



Westpac Green Bond Impact Report

May 2021

Disclaimer

The material contained in this presentation 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. Also, 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 presentation 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.

All amounts are in Australian dollars unless otherwise indicated.

Unless otherwise noted, the financial information in this presentation may be presented on a cash earnings basis. Cash earnings is a non-GAAP measure. Refer to Westpac’s 2020 Annual Report (incorporating the requirements of Appendix 4E) for the year ended 30 September 2020 available at www.westpac.com.au for details of the basis of preparation of cash earnings.

Financial data in this presentation is as at 30 September 2020 unless otherwise indicated.

Information contained in or otherwise accessible through the websites mentioned in this presentation does not form part of the presentation unless we specifically state that the information is incorporated by reference thereby forming part of the presentation. All references in this presentation to websites are inactive textual references and are for information only.

Disclosure regarding forward-looking statements

This presentation contains statements that constitute “forward-looking statements” within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. Forward-looking statements are statements about matters that are not historical facts. Forward-looking statements appear in a number of places in this presentation and include statements regarding Westpac’s intent, belief or current expectations with respect to its business and operations and market conditions, results of operations and financial condition, including, without limitation, future loan loss provisions, financial support to certain borrowers, indicative drivers, forecasted economic indicators and performance metric outcomes.

Words such as ‘will’, ‘may’, ‘expect’, ‘indicative’, ‘intend’, ‘seek’, ‘would’, ‘should’, ‘could’, ‘continue’, ‘plan’, ‘aim’, ‘probability’, ‘risk’, ‘forecast’, ‘likely’, ‘estimate’, ‘anticipate’, ‘believe’, or other similar words, are used to identify forward-looking statements. These forward-looking statements reflect our current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond our control and have been made based upon management’s expectations and beliefs concerning future developments and their potential effect upon us. There can be no assurance that future developments will be in accordance with our expectations or that the effect of future developments on us will be those anticipated. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results could differ materially from the expectations described in this presentation. Factors that may impact on the forward-looking statements made include, but are not limited to, those described in the section titled ‘Risk factors’ in Westpac’s 2020 Annual Report for the year ended 30 September 2020 available at www.westpac.com.au. When relying on forward-looking statements to make decisions with respect to us, investors and others should carefully consider such factors and other uncertainties and events. We are under no obligation, and do not intend, to update any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise, after the date of this presentation.

Westpac's commitment to action on climate change

Overview

Westpac recognises that climate change is one of the most significant issues that will impact the long-term prosperity of the global economy and our way of life.

Westpac is committed to managing its business in alignment with the Paris Agreement and the need to transition to a net zero emissions economy by 2050. This includes how the bank provides financial services, supports communities, operates facilities, engages on matters of policy, and contributes to industry initiatives.

Westpac acknowledges that its commitments to operate its business in line with the goals of the Paris Agreement mean that the bank must clearly set out expectations for its customers, recognising that Westpac's financing activity must align with activities that support efforts to keep a global temperature rise this century to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius.

Westpac continues to make progress against its targets for lending to and facilitating investment in climate change solutions, including green bond issuance and arrangement.

As at 30 September 2020, the bank's lending to climate change solutions reached \$10.1 billion, achieving the bank's target of \$10 billion by 2020.

In 2020, Westpac released their revised Climate Change Position Statement and 2023 Action Plan, announcing a new target aiming to provide \$3.5 billion of new lending to climate change solutions over the next three years, and \$15 billion in the next 10 years to 2030.

Green Bonds¹ are issued by Westpac as part of its various commitments. 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/>

Westpac recognises the important role the bank can play by supporting and participating in industry-based initiatives to progress collective action on climate change. Westpac was one of the core group of 30 'Founding Banks' that developed The Principles for Responsible Banking, launched in 2019. These principles align the purpose of banking with society's goals as expressed in the United Nations (UN) Sustainable Development Goals (SDGs) and the Paris Climate Agreement as part of a United Nations Environment Programme Finance Initiative (UNEP FI).

Climate Change Solutions are assessed by Westpac to comply with the Equator Principles² where the asset is financed by project finance.

