



Independent assurance report to the Board of Directors of Westpac Banking Corporation on its Green Bonds

To the Board of Directors of Westpac Banking Corporation

Opinion

We have undertaken a reasonable assurance engagement on the compliance of Westpac Banking Corporation's (Westpac) Green Bonds as described below (the Subject Matter), in all material respects, with the requirements of the Climate Bond Standard v3.0 (the Requirements) as evaluated against the Climate Bond Standard v3.0 (CBS) inclusive of the Sector-Specific Criteria published by the Climate Bonds Initiative ("CBI") (together the "Criteria"), as at 30 September 2022.

In our opinion, Westpac's Subject Matter has complied, in all material respects, with the Requirements as evaluated against the Criteria as at 30 September 2022.

Subject Matter

The Subject Matter consists of:

- Projects and assets to which Westpac has a debt exposure and which Westpac has nominated for its Green Bonds, as notified to us. ("Nominated Projects and Assets" (as attached in Appendix A)).
- Westpac's outstanding 'Use of Proceeds' Green Bond issuances as at 30 September 2022, as defined under the CBS (as attached in Appendix B).
- Westpac's processes required by the CBS, including those which support the tracking of bond proceeds, and the monitoring and reporting of Nominated Projects and Assets.

The Criteria

The Criteria against which we assessed the Subject Matter consist of:

- The Climate Bond Standard v3.0 as published on the CBI website inclusive of the Sector-Specified Criteria.
- The Sector-Specific Criteria approved by the Climate Bonds Standard Board as published on the CBI website as at 30 September 2022, for the following sectors applicable to the Subject Matter:
 - Solar
 - Wind
 - Low carbon buildings, including the City Baselines published by the CBI (see Appendix C)
 - Low carbon transport.

This reasonable assurance engagement was performed based on the CBS programmatic option, as defined in Section P9 of the CBS.



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Basis for opinion

We conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* (ASAE 3100), and the Standard on Assurance Engagements (ASAE 3000), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities

Westpac's management is responsible for:

- (a) Identification of the Requirements identified above.
- (b) The compliance activity undertaken to meet the Requirements as at 30 September 2022.
- (c) Identification and implementation of controls which will mitigate those risks that prevent the Requirements being met and monitoring ongoing compliance.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Our responsibility

Our responsibility is to express a reasonable assurance opinion about whether Westpac's Subject Matter has complied with the Requirements as evaluated against the Criteria, as at 30 September 2022, in all material respects. ASAE 3100 and ASAE 3000 require that we plan and perform our procedures to obtain reasonable assurance about whether Westpac's Subject Matter has complied, in all material respects, with the Requirements, as evaluated against the Criteria, as at 30 September 2022.

An assurance engagement to report on whether Westpac's Subject Matter has complied with the Requirements, as evaluated against the Criteria, involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the Requirements of the Criteria. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the Requirements, as evaluated against the Criteria.



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Our procedures included, amongst others, the following:

- Assessing policies and procedures established by Westpac related to the issuances of 'Use of Proceeds' Green Bonds, against the CBS
- Obtaining supporting evidence to assess the eligibility of Nominated Projects and Assets against the applicable Sector-Specific Criteria
- Obtaining supporting evidence to assess the accuracy of the net proceeds of green bond issuances and the total committed exposure to the Nominated Projects and Assets
- Performing enquiries of management to understand and confirm Westpac's relevant systems and processes related to internal tracking of bond proceeds, the investment value and eligibility of Nominated Projects and Assets
- Confirming with Westpac's management that Nominated Projects and Assets are not nominated to other Certified Climate Bonds, Certified Climate Loans, Climate Debt Instructions, green bonds, green loans or other labelled instructions (such as social bonds or Sustainability Development Goals (SDG) bonds).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with Requirements may occur and not be detected.

A reasonable assurance engagement as at 30 September 2022 does not provide assurance on whether compliance with the Requirements will continue in the future.



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Use of report

This report has been prepared solely for the use and benefit of the Board of Directors of Westpac under the terms of our engagement letter with Westpac for the purpose of obtaining programmatic certification of Westpac's Green Bonds by the Climate Bonds Initiative. It is not intended to be read or used by anyone other than Westpac and we make no representation concerning the appropriateness of this report for anyone other than Westpac. If anyone other than Westpac chooses to use or rely on it they do so at their own risk. We accept no duty, responsibility or liability for the consequences of any reliance on this report by any person other than the Board of Directors of Westpac, or to any party for the consequences of using or relying on the report for any purpose other than that for which it was prepared.

This disclaimer applies:

- to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute; and
- even if we consent to anyone other than the Board of Directors of Westpac receiving or using this report.

M. Beaton

Meredith Beaton
Authorised Representative of PricewaterhouseCoopers Securities Ltd

Sydney
6 February 2023



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Appendix A – Westpac’s Nominated Projects and Assets as at 30 September 2022

Investment area	Total committed exposure (\$m) in AUD
Renewable Energy <ul style="list-style-type: none">• Solar• Wind	\$1,673.2
Low Carbon Buildings	\$731.5
Low Carbon Transport	\$531.5
Total	\$2,936.2



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Appendix B – Westpac’s outstanding ‘Use of Proceeds’ Green Bonds as at 30 September 2022

Date of issue	Currency	Bond principal	AUD equivalent at issuance date*	Term
May 2021	EUR	€1,000 million	\$1,550.5 million	10 years, callable bond 5 years**
Feb 2017	USD	\$50 million	\$63.8 million	10 years
Nov 2017	EUR	€500 million	\$754.0 million	7 years
Feb 2018	AUD	\$117.3 million	\$117.3 million	5 years

* This is the AUD equivalent at the date of issue.

**Contractual maturity date for callable subordinated instruments is the first scheduled conversion date or call date for the purposes of this disclosure

Appendix C – CBI City Baselines

The following City Baselines were determined by Westpac, using the *Low Carbon Buildings: Commercial CO₂ Target Calculator* published on the CBI’s website (<https://www.climatebonds.net/standard/buildings/commercial/calculator#calculator>) and based on the longest dated green bond issued by Westpac. They were used to test the eligibility of nominated low carbon building projects and assets.

City	Baseline (kgCO ₂ e/m ²)
Melbourne	71.38
Sydney	73.01
Brisbane	72.03
Adelaide	37.38
Perth	56.03
Canberra	48.11