

# WESTPAC 2024 GREEN BOND IMPACT REPORT

March 2024

# DISCLAIMER.

The material contained in this report is intended to be general background information on Westpac Banking Corporation (“Westpac”) (ABN 33 007 457 141) and its activities.

It should not be reproduced, distributed or transmitted to any person without the consent of Westpac and is not intended for distribution in any jurisdiction in which such distribution would be contrary to local law or regulation. It does not constitute a prospectus, offering memorandum or offer of securities.

The information is supplied in summary form and is therefore not necessarily complete. It is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs. The material contained in this report may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This report should be read in conjunction with our 2023 Annual Report. This includes references to our systems and processes, which may not always be 100% effective and are subject to risks and other factors, including those described in the section titled ‘Risk factors’ in our 2023 Annual Report.

All amounts are in Australian dollars unless otherwise indicated.

Financial data in this report is as at 30 September 2023 unless otherwise indicated.

Information contained in or otherwise accessible through the websites mentioned in this report does not form part of the report unless it specifically states that the information is incorporated by reference thereby forming

part of the report. All references in this report to websites are inactive textual references and are for information only.

## Disclosure regarding forward-looking statements

The information contained in this report contains statements that constitute “forward-looking statements” within the meaning of Section 21E of the US Securities Exchange Act of 1934. Forward-looking statements are statements that are not historical facts. Forward-looking statements appear in a number of places in this report and include statements regarding Westpac’s intent, belief or current expectations with respect to its business and operations, macro and micro economic and market conditions, results of operations and financial condition, capital adequacy and risk management, including, without limitation, future loan loss provisions and financial support to certain borrowers, forecasted economic indicators and performance metric outcomes, indicative drivers, climate and other sustainability-related statements, commitments, targets, projections and metrics, and other estimated and proxy data.

Words such as ‘will’, ‘may’, ‘expect’, ‘intend’, ‘seek’, ‘would’, ‘should’, ‘could’, ‘continue’, ‘plan’, ‘estimate’, ‘anticipate’, ‘believe’, ‘probability’, ‘indicative’, ‘risk’, ‘aim’, ‘outlook’, ‘forecast’, ‘f’cast’, ‘f’, ‘assumption’, ‘projection’, ‘target’, ‘goal’, ‘guidance’, ‘ambition’ or other similar words, are used to identify forward-looking statements. These forward-looking statements reflect our current views on future events and are subject to change, certain known and unknown risks, uncertainties and assumptions and other factors which are, in many instances, beyond Westpac’s control (and control of Westpac’s officers, employees, agents and advisors) and have been made based upon management’s expectations and beliefs concerning future developments and their potential effect upon Westpac.

Forward-looking statements may also be made, verbally or in writing, by members of Westpac’s management or Board in connection with this report. Such statements are subject to the same limitations, uncertainties, assumptions and disclaimers set out in this report.

There can be no assurance that future developments or performance will align with our expectations or that the effect of future developments on Westpac will be those anticipated. Actual results could differ materially from those Westpac expects or which are expressed or implied in forward-looking statements, depending on various factors including, but not limited to, those described in the section titled ‘Risk factors’ in Westpac’s 2023 Annual Report for the twelve months ended 30 September 2023 available at [www.westpac.com.au](http://www.westpac.com.au). When relying on forward-looking statements to make decisions with respect to Westpac, investors and others should carefully consider such factors and other uncertainties and events.

Except as required by law, Westpac assumes no obligation to revise or update any forward-looking statements contained in this report, whether from new information, future events, conditions or otherwise, after the date of this report.

# WESTPAC'S AMBITION TO BECOME A NET-ZERO, CLIMATE RESILIENT BANK

Climate change is a significant issue that will impact the long-term prosperity of the economy and our way of life.

We recognise that the effects of climate change already impact our business, customers and community. We seek to play our part in addressing these impacts, through our ambition to become a net-zero, climate resilient bank.

Our climate change strategy is detailed in our Climate Change Position Statement and Action Plan (Climate Action Plan), which was updated in 2023. The Climate Action Plan sets our ambition to become a net-zero, climate resilient bank. This means that we are working to reduce our operational and financed emissions in line with a commitment to align with a 1.5°C pathway to net-zero by 2050.