Climate Change Solutions have been identified as (but are not limited to)³:

- Energy efficiency;
- Green building;
- Green businesses;
- Renewable energy;
- Low carbon transport;
- Adaptation infrastructure;
- Low carbon infrastructure;
- Waste;
- Water;
- Carbon farming projects;
- Forestry;
- Land rehabilitation.

The net proceeds of Green Bonds that have been issued since 2016 have been allocated to projects/assets in three categories, namely - renewable energy (solar and wind), low carbon buildings and low carbon transport (rail)⁴.

Notes

1 Westpac's Green Bonds program was previously referred to as its Climate Bonds program and bonds issued off that program referred to as "Climate Bonds".

2 As a founding signatory to the Equator Principles, where an asset is financed by project finance, Westpac agreed to provide loans only for projects whose sponsors can demonstrate their ability and willingness to comply with processes that ensure they are developed in a socially responsible manner, and in accordance with sound environmental management practices.

3 Find out more at <https://www.westpac.com.au/about-westpac/sustainability/>.

4 These projects/assets categories align to the CBI Standard and sector-specific technical criteria and may differ to Westpac's Climate Change Solutions categories.

Green Bond Issuance and Project/Asset Allocation

Aggregate Statistics (30 September 2020)		\$m	%
Energy Efficiency	TCE ¹ (A\$m)	Drawn Amount ² (A\$m)	Share of Green Bond Pool ³ (%)
Renewable Energy (Solar)	366.1	335.6	13
Renewable Energy (Wind)	1,047.4	1,027.4	37
Low Carbon Buildings	711.5	626.1	25
Low Carbon Transport (Rail)	708.7	592.9	25
Total	2,833.7	2,582.0	100%
Outstanding Issuance (30 September 2020)	A\$m Equivalent⁴	Original Currency (m)	Public/Private
AUD senior 5 year due 2021	500.0	AUD 500.0	Public AUD MTN Benchmark
USD senior 10 year due 2027	63.8	USD 50.0	Private Placement
EUR senior 7 year due date 2024	754.0	EUR 500.0	Public EUR EMTN Benchmark
AUD senior 5 year due date 2023	117.3	AUD 117.3	Public Uridashi
Total	1,435.1		
Remaining Pool Capacity	1,398.6		

Low Carbon Buildings			Renewable Energy - Wind		
Customer/Asset	State	Description	Customer	State	Description
Low Carbon Building 1	ACT	5 Star NABERs Rating.	Wind Asset 1	NSW	Project Finance to support construction of wind farm.
Low Carbon Building 2	NSW	5 Star NABERs Rating.	Wind Asset 2	VIC	Project Finance to support construction of wind farm.
Low Carbon Building 3	NSW	5 Star NABERs Rating.	Wind Asset 3	VIC	Provides transmission infrastructure.
Low Carbon Building 4	NSW	5.5 Star NABERs Rating.	Wind Asset 4	NSW	Project Finance to support construction of wind farm.
Low Carbon Building 5	NSW	5 Star NABERs Rating.	Wind Asset 5	VIC	Project Finance to support construction of wind farm.
321 Exhibition Street	VIC	6 Star NABERs Rating.	Wind Asset 6	AUST	Corporate lending over wholly renewable portfolio.
Hay Street Real Estate	QLD	5.5 Star NABERs Rating.	White Rock Wind Farm	NSW	Project Finance to support construction of wind farm (with refinance in operation).
P.G.A. (Creek) Pty Ltd	QLD	5 Star NABERs Rating.	Wild Cattle Group	TAS	Project Finance to support construction of wind farm.
			Granville Harbour Operations Pty Ltd	TAS	Project Finance to support construction of wind farm.
			Hallet 4 Wind Farm (North Brown Hill)	SA	Direct lending and refinancing of existing asset.
			Hallet 5 Wind Farm (Bluff Range)	SA	Direct lending and refinancing of existing asset.
			Lal Lal Wind Farms Finco Pty Ltd	VIC	Project Finance to support construction of wind farm.
			Murra Warra Finco Pty Ltd	VIC	Project Finance to support construction of wind farm.
			Oaklands Hill Wind Farm	VIC	Direct lending and refinancing of existing asset.
			PARF Coopers Gap Finco Pty Ltd	QLD	Project Finance to support construction of wind farm.
			PARF Silvertown Finco Pty Ltd Windfarm	NSW	Project Finance to support construction of wind farm.

