goals.
- We offered a te reo Māori and tikanga learning programme to our Business Banking team.
- We worked with Kāinga Ora to change Kāinga Whenua lending criteria to make it more accessible to a greater number of Māori seeking home ownership.





PURPOSE-LED IMPROVEMENTS

Improving credit policies to support equitable outcomes

The Kāinga Whenua Loan Scheme is an initiative between Kāinga Ora and Kiwibank to help Māori achieve home ownership on multiply-owned Māori land. Kāinga Whenua loans are secured against the house only and guaranteed by Kāinga Ora, rather than being secured against the house and land like other home loans. This preserves the ownership of the whenua Māori. It will also help to provide options for those wanting to live on whenua Māori who previously may not have qualified for lending with us. (See more on page [16](#)).

To support more people to access Kāinga Whenua home loans, we worked with Kāinga Ora on improvements to the scheme’s structure and loan policy. As a result, the required deposit for a Kāinga Whenua home loan has been decreased from 15% to 5% for loans of more than \$200,000. For loans of less than \$200,000 no deposit is needed.

For a Kāinga Whenua loan of \$1 million, the first \$200,000 does not require a deposit, and the remaining \$800,000 would require a 5% deposit, equal to \$40,000. Also, the cap on how much an applicant can borrow (previously \$500,000) was removed.

There is now no cap on loan amounts, and loan approvals are based on how much customers can afford.

Applicants now have more flexibility to build a home (or a development) to suit their housing needs and financial situation. Customers need to meet both Kāinga Ora’s and Kiwibank’s affordability and eligibility requirements.

Business Banking tikanga understanding

To increase the understanding of tikanga within our Business Banking team, since FY22, we have offered a te reo Māori and tikanga learning programme, Te Hoe Ākau, which was developed in partnership with Hēmi Kelly.

We also increased Māori representation in our Business Banking team. In addition, we increased our engagement with key Māori industry and business community partners, including by our sponsorship of Te Hekenga (National Māori Business Networks and Māori Enterprises Conference). This also includes Tāwhia (Māori Bankers Association) where a leader from our Business Banking team is a current representative.





# Researching the sustainability of our supply chain



GAINING OUR B CORP CERTIFICATION IN 2021 MARKED A MILESTONE IN OUR COMMITMENT TO CONTINUALLY FIND WAYS TO BE BETTER FOR OUR KAIMAHI, CUSTOMERS, COMMUNITY AND THE ENVIRONMENT. THIS YEAR, WE'VE FOCUSED ON ENHANCING THE SUSTAINABILITY OF OUR SUPPLY CHAIN.

To be able to operate more sustainably, we identified an area of opportunity in our procurement process. We want to better manage and improve the social and environmental impact of our supply chain.

We've made some progress on this during the past few years, including updating our Supplier Code of Conduct in 2022, which sets out the minimum expectations we have of our suppliers.

This year, we've focused on developing a better understanding of the sustainability performance of our suppliers. We have a wide network of suppliers, so this is a big undertaking.

We've focused first on understanding the social and environmental impact of our large suppliers. We created a survey with questions about the policies, processes and practices each supplier has in place to address social and environmental issues. The suppliers surveyed accounted for 61% of our supplier spending.

Studying our supplier's sustainability practices not only enhances our supply chain understanding but also helps us pinpoint supplier strengths and areas where they may need support in their sustainability efforts.

## Of the suppliers surveyed, we have found the following:

83%

have a general sustainability policy, strategy, framework or clear sustainability commitments.

75%

measure and track their emissions, with 50% of those indicating that they have set reduction targets.

80%

have an environmental management policy in place and/or in development.

85%

have minimum standards in place for their own supply chain.

65%

have a policy focused on improving diversity, equity and inclusion and creating an inclusive culture.

35%

have a policy, strategy, framework or clear sustainability commitments focused on positively impacting indigenous communities (specifically Māori in Aotearoa New Zealand).



Blair Bradley  
Kiwibank  
Head of Procurement and Financial Systems

“For me, operating as a purpose-led business means ensuring our supply chain is environmentally and socially responsible. Surveying our suppliers about where they are on their sustainability journey helps us understand how we can improve our procurement processes and encourage sustainable outcomes across our supply chain.”