Our Climate Action Plan identifies three priority areas where we aim to direct our attention:

1. Net-zero, climate resilient operations
2. Supporting customers' transition to net-zero and to build their climate resilience
3. Collaborate for impact on initiatives towards net-zero and climate resilience

More information can be found in Westpac's Climate Change Position Statement and Action Plan available at: [www.westpac.com.au/sustainability](http://www.westpac.com.au/sustainability).

Decarbonising the economy requires material investment and we see this as a significant opportunity to become our customers' transition partner of choice.

## Notes

1. Westpac's Green Bonds were previously referred to as "Climate Bonds".

Since 2020, we have provided \$6.5 billion in new lending to climate change solutions, which is 86% more than the \$3.5 billion target over this period.

We are also focused on further building our expertise and supporting more customers with sustainable finance. In the 2023 financial year, we supported customers with 58 sustainable finance transactions.

Looking ahead, we have introduced 2030 targets for lending and bond facilitation of \$55 billion and \$40 billion, respectively.

Climate change solutions involve process changes used to reduce environmental impacts or greenhouse gas emissions and are over and above normal compliance obligations. These activities are listed and defined in Westpac's 2023 Sustainability Index and Datasheet available at:

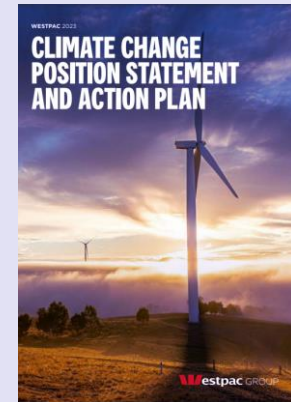
<https://www.westpac.com.au/about-westpac/sustainability/performance-reports/>

Green Bonds<sup>1</sup> are issued by Westpac as part of its commitment to accelerating the transition to a low carbon economy. The net proceeds of Westpac's Green Bonds are used to finance or refinance projects or assets which meet the requirements of the Climate Bond Initiative (CBI) Standard (which is also aligned with the Green Bond Principles).

More information can be found at:

<https://www.westpac.com.au/about-westpac/investor-centre/fixed-income-investors/green-bonds/>

## Our 2023 Climate Change Position Statement and Action Plan and 2023 Climate Report



Available at  
[westpac.com.au/sustainability](http://westpac.com.au/sustainability)

# GREEN BOND ISSUANCE STATISTICS

## Aggregate Statistics of the Green Bond Pool (30 September 2023)

Energy Efficiency	TCE <sup>1</sup> (A\$m)	Drawn Amount <sup>2</sup> (A\$m)	Share of Green Bond Pool <sup>3</sup> (%)
Low Carbon Buildings	1,083.6	986.0	28.7
Renewable Energy	2,103.8	1,729.6	55.7
Low Carbon Transport (Rail)	588.0	568.9	15.6
<b>Total<sup>4</sup></b>	<b>3,775.5</b>	<b>3,284.6</b>	<b>100%</b>

Outstanding Issuance	Equivalent <sup>5</sup> (A\$m)	Original Currency (m)	Public/Private
USD Senior 10 year due 2027	65.9	USD 50.0	Private Placement
EUR Senior 7 year due date 2024	776.3	EUR 500.0	Public EUR EMTN Benchmark
EUR Tier 2 10nc5 due date 2026 <sup>6</sup>	1,550.5	EUR 1,000.0	Public EUR Tier 2 Benchmark
<b>Total</b>	<b>2,392.6</b>		
<b>Remaining Pool Capacity</b>	<b>1,382.8</b>		

### Notes

1. TCE (Total Committed Exposure) represent the lending commitment to fund the projects/assets.

2. The amount drawn against the lending commitment for each project/asset.

3. Share of Green Bond Pool is calculated as % of TCE.

4. Totals may not add due to rounding.

5. FX rate used to derive the AUD equivalent is at the time of the Green Bond issuance.

6. For the purposes of this disclosure, the contractual maturity date for callable subordinated instruments is the first Optional Redemption Date. Any early redemption would be subject to prior written approval from APRA, which may or may not be provided.