Low Carbon Transport (Rail)			Renewable Energy - Solar		
Customer	State	Description	Customer	State	Description
Rail Asset 1	NSW	Rail station operator.	Solar Asset 1	NSW	Project Finance for construction of solar farm.
Rail Asset 2	NSW	Construction and maintenance of rail stations, rolling stock and train systems.	Pacific Hydro Haughton Solar Farm	QLD	Project Finance for construction of solar farm.
Rail Asset 3	VIC	Construction and maintenance of rail stations and tunnels.	PARF Finco 1 (Nyngan and Broken Hill PV)	NSW	Direct lending and refinancing of existing asset.
Rail Asset 4	NSW	Delivery and maintenance of rolling stock and train systems.	Ross River Operations Trust	QLD	Project Financed 116MW solar project.
Evolution Rail Pty Ltd	VIC	Delivery and maintenance of High-Capacity Metro Trains 'HCMT' rolling stock.	Finley Solar Finance Pty Ltd	NSW	Project Finance for construction of solar farm.
			Emerald Solar Farm	QLD	Project Finance for construction of solar farm.

Notes

1 TCE (Total Committed Exposures) 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. FX rate used to derive the AUD equivalent is at the time of the Green Bond issuance.

Environmental Impacts

Low Carbon Buildings

Environmental Impacts



- Low Carbon Buildings financed in part by Westpac Green Bonds have a 19% lower greenhouse gas (GHG) emissions intensity (kgCO₂-e/m²) compared to the weighted average Climate Bond Initiative (CBI) city emissions performance benchmark for energy efficiency.¹

Environmental Impact Assessment Overview

As at 30 September 2020

Asset Category	Total Committed Exposure A\$m	Share of Green Bond Pool (%)	Eligibility for Green Bonds (%)	Remaining Weighted Average Portfolio Lifetime (Months) ²	Net Lettable Area (m ²)	Weighted Average Portfolio GHG Intensity (kgCO ₂ -e/m ²)	Better than Weighted CBI Benchmark (%)
Low Carbon Buildings	711.5	25	100	25.5	381,265.6	58.4	19
TOTAL	711.5	25	100	25.5	381,265.6	58.4	19

- Low Carbon Buildings make up 25% of the total share of the Green Bond pool as at 30 September 2020.
- Eligibility criteria is assessed in accordance with CBI sector-specific technical criteria.
- Each Low Carbon Building is assessed for its GHG intensity via published information on NABERS (if the building has been in operation for more than 1 year and has a NABERS rating). Where NABERS ratings and published information are not available, Westpac endeavours to use best estimates from asset owners such as engineer's reports. The weighted average portfolio GHG intensity (kgCO₂-e/m²) 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 (kgCO₂-e/m²). Weighted average city GHG intensity is 72.6 kgCO₂-e/m² per year (using CBI calculator 2016-2027 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 issuances¹ of 11 year duration.

2 The Low Carbon Buildings portfolio has 25.5 months remaining weighted average lifetime as at 30 September 2020.

Environmental Impacts

Renewable Energy

Environmental Impacts



- Renewable energy (RE) projects and assets financed in part by Westpac Green Bonds have the potential to:
 - Generate 14.0 million megawatt hours (MWh) of clean energy; and
 - Reduce annual GHG emissions by 10.1 million tonnes of carbon dioxide equivalents (tCO₂-e).
- Westpac's estimated share for renewable energy is 2.2 million tCO₂-e avoided.