FY24 PERFORMANCE

Achieved Partially achieved Not achieved

GOAL	COMMITMENT	2024 RESULT	COMMENTARY
<b>Tamariki are better off</b> <b>We will support tamariki to have access to quality financial education by 2030.</b>	Support a further 67,000 students to build financial confidence by using the Banqer platform.	<span></span>	In the 2023 calendar year, we supported 62,210 students to access Banqer across 753 primary and intermediate schools and 181 secondary schools, achieving 93% of our goal.*
	Create age-appropriate resources for our own customers.	<span></span>	We co-developed, with Banqer, a pamphlet to encourage parents to have conversations about money with their tamariki. As a first step, we shared it with our kaimahi.
	Improve our processes for people under 18 to operate their bank accounts.	<span></span>	We reduced the age restriction on our Visa debit cards from 15 years to 13 years, supporting age-appropriate financial autonomy.
<b>Kiwi are better off</b> <b>We will support two million Kiwi to take action to secure their financial future by 2030.</b>	Support 30,000 Kiwi to take action to secure their financial futures.	<span></span>	We supported 45,376 Kiwi to take action to secure their financial future.*
	Use the insights from our customer financial wellbeing survey to inform our product and service design.	<span></span>	We're analysing survey data to better understand the different financial security profiles of our customers.
	Support our customers to build savings behaviours	<span></span>	We supported 18,585 customers to set up 24,709 savings goals, using our Goal Tracker.
	Support all former refugee customers to learn about financial wellbeing and banking in Aotearoa New Zealand.	<span></span>	924 former refugees become Kiwibank customers, taking the first step in our Former Refugee and Migrant Support Programme.
	Launch of our Kaimahi Financial Wellbeing Programme to all our kaimahi with the aim of supporting 35% to participate and achieve their goals.	<span></span>	We reset this goal so we could take more time with each of our kaimahi, aiming instead to provide coaching to 16% of kaimahi. We met 52% of our revised target. 200 kaimahi set 804 long- and short-term financial goals, and achieved 146 short-term goals.
<b>Aotearoa is better off</b> <b>We will deliver \$2b in sustainable finance to improve the resilience of Aotearoa by 2030.</b>	Deliver \$170m in sustainable finance.	<span></span>	We delivered \$177.9 million in sustainable finance, exceeding our goal. Our sustainable finance offering is explained on pages 21-22 and in pages 41-42 of our FY24 <a href="#">Climate Statement</a> .*
	Identify key business focus areas for sustainable finance.	<span></span>	We researched the decarbonisation potential of the main business segments we lend to.
	Complete a strategic review of our Responsible Business Banking Policy.	<span></span>	We completed a review of the business sectors covered by our Responsible Business Banking Policy. We will implement our revised policy in FY25.
	Continue to support Kiwi businesses to measure their emissions through our partnership with Cogo.	<span></span>	We continue to provide Cogo services to businesses. 147 business customers have signed up since launch.
	Broaden our understanding of ESG risk across our business	<span></span>	We have focused on understanding the key ESG risks for businesses in Aotearoa New Zealand.

Table continued on next page

\*Important information about how we calculate our progress against each of these goals is set out in the sections of this report that correspond to each goal.