# GREEN BOND PROJECT & ASSET ALLOCATION

## Renewable Energy – Wind & Solar



WIND & SOLAR PROJECT 1	Multiple	Refinanced	Project finance for construction of a portfolio of solar & wind farms	WIND PROJECT 6	VIC	Refinanced	Project finance for 2 wind farms
SOLAR PROJECT 1	QLD	Financed	Direct lending and refinancing of existing asset	SOLAR PROJECT 6	NSW	Financed	Project finance for construction of 2 solar farms
SOLAR PROJECT 2	NSW	Refinanced	Direct lending and refinancing of existing asset	WIND PROJECT 7	VIC	Refinanced	Project finance for wind farm
WIND PROJECT 1	QLD	Financed	Project finance to support construction of the wind farm	SOLAR PROJECT 7	NSW	Financed	Project finance for 3 solar farms
SOLAR PROJECT 3	QLD	Refinanced	Project finance for solar farm	SOLAR PROJECT 8	NSW	Financed	Project finance for construction of the solar farm
SOLAR PROJECT 4	NSW	Refinanced	Project finance for solar farm	SOLAR PROJECT 9	NSW	Financed	Project finance for construction of the solar farm
WIND & SOLAR PROJECT 2	Multiple	Financed	Project finance for construction of the wind & solar farms	SOLAR PROJECT 10	QLD	Refinanced	Project financed solar project
WIND PROJECT 2	VIC	Financed	Project finance for construction of the wind farm	WIND & SOLAR PROJECT 3	Multiple	Refinanced	Project finance for construction of a portfolio of solar & wind farms
WIND PROJECT 3	SA	Financed	Project finance for construction of the wind farm	WIND PROJECT 8	VIC	Refinanced	Project financing for transmission infrastructure supporting wind
WIND PROJECT 4	SA	Refinanced	Direct lending and refinancing of existing project	SOLAR PROJECT 11	NSW	Financed	Project finance for construction of the solar farm
WIND PROJECT 5	SA	Refinanced	Direct lending and refinancing of existing project	WIND PROJECT 9	TAS	Financed	Project finance to support construction of the wind farm
SOLAR PROJECT 5	Multiple	Financed	Project finance for 2 solar farms	SOLAR PROJECT 12	QLD	Financed	Project finance for construction of the solar farm
				SOLAR PROJECT 13	Multiple	Financed	Project finance for 3 solar farms

## Low Carbon Buildings



LOW CARBON BUILDING ASSET 1	SA	Refinanced	5.5-star NABERs rating
LOW CARBON BUILDING ASSET 2	VIC	Financed	5-star NABERs rating
LOW CARBON BUILDING ASSET 3	SA	Refinanced	5-star NABERs rating
LOW CARBON BUILDING ASSET 4	SA	Refinanced	5.5-star NABERs rating
LOW CARBON BUILDING ASSET 5	QLD	Financed	5.5-star NABERs rating
LOW CARBON BUILDING ASSET 6	VIC	Refinanced	5.5-star NABERs rating
LOW CARBON BUILDING ASSET 7	VIC	Financed	5.5-star NABERs rating
LOW CARBON BUILDING ASSET 8	WA	Refinanced	5.5-star NABERs rating
LOW CARBON BUILDING ASSET 9	QLD	Financed	5-star NABERs rating
LOW CARBON BUILDING ASSET 10	QLD	Refinanced	5.5-star NABERs rating
LOW CARBON BUILDING ASSET 11	QLD	Refinanced	6-star NABERs rating
LOW CARBON BUILDING ASSET 12	NSW	Refinanced	5.5-star NABERs rating
LOW CARBON BUILDING ASSET 13 <sup>1</sup>	NSW	Refinanced	5.5-star NABERs rating
LOW CARBON BUILDING ASSET 14	NSW	Refinanced	5.5-star NABERs rating