Environmental Impact Assessment Overview

As at 30 September 2020

Asset Category	Total Committed Exposure A\$m	Share of Green Bond Pool (%)	Eligibility for Green Bonds (%)	Remaining Weighted Average Portfolio Lifetime (Months) ¹	Capacity (MW)	Annual Energy Generation (MWh)	Annual GHG emissions avoided (tCO ₂ -e)	Westpac's estimated proportion (tCO ₂ -e) ²
Renewal energy (wind)	1,047.4	37	100	19.7	3,410.0	11,972,453.0	8,620,166.2	1,627,272.2
Renewable energy (solar)	336.1	13	100	20.4	851.0	2,008,463.3	1,446,093.6	547,491.6
TOTAL	1,413.6	50	100	19.9	4,261.0	13,980,916.3	10,066,259.7	2,174,763.8

- RE projects/assets make up 50% of the total share of the Green Bond Pool as at 30 September 2020.
- Energy generation for RE project/assets is based on actual or forecast³ generation data (MWh/year) from either project/asset operating reports, due diligence reports or original/latest credit appraisal report.
- Emission reduction (tCO₂-e/MWh) is the Grid Connected Total for 2019-2020 of 0.72 multiplied by MWh Generated (annual). The GHG intensity is the sum of total emissions (tCO₂-e) / Electricity Production (MWh) for the Grid Connected Total of the generation facilities (these are reported by National Greenhouse and Energy Reporting (NGER)).
- Where projects are still in construction, electricity generation (MWh/year) has been forecast and the NGER GHG intensity is applied.

Notes

¹ The RE portfolio has 19.9 months remaining weighted average lifetime as at 30 September 2020.

² RE project financing is generally syndicated across several banks. Westpac's estimated share of lending is used to estimate proportion of emissions avoided where customers are financed by more than one bank.

³ Forecast data is based on P50 Predicted methodology.

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 118,610.0 tCO₂-e.
- Westpac's estimated share for low carbon transport is 17,365.4 tCO₂-e avoided.

Environmental Impact Assessment Overview

As at 30 September 2020

Asset Category	Total Committed Exposure A\$m	Share of Green Bond Pool (%)	Eligibility for Green Bonds (%)	Remaining Weighted Average Portfolio Lifetime (Months) ¹	Annual GHG emissions avoided (tCO ₂ -e)	Westpac's estimated proportion (tCO ₂ -e) ²
Low Carbon Transport (rail)	708.7	25	100	44.4	118,610.0	17,365.4
TOTAL	708.7	25	100	44.4	118,610.0	17,365.4

- Low Carbon Transport (rail) projects/assets make up 25% of the total share of Green Bond Pool as at 30 September 2020. The assets/projects in the Green Bond pool relate to rail and are under construction or in operation.
- In estimating the GHG emissions avoided (tCO₂-e), the focus was on the operational phase of the project/asset life cycle³. The estimated numbers are sourced from either the asset/projects' environmental effects statements or based on modal shift by comparing road transport GHG emissions per annum to passenger rail travel GHG emissions per annum⁴.

Notes

¹ The Low Carbon Transport portfolio has 44.4 months remaining weighted average lifetime as at 30 September 2020.

