

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Westpac is one of the four major banking organisations in Australia and one of the largest banking organisations in New Zealand (NZ). We provide a broad range of banking and financial services in these countries, including consumer, business and institutional banking and wealth management services. We have branches, affiliates and controlled entities throughout Australia, New Zealand, Asia and in the Pacific region, and maintain branches and offices in some of the key financial centres around the world. We were founded in 1817 and were the first bank established in Australia. At 30 September 2019, our market capitalisation was \$103 billion (based on the closing share price of our ordinary shares on the ASX as at 30 September 2019) and we had total assets of \$907 billion.

Westpac has 610,000 shareholders, 14.2 million customers and 36,311 full time equivalent employees as at 30 September 2019.

In 2020, Westpac announced a new structure for the Consumer Division, Business Division, Westpac Institutional Bank (WIB), Westpac New Zealand (WNZL) and Specialist Businesses Division. The banking divisions contribute approximately 90% and Specialist Businesses Division contributes approximately 10% of FY19 revenue to Westpac Group. As bank lending comprises the majority of our revenue, we will respond to the CDP survey questions based on our lending activities unless specified otherwise. This means that we have answered question C-FS0.7 to only refer to bank lending.

Specialist Businesses include the following businesses: Wealth Platforms, Superannuation and Retirement Products, Investments, Insurance, Auto Finance and Westpac Pacific. Specialist Businesses Division will undergo a strategic review including an assessment of the most appropriate ownership.

Consumer is responsible for sales and service to consumer customers in Australia. Banking products are provided under the Westpac, St.George, BankSA, Bank of Melbourne, and RAMS brands.

Business Division provides business banking and wealth facilities and products for customers across Australia. Business is responsible for manufacturing and distributing facilities to SME and Commercial business customers (including Agribusiness) generally for up to \$200 million in exposure. SME customers include relationship managed and non-relationship managed SME customers. Business operates under the Westpac, St.George, BankSA and Bank of Melbourne.

WIB delivers a broad range of financial products and services to commercial, corporate, institutional and government customers operating in, or with connections to Australia and New Zealand. WIB operates through dedicated industry relationship and specialist product teams, with expert knowledge in financing, transactional banking, and financial and debt capital markets. Customers are supported throughout Australia as well as via branches and subsidiaries located in New Zealand, the US, UK and Asia.

WNZL is responsible for sales and service of banking, wealth and insurance products for consumers, business and institutional customers in New Zealand (NZ). Westpac conducts its NZ banking business through two banks: Westpac New Zealand Limited, which is incorporated in NZ, and Westpac Banking Corporation (NZ Branch), which is incorporated in Australia. Westpac New Zealand operates via an extensive network of branches and ATMs across both the North and South Islands. Business and institutional customers are also served through relationship and specialist product teams. Banking products are provided under the Westpac brand while insurance and wealth products are provided under Westpac Life and BT brands, respectively (as at 31 March 2020). NZ also maintains its own infrastructure, including technology, operations and treasury.

Westpac's vision is to be one of the world's great service companies helping our customers, communities and people to prosper and grow. 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. We are committed to managing our business in alignment with the Paris Agreement and the need to transition to a net zero emissions economy by 2050. This includes how we provide financial services, support communities, operate our facilities, engage on matters of policy, and contribute to industry initiatives. For further information on the Group see <http://www.westpac.com.au/about-westpac/>.

Westpac reports on climate change matters through a number of different mechanisms, including its Sustainability Performance Reports and as part of its annual and half-year reporting, as well as through the release of documents such as its Climate Change Position Statement and 2023 Action Plan. These materials are available on Westpac's website and should be consulted as the primary source of information.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	July 1 2018	June 30 2019	Yes	3 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Australia
Fiji
New Zealand
Papua New Guinea
United Kingdom of Great Britain and Northern Ireland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