## Low Carbon Transport (Rail)



RAIL ASSET 1	NSW	Refinanced	Rail station operator
RAIL ASSET 2	NSW	Financed	Delivery and maintenance of rolling stock and train systems
RAIL ASSET 3	QLD	Refinanced	Delivery and maintenance of rolling stock
RAIL ASSET 4	NSW	Financed	Construction and maintenance of rail stations, rolling stock and train systems
RAIL ASSET 5	VIC	Refinanced	Delivery and maintenance of rolling stock
RAIL ASSET 6	VIC	Financed	Construction and maintenance of rail stations and tunnels

### Westpac's Green Bond Pool – Lending Type <sup>2</sup>

%

49% Financed

51% Refinanced

#### Notes

1. Low Carbon Building Asset has 3 underlying commercial buildings with 5.5 and 6-star NABERs ratings.

2. Financed lending represents a new lending exposure. Refinanced lending represents re-lending to an existing exposure. Split is calculated using the TCE of the projects & assets in the Green Bond Pool.

# ENVIRONMENTAL IMPACTS

## Low Carbon Buildings

### Environmental Impacts



- Low Carbon Buildings financed in part by Westpac Green Bonds have a 41.7% lower greenhouse gas (GHG) emissions intensity (kgCO<sub>2</sub>-e/m<sup>2</sup>) compared to the weighted average Climate Bond Initiative (CBI) city emissions performance benchmark for energy efficiency.<sup>1</sup>

### Environmental Impact Assessment Overview

As at 30 September 2023

Green Bond Pool Asset Category	Total Committed Exposure (A\$m)	Share of Green Bond Pool (%)	Eligibility for Green Bonds (%)	Remaining Weighted Average Portfolio Lifetime (Months)	Net Lettable Area (m <sup>2</sup> )	Weighted Average Portfolio GHG Intensity (kgCO <sub>2</sub> -e/m <sup>2</sup> )	Better than Weighted Average CBI Benchmark (%)
Low Carbon Buildings	1,083.6	28.7	100.0	20.5	544,422.1	39.2	41.7

- Low Carbon Buildings make up 28.7% of the total share of the Green Bond pool as at 30 September 2023.
- Eligibility is assessed in accordance with CBI Sector Criteria and the Low Carbon Buildings continue to meet the relevant Criteria.
- Each Low Carbon Building is assessed for its GHG intensity via published information on NABERS<sup>2</sup> (if the building has been in operation for more than 1 year and has a NABERS rating). The weighted average portfolio GHG intensity (kgCO<sub>2</sub>-e/m<sup>2</sup>) is then compared to the weighted average CBI top 15% city emissions performance benchmark.
- CBI Standard uses emission footprint baseline in a particular city representing the top 15% for carbon intensity (kgCO<sub>2</sub>-e/m<sup>2</sup>). Weighted average city GHG intensity is 67.3 kgCO<sub>2</sub>-e/m<sup>2</sup> per year (using CBI calculator 2017-2027 duration).

#### Notes

1. Average CBI top 15% city emissions performance benchmark includes only those cities relevant to the Low Carbon Buildings in Westpac's Green Bond pool. The performance benchmark is linked to Westpac Green Bond issuance of 10-year duration.
2. Where NABERS ratings and published information are not available, Westpac endeavours to use best estimates from asset owners such as engineer's reports.

# ENVIRONMENTAL IMPACTS

## Renewable Energy

### Environmental Impacts



- Renewable Energy projects and assets financed in part by Westpac Green Bonds have the potential to:
  - Generate 12.0 million megawatt hours (MWh) of clean energy; and
  - Avoid 7.4 million tonnes of annual GHG emissions (tCO<sub>2</sub>-e).
- Westpac's estimated share for renewable energy is 2.2 million tCO<sub>2</sub>-e avoided.