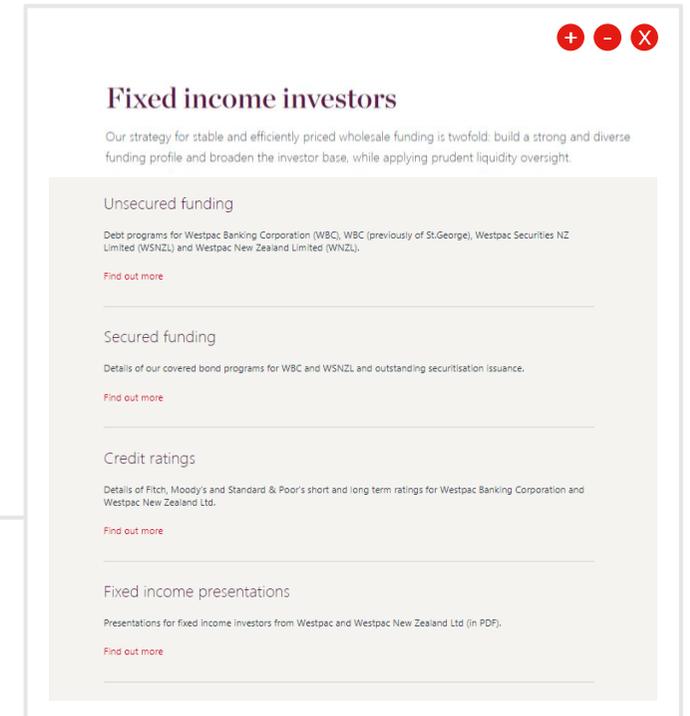
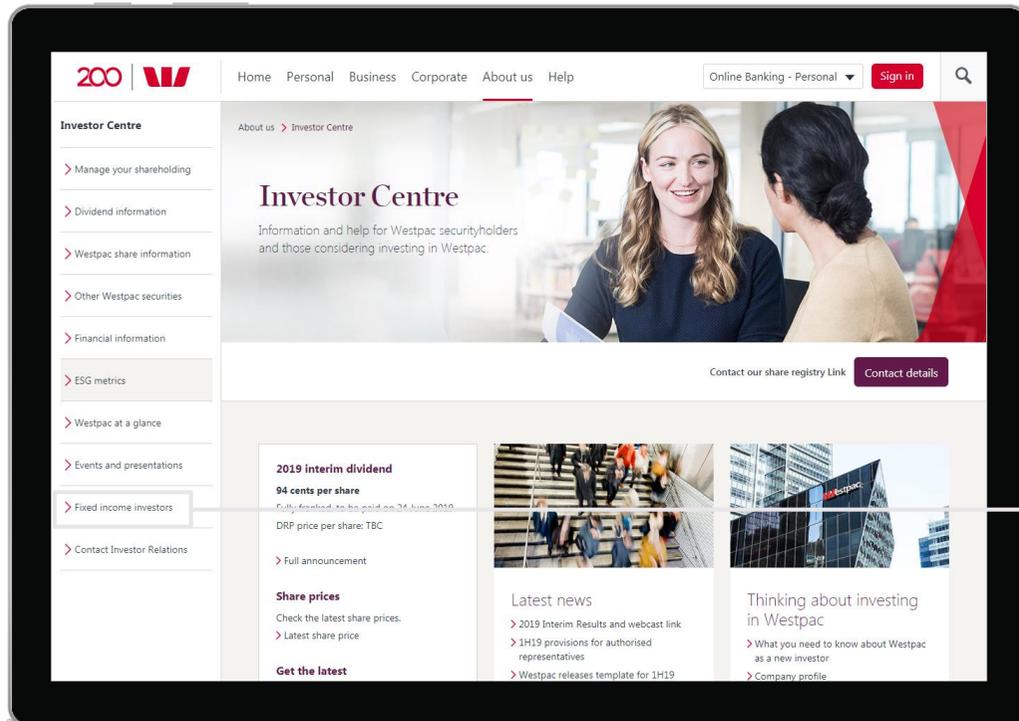
² Low Carbon Transport financing is generally syndicated across several banks. Westpac's share in the syndicated debt is used to estimate Westpac's proportion of emissions avoided.

³ 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 (tCO₂-e).

⁴ The functional unit used for the modal shift is assumed to be 150 grams CO₂ per passenger kilometres travelled (PKT) for cars and 90 grams CO₂ per PKT for national average passenger rail projected to 2030 (source: Transport for NSW).

More information

www.westpac.com.au/investorcentre



Global Funding & Investor Relations Team

Alexander Bischoff

Head of Global Funding & Balance Sheet Management

☎ +61 2 8253 4314

✉ abischoff@westpac.com.au

Emily Blythe

Senior Associate, Group Treasury

☎ +61 2 8253 4314

✉ emily.blythe@westpac.com.au

Trang Trinh

Director, Group Treasury

☎ +61 2 8253 4314

✉ trangtrinh@westpac.com.au

Jacqueline Boddy

Head of Debt Investor Relations

☎ +61 2 8253 3133

✉ jboddy@westpac.com.au

Sustainable Finance Team

Michael Chen

Head of Sustainable Finance

☎ +61 4 3749 6077

✉ michael.chen1@westpac.com.au

Samantha Iyer

Senior Associate, Sustainable Finance

☎ +61 4 6645 3717

✉ samantha.iyer@westpac.com.au