



Independent Assurance Report to Westpac Banking Corporation

Our conclusions:

a) Assured Sustainability Information – Limited assurance

Based on the procedures performed, as described below, nothing has come to our attention that causes us to believe that the Assured Sustainability Information as identified below, reported for the year ended 30 September 2013, is not presented, in all material respects, in accordance with Westpac's internal guidelines for sustainability reporting, as described in the Sustainability Glossary to the Online 2013 Annual Review and Sustainability Report (collectively the 'Framework').

b) GHG emissions – Reasonable assurance

In our opinion, Westpac's reported GHG emissions (Scope 1 and 2 – Australia and New Zealand) for the year ended 30 June 2013, is prepared in all material respects, in accordance with the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol.

c) AA1000 AccountAbility Principles Standard (2008) (APS) – Limited assurance

Based on the procedures performed, as described below, nothing has come to our attention that causes us to believe that, for the year ended 30 September 2013, Westpac's description in the 'Our Sustainability Governance and Material Issues' section of the Online 2013 Annual Review and Sustainability Report detailing its adherence to the principles set out in AA1000 APS, being inclusiveness, materiality and responsiveness (the AccountAbility principles), is materially misstated.

We have been engaged by Westpac Banking Corporation (Westpac) to provide:

- Limited assurance in respect of the Assured Sustainability Information identified below;
- Reasonable assurance in respect of the GHG emissions metrics (Scope 1 and 2 – Australia and New Zealand); and
- Limited assurance in respect of the description of adherence to AccountAbility principles.

The Assured Sustainability Information, the GHG emissions (Scope 1 and 2 – Australia and New Zealand) and description of adherence to the AccountAbility principles are included in the Online 2013 Annual Review and Sustainability Report (the 'Sustainability Report 2013').

Westpac's responsibilities

Westpac is responsible for:

- Preparation and presentation of the Sustainability Report 2013 in accordance with the Framework; including the GHG emissions (Scope 1 and 2- Australia and New Zealand) in accordance with the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol; and
- Establishing and maintaining appropriate performance management and internal control systems to apply the AccountAbility principles, and preparation and presentation of the related description of adherence to the AccountAbility principles as disclosed in the Sustainability Report 2013.

The Assured Sustainability Information

The Assured Sustainability Information comprises the following sustainability metrics:

Data reported for the year ended 30 September 2013

- Strategic: CleanTech and environment services lending and investment; Percentage of Australian Financial Services customer facing employees with appropriate wealth

accreditation; Net basic banking account customers (Pacific); Social and affordable lending housing and services.

- Employee: Women in leadership; Lost time injury frequency rate; Female/male salary ratio; Financial Wellbeing of 40+ women; Mean employee retirement age.
- Community: Community Investment (\$m Group); Financial education (participants and hours).
- Customer: Finance assessed under the Equator Principles; Social sector banking footings.
- Suppliers: Percentage of top 80 suppliers screened for sustainability.

Data reported for the year ended 30 June 2013

- Environment: Power usage effectiveness; Recycling rates in Sydney head offices; total Scope 3 GHG emissions (Australia and New Zealand); kWh of electricity/m² (commercial and retail sites).

Data reported for the year ended 30 September 2012

- Employee: Mean employee retirement age.

Data reported for the year ended 30 June 2012

- Environment: kWh of electricity/m² (commercial and retail sites).

Our assurance engagement is conducted in accordance with Australian Standard on Assurance Engagements ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information and ASAE 3410 Assurance on Greenhouse Gas Statements. ASAE 3000 and ASAE 3410 require that we comply with applicable ethical requirements, including independence requirements.

We also conducted our engagement in accordance with the requirements of a Type 2 moderate assurance engagement under AA1000 Assurance Standard (2008) (AS), issued by AccountAbility. Moderate assurance under AA1000 AS is an assurance level equivalent to limited assurance under ASAE 3000. A Type 2 assurance engagement covers Westpac's adherence to the AccountAbility principles and the Assured Sustainability Information.

Assurance approach

We planned and performed our work to obtain all the evidence, information and explanations we considered necessary in order to form our conclusions as set out above.