### Environmental Impact Assessment Overview

As at 30 September 2023

Green Bond Pool Asset Category	Total Committed Exposure (A\$m)	Share of Green Bond Pool (%)	Eligibility for Green Bonds (%)	Remaining Weighted Average Portfolio Lifetime (Months)	Capacity (MW)	Annual Energy Generation (MWh)	Annual GHG emissions avoided (tCO <sub>2</sub> -e)	Westpac's estimated proportion (tCO <sub>2</sub> -e) <sup>1</sup>
Renewable Energy	2,103.8	55.7	100.0	29.8	4,601.0	12,036,580.9	7,443,920.0	2,164,332.1

- Renewables energy projects/assets make up 55.7% of the total share of the Green Bond Pool as at 30 September 2023.
- Eligibility is assessed in accordance with CBI Sector Criteria and the Renewable Energy assets continue to meet the relevant Criteria.
- Energy generation (MWh/year) for operating project/assets is based on actual generation data (where available). Where projects were in construction for all or part of the year, forecast generation figures are taken using the P50 Predicted Methodology.
- Renewable energy generation is assumed to have avoided GHG emissions, calculated as follows: Emissions avoided (tCO<sub>2</sub>-e) = Annual energy generation (MWh) x NEM intensity (tCO<sub>2</sub>-e/MWh). In FY23 the NEM<sup>2</sup> emissions intensity was 0.618 (tCO<sub>2</sub>-e/MWh)<sup>3</sup>.

#### Notes

1. Renewable energy project financing typically comprises a combination of equity contribution and debt financing which is syndicated across several financiers. Westpac's estimated proportion of GHG emissions avoided is calculated by multiplying Westpac's portion of debt financing (as a percentage of total committed debt finance) by the total "Annual GHG emissions avoided" across all reference projects. The resulting figure does not reflect any equity contribution to the overall capital required for those reference projects.
2. NEM is the National Electricity Market connecting NSW, ACT, QLD, SA, VIC and TAS.
3. The NEM emissions intensity is calculated by using data drawn from the Carbon Dioxide Equivalent Intensity Index (CDEII). This is calculated by the sum of total NEM emissions (tCO<sub>2</sub>-e) divided by the sum of total NEM Electricity Production (MWh).

# ENVIRONMENTAL IMPACTS

## Low Carbon Transport

### Environmental Impacts



- Low Carbon Transport (Rail) projects and assets financed in part by Westpac Green Bonds have the potential to reduce annual GHG emissions by 204,100.0 tCO<sub>2</sub>-e.
- Westpac's estimated share for low carbon transport is 25,734.3 tCO<sub>2</sub>-e avoided.

### Environmental Impact Assessment Overview

As at 30 September 2023

Green Bond Pool Asset Category	Total Committed Exposure (A\$m)	Share of Green Bond Pool (%)	Eligibility for Green Bonds (%)	Remaining Weighted Average Portfolio Lifetime (Months)	Annual GHG emissions avoided (tCO <sub>2</sub> -e)	Westpac's estimated proportion (tCO <sub>2</sub> -e) <sup>1</sup>
Low Carbon Transport	588.0	15.6	100.0	28.7	204,100.0	25,734.3

- Low Carbon Transport (rail) projects/assets make up 15.6% of the total share of the Green Bond Pool as at 30 September 2023. The assets/projects in the Green Bond pool relate to rail and are under construction or in operation.
- Eligibility is assessed in accordance with CBI Sector Criteria and the Low Carbon Transport assets continue to meet the relevant Criteria.
- In estimating the GHG emissions avoided (tCO<sub>2</sub>-e), the focus was on the operational phase of the project/asset life cycle<sup>2</sup>. The estimated numbers are sourced from either the assets/projects' environmental effects statements or based on modal shift by comparing road transport GHG emissions per annum to passenger rail travel GHG emissions per annum<sup>3</sup>.