AUD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Bank lending (Bank)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Board has oversight of the Group's approach to and management of climate change. This includes, the Group's fourth Climate Change Position Statement and 2023 Action Plan (CCPS) was approved by the Board in April 2020. Westpac are committed to managing our business in alignment with the Paris Agreement and the need to transition to a net zero emissions economy by 2050. The CCPS sets out the strategy on how we provide financial services, support communities, operate our facilities, engage on matters of policy, and contribute to industry initiatives to meet this commitment. As at 31 March 20, the Board Risk and Compliance Committee considered and approved Westpac's Sustainability Risk Management Framework (which includes climate change risks) every two years and oversees the risk profile for material risks. The implementation and management of Westpac's response to climate change is delegated to Group Executives.
Other C-Suite Officer	The implementation and management of Westpac's response to climate change is delegated to Group Executives. The Sustainability Council (Council), formed in 2008 and sponsored by the Group Executive, Customer and Corporate Relations, is chaired by the Group Head of Sustainability and comprises senior leaders from across the Group with responsibility for managing Westpac's sustainability agenda, including climate change. The Council meets at least quarterly and has climate change as a standing agenda item. The Council reports to the Executive Team and Board through twice-yearly updates. The Westpac Group Credit Risk Committee (CREDCO) is chaired by the Chief Risk Officer. The Climate Change Risk Committee oversees work to identify and manage the potential impact on credit exposures from climate change-related transition and physical risks across the Group. It reports to the Group Credit Risk Committee and is chaired by the Group Chief Credit Officer.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Monitoring implementation and performance of objectives</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>Climate-related risks and opportunities to our own operations</p> <p>Climate-related risks and opportunities to our bank lending activities</p> <p>The impact of our own operations on the climate</p> <p>The impact of our bank lending activities on the climate</p>	<p>Strategy: Westpac has long recognised that climate change is one of the most significant issues that will impact the long-term prosperity of the economy and way of life. We are committed to managing our business in alignment with the Paris Agreement and the need to transition to a net zero emissions economy by 2050. Westpac continues to integrate the consideration of climate-related risks and opportunities into business operations. This includes alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which the Group has publicly committed to support. Updates on the Group's Climate Change Position Statement (Strategy) are provided to the Board twice yearly. The Board approves the CCPS every three years. Major plans of action: The Group's fourth Climate Change Position Statement and 2023 Action Plan was supported by the Group Executive Team and approved by the Board in 2020. We acknowledge that our own commitments to operate our business in line with the goals of the Paris Agreement mean that we must clearly set out expectations for our customers, recognising that our financing activity must align with activities that support efforts to keeping 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. Through our CCPS, Westpac sets out criteria for lending to emissions-intensive and climate-vulnerable sectors, supporting customers that are in, or reliant, on these sectors and who assess the financial implications of climate change on their business, including how their strategies are likely to perform under various forward-looking scenarios, and demonstrate a rigorous approach to governance, strategy setting, risk management and reporting. The CCPS sets out our actions to provide our business customers with a range of innovative sustainable finance structures including green deposits, green bonds and sustainability-linked loans. The CCPS also specifies our actions to reducing the climate change impacts of our own operations, seeking to align our business with the trajectory required to achieve a net zero emissions economy by 2050. Risk management policies: Climate change considerations are embedded in a number of risk management frameworks. Our Board-approved Group Sustainability Risk Management Framework guides the identification, management & monitoring of risks, including climate change. Setting and monitoring performance objectives: Progress against our Sustainability Strategy and Climate Change Action Plan is reported to and discussed with the Executive Team and Westpac Board twice yearly. Goals and targets: Westpac's 2023 Climate Change Action Plan sets out goals and targets for climate-related issues. Progress is reported to and discussed with the Executive Team and Westpac Board twice yearly.</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Reports to the board directly	Other, please specify (assessing climate-related risks; oversight of the Group's operational footprint and implementation of the Group Climate Change Position Statement and Action Plan)	Risks and opportunities related to our bank lending activities Risks and opportunities related to our own operations	Half-yearly
Chief Risks Officer (CRO)	CEO reporting line	Other, please specify (assessing and managing climate-related risks)	Risks and opportunities related to our bank lending activities	Half-yearly
Sustainability committee	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities Risks and opportunities related to our own operations	Quarterly
Other committee, please specify (Climate Change Risk Committee)	Risk - CRO reporting line	Other, please specify (Assessing climate risk)	Risks and opportunities related to our bank lending activities	Quarterly
Other committee, please specify (Sustainable Finance Committee)	Corporate Sustainability/CSR reporting line	Other, please specify (Assessing climate solutions)	Risks and opportunities related to our bank lending activities	Quarterly
Other committee, please specify (Environment Management Committee)	Corporate Sustainability/CSR reporting line	Other, please specify (Managing and assessing environmental footprint)	Risks and opportunities related to our own operations	Quarterly
Chief Operating Officer (COO)	CEO reporting line	Other, please specify (oversight of the Group's operational footprint)	Risks and opportunities related to our own operations	Half-yearly
Other C-Suite Officer, please specify (Group Executive, Customer & Corporate Relations)	CEO reporting line	Other, please specify (Oversight of Climate Change Position Statement & Chairs Sustainability Council)	Risks and opportunities related to our bank lending activities Risks and opportunities related to our own operations	Half-yearly
Other, please specify (Group Executive team)	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our bank lending activities	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Group's fourth Climate Change Position Statement and 2023 Action Plan (CCPS) was supported by the Group Executive Team and approved the Board in April 2020. It covers the management of Westpac's direct carbon footprint, criteria to manage the carbon impact of lending to emissions intensive sectors, measuring and reporting of performance, and the incorporation of climate change considerations into the Group's risk management framework.