Reasonable Assurance over the GHG emissions (Scope 1 and 2 – Australia and New Zealand)

Our reasonable assurance engagement involved obtaining evidence over the GHG emissions (Scope 1 and 2), sufficient to give assurance that the data disclosed is free from material misstatement whether caused by fraud or error, including:

- Interviews with relevant employees at Westpac Group and Westpac New Zealand responsible for data gathering and reporting;
- Evaluation and testing of the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of source data into the Sustainability Report;
- Agreeing all material Scope 1 and 2 GHG emissions to relevant underlying sources;
- Analytical review and analysis of emissions data to identify trends and levels of energy usage across the portfolio; and
- Re-performing selected calculations including relevant emissions factors.



Limited assurance over the Assured Sustainability Information and description of adherence to AA1000 principles

A limited assurance engagement consists of making inquiries, primarily of persons responsible for Westpac's adherence to the AccountAbility principles and for the preparation of the Assured Sustainability Information, and applying analytical and other evidence gathering procedures to the Assured Sustainability Information, as appropriate. Our procedures included:

- Inquiries of management to gain an understanding of Westpac's processes for determining the material issues for Westpac's key stakeholder groups;
- Interviews with senior management and relevant staff at group level and selected business unit level concerning the sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff at corporate and business unit level responsible for providing the Assured Sustainability Information to gain an understanding of the data gathering and reporting process;
- Evaluation of the design and implementation of the key systems, processes and controls for collecting, managing and reporting the Assured Sustainability Information;
- Agreeing the Assured Sustainability Information to corresponding information in relevant underlying sources. This include testing, on a sample basis, of evidence supporting the completeness, accuracy and existence of Assured Sustainability Information;
- Analytical review of Assured Sustainability Information between periods and against expectations developed through management interviews and review of supporting documentation; and
- Reading the 2013 Annual Review and Sustainability Report and relevant web text to determine whether it is consistent with our overall knowledge of the sustainability performance of Westpac.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Use of our report

Our assurance report is provided solely to Westpac in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Westpac for our work, for this assurance report, or for the conclusions we have reached.

Independence and competence

In conducting our engagement we have complied with the independence and other ethical requirements of the IFAC Code of Ethics for Professional Accountants.

The engagement was conducted with a multidisciplinary team which included professionals with suitable experience in both assurance skills and in the applicable subject matter including AA1000 APS/AS, stakeholder engagement, environmental, social and financial aspects.

Observations and Findings in respect to adherence with the AA1000 AccountAbility Principles

General observations and findings

During the year ended 30 September 2013 Westpac formally launched their updated sustainability strategy, which included three broad priority areas and ten objectives. A major implementation step was the establishment of corresponding performance measures and targets, and business units being accountable for monitoring the performance of these.



In relation to the principle of 'Inclusivity'

Westpac has a number of established mechanisms for engaging with stakeholders as described in the section 'Listening to our stakeholders'. The updated sustainability strategy has been developed in an inclusive manner with extensive input from business, customers and communities, reflecting material stakeholder issues. Going forward there is an opportunity for Westpac to explore other platforms for discussion of multi-stakeholder interests.

In relation to the principle of 'Materiality'

As described in the section 'Understanding our material issues', during the year Westpac undertook a detailed materiality assessment process which re-validated the material emerging issue areas identified as part Westpac's updated sustainability strategy. Westpac also explored the interconnections between the issues and involved internal stakeholders in this process. Building on this, Westpac are in a better position to use the interconnections explored to inform the stakeholder engagement process.

In relation to the principle of 'Responsiveness'

During the year Westpac implemented significant initiatives to respond to material emerging issues identified in the updated sustainability strategy. These included training and awareness programs for credit risk personnel, implementing a broad range of customer feedback channels and creating cross-divisional working groups to collaborate internally to improve responses to sustainability issues.

As Westpac continue to implement the updated sustainability strategy, there is an opportunity to further link outcome measures to quantify benefits and impacts. For example, the planned Social Impact Framework Program will allow Westpac to evaluate the effectiveness of investments in community initiatives.

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4 November 2013

Sydney