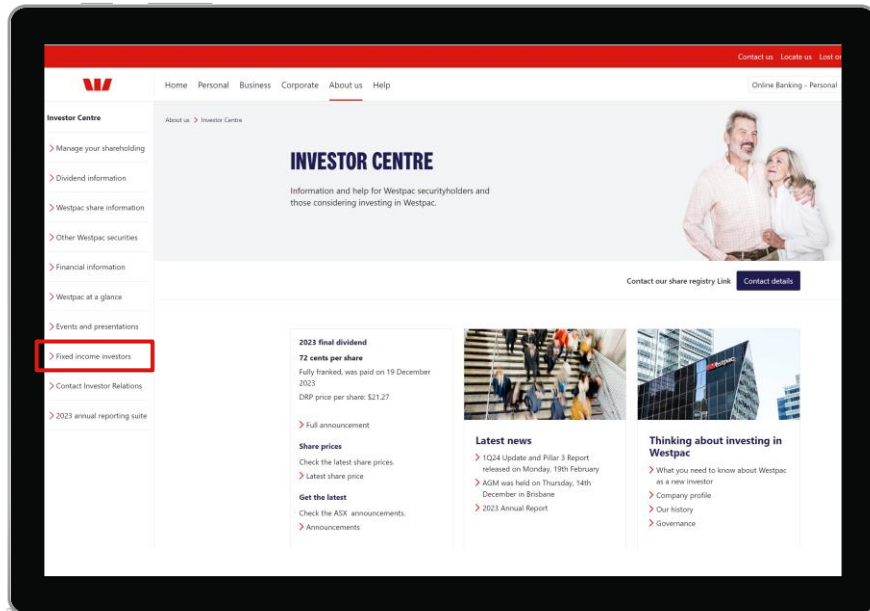
#### Notes

1. Low Carbon Transport project financing typically comprises a combination of equity contribution and debt financing which is syndicated across several financiers. Westpac's estimated proportion of GHG emissions avoided is calculated by multiplying Westpac's portion of debt financing (as a percentage of total committed debt finance) by the total "Annual GHG emissions avoided" across all reference projects. The resulting figure does not reflect any equity contribution to the overall capital required for those reference projects.
2. Where information is available on GHG emission intensity of the project during the construction phase, this has been included in the estimate of the GHG emission avoided (tCO<sub>2</sub>-e).
3. The functional unit used for the modal shift is assumed to be 150 grams CO<sub>2</sub> per passenger kilometres travelled (PKT) for cars and 90 grams CO<sub>2</sub> per PKT for national average passenger rail projected to 2030 (source: Melbourne Metro Rail Authority).



# MORE INFORMATION

www.westpac.com.au/investorcentre



## FIXED INCOME INVESTORS

Our strategy for stable and efficiently priced wholesale funding is twofold: build a strong and diverse funding profile and broaden the investor base, while applying prudent liquidity oversight.

### Unsecured funding (including senior and subordinated)

Debt programs for Westpac Banking Corporation (WBC), WBC (previously of St.George), Westpac Securities NZ Limited (WSNZL) and Westpac New Zealand Limited (WNZL).

[Find out more](#)

### Secured funding

Details of our covered bond programs for WBC and WSNZL and outstanding securitisation issuance.

[Find out more](#)

### Credit ratings

Details of Fitch, Moody's and Standard & Poor's short and long term ratings for Westpac Banking Corporation and Westpac New Zealand Ltd.

[Find out more](#)

### Fixed income presentations

Presentations for fixed income investors from Westpac and Westpac New Zealand Ltd (in PDF).

[Find out more](#)

### Westpac Securities NZ Limited

A dedicated entity providing offshore wholesale funding for Westpac New Zealand Limited. Includes key facts, financial statements, credit ratings for WNZL and other information.

[Find out more](#)

### Westpac Green Bonds

Details of our Green Bond program, including annual investor reports.

[Find out more](#)

## Group Treasury & Investor Relations Team

### Alexander Bischoff

Head of Balance Sheet, Liquidity & Funding Management

☎ +61 2 8253 4314

✉ abischoff@westpac.com.au

### Emily Blythe

Associate Director, Balance Sheet, Liquidity & Funding Management

☎ +61 2 8253 4314

✉ emily.blythe@westpac.com.au

### Jacqueline Boddy

Head of Debt Investor Relations

☎ +61 448 064 012

✉ jboddy@westpac.com.au

## ESG Team

### Michael Chen

Head of ESG

☎ +61 4 3749 6077

✉ michael.chen@westpac.com.au

### Matt Willson

Director, ESG

☎ +61 4 0257 2476

✉ matt.willson@westpac.com.au