As at 31 March 2020, the Board Risk and Compliance Committee considers and approves Westpac's Sustainability Risk Management Framework (which includes climate change risks) every two years. Management of climate change at the Board level is cascaded to Group Executives.

Key responsibilities of the Executives include: overseeing targets to provide finance to back climate change solutions or lending to 2023 (\$3.5bn) and 2030 (\$15bn); risk management and monitoring to support businesses that manage their climate-related risks; product development to help individual customers respond to climate change; continued commitment to improve disclose of our climate change performance, and advocacy for policies that stimulate investment in climate change solutions.

The Group's Sustainability Risk Management Framework sets out the approach to how climate change risks are identified, assessment, monitored and managed. Decisions involving climate change related risks may be escalated to Divisional and Group Risk Officers and the CEO under the Framework.

The Sustainability Council (Council), formed in 2008 and sponsored by the Group Executive, Customer and Corporate Relations, comprises senior leaders from across the Group with responsibility for managing Westpac's sustainability agenda, including climate change. The Council meets at least quarterly and has climate change as a standing agenda item. The Council reports to the Executive Team and Board through twice-yearly updates.

Various committees oversee different elements of the Group's climate change strategy:

- the Sustainable Finance Committee coordinates initiatives to achieve Westpac's climate change solutions targets. It reports to the Council;
- the Climate Change Risk Committee oversees work to identify and manage the potential impact on credit exposures from climate change-related transition and physical risks across the Group. It reports to the Group Credit Risk Committee; and
- the Environment Management Committee oversees strategies and initiatives to reduce the Group's environmental footprint, particularly targets around energy and emissions. It reports to the Council.