FY24 PERFORMANCE

Achieved

Partially achieved

Not achieved

GOAL	COMMITMENT	2024 RESULT	COMMENTARY
<b>Build an inclusive culture</b>  We want to foster an inclusive culture where we can all belong - one that encourages all of our kaimahi to do their best work though learning and growth. This helps us to deliver for our customers.	Increase the diversity of our kaimahi to: <ul style="list-style-type: none"><li>40.6% of bands 4-7 plus Executive Committee roles to be women</li><li>11.8% of all kaimahi to be Māori</li><li>9.2% of all kaimahi to be Pasifika Peoples</li></ul>	<div></div>	At 30 June 2024, we had achieved: <ul style="list-style-type: none"><li>40% of bands 4-7 plus Executive Committee roles are women. We also reduced our gender pay gap from 33.6% to 30.6%, ahead of our FY24 goal of 32.6%</li><li>10.5% of all kaimahi are Māori</li><li>7.1% of all kaimahi are Pacific Peoples</li></ul>
	Develop Disability and Accessibility Guidelines.	<div></div>	We released our internal Disability and Accessibility Guidelines in May 2024. These guidelines support our people to remove barriers and enable us all to do our best work.
	Ensure all kaimahi have active development plans in place.	<div></div>	91% of our kaimahi completed a personal development plan for FY24.
<b>Taking climate action</b>  By 2025, we will build a sustainable business by reducing our carbon emissions by 40%, be carbon neutral, and support customers to transition to a low-carbon future.	Reduce operational emissions by 28% compared to FY21 baseline including: <ul style="list-style-type: none"><li>20% reduction in electricity</li><li>30% reduction in data centre consumption</li><li>Convert 50% of our fleet to electric vehicles</li></ul>	<div></div>	We reduced the operational emissions we measure by 29%, exceeding our target.* This reduction is due primarily to converting 57% of our vehicle fleet to electric vehicles, and electricity efficiency measures. Detail about the emissions sources we measure, and about our progress against our FY24 emissions reduction sub-targets is in our FY24 <a href="#">Climate Statement</a> .
	Develop our transition plan to lay out the pathway to create a low carbon future.	<div></div>	We progressed the development of our first transition plan, which we will publish in our FY25 Climate Statement. See our FY24 <a href="#">Climate Statement</a> for more detail about our progress.
	Continue to use carbon budgets to manage our air travel emissions.	<div></div>	All business areas used carbon budgets to manage their air travel emissions.
	Set targets for reducing the emissions from our lending activities (our financed emissions).	<div></div>	We established Kiwibank’s financed emissions reporting capability in FY24. We will begin measurement in FY25. See our FY24 <a href="#">Climate Statement</a> for more detail.
	Incorporate material climate risk and opportunity into strategic decisions and our enterprise risk management.	<div></div>	We deepened our understanding of Kiwibank’s climate risks and opportunities, informed by our first climate scenario analysis. See our FY24 <a href="#">Climate Statement</a> for more detail.
<b>Purpose-led business operations</b>  As a B Corp, we consider the impact that our business will have for our people, our customers, our communities and our environment.	Continue to develop our wardrobe to ensure it meets our sustainability expectations.	<div></div>	We began fabric research to understand the environmental and social impact of the different fabrics used in our wardrobe.
	Create an internal Purpose and Sustainability Network to increase engagement and education across our bank.	<div></div>	The Purpose and Sustainability Network was established and we are now working on its operating framework and goals.
	Continue to uplift tikanga and educate our Business Banking team on the fundamentals of Māori business.	<div></div>	We continued to offer a te reo Māori and tikanga learning programme to our Business Banking team.
	Continuously improve our credit policies to ensure they are equitable for our customers.	<div></div>	We worked with Kāinga Ora to change Kāinga Whenua lending criteria to make it more accessible to a greater number of Māori seeking home ownership
	Improve our procurement policies and processes to incorporate sustainability at every stage.	<div></div>	We developed and rolled out a supplier sustainability survey. We’ve focused first on understanding the social and environmental impacts of our large suppliers. The suppliers surveyed accounted for 61% of our supplier spending.





NGĀ KUPU MĀORI

<b>Aotearoa</b>	New Zealand
<b>Harakeke</b>	Flax
<b>Hui</b>	Gathering, meeting
<b>Kaimahi</b>	Our people/our team
<b>Mahi</b>	Work
<b>Pā</b>	Cluster, grove, collective
<b>Tamariki</b>	Children
<b>Tēnā koutou katoa</b>	Greetings to you all

<b>Papakāinga</b>	Village, home
<b>Te Hoe Ākau</b>	The steering paddle (Title of a learning programme)
<b>Te ao Māori</b>	The Māori world
<b>Tikanga</b>	Māori customs and practices
<b>Whenua Māori</b>	Māori land







Please get in touch with any feedback or suggestions:

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