

Independent Limited Assurance Report to the Directors of Westpac

Assurance conclusions

Based on our limited assurance procedures, as described in this statement, nothing has come to our attention that causes us to believe that the subject matter as presented in the Westpac 2014 Annual Review and Sustainability Report and associated online content is not presented, in all material respects, in accordance with the criteria detailed below.

Scope

We have performed a limited assurance engagement in relation to Westpac's 2014 Annual Review and Sustainability Report and associated online content ('the Report') in order to state whether anything has come to our attention that causes us to believe that the subject matter, described below, is not presented, in all material respects, in accordance with the criteria as identified below. We have, separate to this engagement, performed reasonable assurance over Westpac's [Greenhouse Gas emissions](#) and adherence to the [National Carbon Offset Standard](#). These assurance statements can be found by clicking on the links above.

Subject matter

The subject matter for our assurance includes

- ▶ All material sustainability disclosures contained in Westpac's Annual Review and Sustainability Report for the year ended 30 September 2014;
- ▶ GRI G4 disclosures 'in accordance' level to achieve comprehensive,
- ▶ Specific performance data denoted in the GRI table including that within the Westpac Sustainability Strategy; and
- ▶ Disclosures associated with alignment to the AA1000 Principles of Materiality, Inclusivity, and Responsiveness.

Criteria

The criteria for our procedures ('the criteria') are:

- ▶ Westpac's own criteria as set out in its 2014 Annual Review and Sustainability Report and associated online content;
- ▶ Global Reporting Initiative's ('GRI') G4 Guidelines;
- ▶ Westpac's relevant policies and procedures; and
- ▶ AA1000 Accountability Principles Standard (2008).

Management Responsibility

The management of Westpac ('Management') is responsible for the collection, preparation and presentation of the subject matter in accordance with the criteria, and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion as to whether the subject matter is presented in accordance with the criteria. Our assurance engagement has been planned and performed in accordance with the Australian Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000').

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, controls testing, and other evidence-gathering procedures that are sufficient for us to obtain a meaningful level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. The procedures performed in a limited assurance engagement vary in nature, 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.

Our Approach

Our assurance procedures performed included, but were not limited to:

- ▶ Determining whether material topics and performance issues identified during our procedures had been adequately disclosed;
- ▶ Interviewing selected business unit and group level personnel to understand the key sustainability issues related to the subject matter and processes for the collection and accurate reporting of performance information, as well as a selection of less material aspects (denoted in the GRI table);
- ▶ Reviewing selected performance information on a materiality basis and selected management information and documentation supporting assertions made in the subject matter;
- ▶ Performing analytical tests and detailed testings to source for material qualitative and quantitative information on a sample basis;
- ▶ Checking the accuracy of calculations performed;
- ▶ Obtaining and reviewing evidence to support key assumptions in calculations and other data or statements;
- ▶ Checking that data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report;
- ▶ Reviewing the presentation of claims, case studies and data against the relevant GRI principles contained in the criteria; and
- ▶ Assessing Westpac's disclosures associated with the alignment to the AA1000 Principles.

Limitations

There are inherent limitations in performing assurance. For example, assurance engagements are based on selective testing of the information being examined, and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to AA1000 and GRI principles is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the Westpac 2014 Annual Review and Sustainability Report and associated online content and did not include statutory financial statements or forward looking statements. We provide no assurance over changes to the online content after the date of this assurance report.

Use of Report

Our responsibility in performing our assurance activities is to the directors of Westpac only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third party purpose.

Our Independence and Assurance Team

In accordance with APES 110, the firm and all professional personnel involved in this engagement have met the independence requirements of Australian or International professional ethical requirements. Our team has the required competencies and experience for this assurance engagement.


Observations on particular aspects of our engagement

Westpac has requested that we provide selected observations and areas for improvement, as identified through the assurance procedures, within this assurance report. These observations, below, do not affect our issuance of an unqualified assurance conclusion:

- ▶ During the year, Westpac exceeded its target to make up to \$6bn available for lending and investment in 'CleanTech and environmental services'. Part of reported increases in associated exposures this year related to expanded data capture, particularly regarding the property sector. To help comparability between reporting periods and completeness in data capture going forward, EY recommended that a review be undertaken of CleanTech exposure completeness such that any revised targets have a new established baseline. This recommendation has been actioned by Westpac, with a review to be undertaken by the CleanTech Working Group.
- ▶ Westpac has restated the interim (2014) target for Objective 7 of the strategy - 'Ensuring all our customers have access to the right advice to achieve a secure retirement' - and provided an explanation for this restatement. Although the 2017 target remains in place, to ensure consistency in target restatement we advised Westpac to develop a procedure or clause that stipulates when, and under what circumstances, restatement will be deemed appropriate. This recommendation has been actioned by Westpac, with a statement now included in the Sustainability Council governance documents.



Ernst & Young



Dr Matthew Bell
Partner
Sydney, Australia
3 November 2014