Divisional risk committees consider the climate change dimensions of our business activities as required.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Incentives are provided to Group Executives and senior leaders for the management of risk, including climate change. Incentives are also provided to all employees for community and environment awards.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Management group	Monetary reward	Other (please specify) (Westpac Climate Change Action Plan)	The extent of relevant managers' financial remuneration, including members of the Sustainability Council and its working committees, is dependent on the management of climate change matters, including the attainment of targets. The management of climate change includes the identification, prioritisation and response to those issues, through our Climate Change Position Statement, and the attainment of targets included in both our Sustainability Strategy and the Statement.
All employees	Monetary reward	Other (please specify) (Westpac Climate Change Action Plan)	The CEO Community and Environment Awards recognise both an individual employee and a team which have demonstrated outstanding support for their community, or the environment including through one or more not-for-profit organisations. This includes causes which relate to climate change. The winners of our Community and Environment Awards are people who have gone beyond what is expected and have made a sustained contribution to one or more not-for-profit organisations, giving generously of their time, capabilities and commitment.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as the default investment option for all plans offered	In Australia, employers are required to pay 9.5% of an employee's salary into a Superannuation (super) fund through Superannuation Guarantee (SG), the super fund offered to Westpac Group Staff is the Westpac Group Plan (WGP). As part of the SG process, employers must offer employees access to a default investment option that meets minimum regulatory criteria, this is known as MySuper. Investments managed internally by our wealth management arm BT include the default investment option under the WGP, referred to as the MySuper Lifestage Funds. Investment managed internally, including the default investment option under the WGP (MySuper Lifestage funds) consider ESG principles (including Climate Change) in the investment process through a combination of ESG integration, Stewardship (engagement and proxy voting) & ESG exclusions. Details of the approach taken when considering ESG principles in the investment process is outlined BT's Sustainable Investment Approach, this applies across a number of investment options, incl the MySuper Lifestage Funds, the default investment option under the WGP. BT provides its members & investors with annual disclosure of its approach to assessing climate-related risk within the portfolios BT manages internally, including the MySuper Lifestage Funds, the default investment option under the WGP, as well as tools to enable those who invest with BT to understand where ESG risks, including climate change, may lie within their investment portfolios.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Our Climate Change Position Statement & 2023 Action Plan and 2018-2020 Sustainability Strategy set climate-related targets for short (2023), medium (2030) and long-term horizons (2050). These intervals are also used in our scenario analysis. Short term targets include: - lending to climate change solutions: \$3.5bn by 2023 - limit lending to thermal coal mining based on stringent quality criteria
Medium-term	3	10	Our Climate Change Position Statement & 2023 Action Plan and 2018-2020 Sustainability Strategy set climate-related targets for short(2023), medium (2030) and long-term horizons (2050). These intervals are also used in our scenario analysis. Medium term targets include: Medium-term horizon: - lending to climate change solutions: \$15bn by 2030; - managing our thermal coal portfolio in line with a commitment to reduce our exposure to zero by 2030; reducing the emissions intensity of our electricity generation exposure to 0.23t CO2e/MWh by 2025; and 0.18t CO2e/MWh by 2030; - reduce Scope 1 and 2 Greenhouse Gas Emissions by 85% in 2025 and 90% by 2030; reduce our Scope 3 Supply Chain emissions by 35% in 2030; - Source 100% of global electricity consumption through renewable energy sources by 2025 as a member of RE100.
Long-term	10	30	Our Climate Change Position Statement & 2023 Action Plan and 2018-2020 Sustainability Strategy set climate-related targets for short (2020), medium (2030) and long-term horizons (2050). These intervals are also used in our scenario analysis. Long term include: - Commitment to the Paris Climate Agreement, recognising that global emissions need to reach net zero by 2050; - Support policy outcomes aligned to net zero emissions by 2050; - recognising that our financing activity must align with activities that support efforts to keeping 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.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We identify a range of current and emerging risks and opportunities that may impact our stakeholders and business. To determine the most material of these we undertake stakeholder engagement, data analysis, and consultation with senior management and our external Stakeholder Advisory Council. The Group has conducted preliminary analysis of its lending portfolios to understand the profile of its scope 3 financed emissions. This analysis used publicly available average emissions factors for Australian homes and generic emissions factors for industry sectors. The results of the analysis showed that the material customer sectors are utilities, mining, agribusiness, property, residential mortgages, manufacturing and transport.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

The Environment Management Committee oversees strategies and initiatives to reduce the Group's direct environmental footprint, particularly targets around energy and emissions, and reports to the Sustainability Council on a quarterly basis. The Sustainability Council meets at least quarterly and has climate change as a fixed agenda item. The Council reports to the Executive Team and Board through twice-yearly updates as at 31 March 2020.

Value chain stage(s) covered

Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

The Board has oversight of Westpac Group's response to climate change. The Group's fourth Climate Change Position Statement and 2023 Action Plan (CCPS) was supported by the Executive Team and approved by the Board in 2020. It covers the management of the Group's climate change risks and opportunities, including lending to climate solutions, the Group's approach to financing emissions-intensive sectors, commitment to reporting and transparency, direct carbon footprint management, and incorporation of climate change considerations into the Group's Sustainability Risk Management Framework. As at 31 March 2020, the Board Risk and Compliance Committee reviews and approves updates to the Sustainability Risk Management Framework (which includes climate change risks) every two years. The implementation and management of Westpac's response to climate change is delegated to Group Executives. The Sustainability Council (Council), formed in 2008 and sponsored by the Group Executive, Customer and Corporate Relations, comprises senior leaders from across the Group with responsibility for managing Westpac's sustainability agenda, including climate change. The Council meets at least quarterly and has climate change as a standing agenda item. The Council reports to the Executive Team and Board through twice-yearly updates. Various committees oversee different elements of the Group's climate change strategy: the Sustainable Finance Committee coordinates initiatives to achieve Westpac's climate change solutions targets. It reports to the Council; the Climate Change Risk Committee oversees work to identify and manage the potential impact on credit exposures from climate change-related transition and physical risks across the Group. It reports to the Group Credit Risk Committee; and Divisional risk committees consider the climate change dimensions of our business activities as required. Westpac uses transition and physical risk scenario analysis to guide its climate change strategy and to analyse the implications of climate-related factors to its business. Westpac assesses opportunities arising out of growth in sectors benefiting from a transition to a low carbon economy over the short and medium term.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The National Greenhouse and Energy Reporting Act 2007 (Cth) (National Greenhouse Act) came into effect in July 2008. The Group reports on greenhouse gas emissions, energy consumption and production under the National Greenhouse Act for the period 1 July through 30 June each year. Our operations are not directly subject to any other significant environmental regulation under any law of the Commonwealth of Australia or of any State or Territory of Australia. We may, however, become subject to environmental regulation as a result of our lending activities in the ordinary course of business and we have policies in place to ensure that this potential risk is addressed as part of our normal processes. Climate change-related risks are managed within the Group's sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of this framework, and report on progress in its public reports (see our 2019 Annual Report and 2020 Interim Financial Results).
Emerging regulation	Relevant, always included	Initiatives to mitigate or respond to adverse impacts of climate change (including carbon pricing) may impact market and asset prices, economic activity and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition. Climate related risks are managed within the Group's sustainability, and wider risk management frameworks. Our approach to assessing transition risks from climate change involved studying how the Australian economy, major industry sectors and electricity market might perform when carbon emissions are constrained in line with 2-degree and 1.5-degree transition pathways. The emission constraints used in the models were informed by the IEA's Sustainable Development Scenario, IRENA's Renewable Energy Roadmap and the IPCC's Special Report on Global Warming of 1.5 Degrees. We analysed each sector's performance under both scenarios and categorised them according to risk profile. Sectors whose medium (2030) and long-term (2050) performance under a scenario deviated significantly from average GDP growth, were classified as 'higher risk'. We applied these results to our Australian Business and Institutional lending portfolio to assess the extent of our current exposure to these higher risk sectors. Lending to higher risk sectors may be subject to enhanced due diligence or restrictions as set out in our Climate Action Plan. During the reporting period we also noted increasing regulator interest, where the Australian Prudential Regulation Authority intends to develop and consult on a climate change financial risk prudential practice guide which will cover areas relevant to the prudent management of climate financial risks, aligned with the recommendations of the TCFD. Westpac is subject to disclosure obligations under the Corporations Act 2001 (Cth) and ASX listing rules, the scope of which is widely recognised to include consideration of climate financial risk. Westpac is also a signatory to several voluntary principles-based frameworks that guide the integration of ESG related issues to banking, lending and investment analysis, including TCFD. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of this framework, and report on progress in its public reports.
Technology	Relevant, always included	Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition. Technology changes linked to climate change may directly impact our business, our customers and suppliers. For example, our transition risk scenario analysis has shown that sectors that are unable to decarbonise through the application of new technology show poorer growth prospects. The sectors that are most likely to be negatively impacted are those that have less ability to decarbonise and where less carbon intensive alternatives offer viable substitutes either directly or through their downstream products. In the longer term, the scenarios indicated that many of these sectors will be sensitive to the availability of cost-competitive carbon capture and storage (CCS) and alternative generation technologies. Climate change-related risks are managed within the Group's sustainability, and wider risk management framework. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of this framework, and report on progress in its public reports (see our 2019 Annual Report and 2020 Interim Financial Results).
Legal	Relevant, always included	Climate-related legal risks can directly impact our business, our customers and suppliers. An example of legal risks specific to companies operating in Australia include company directors failing to consider relevant risks which may, in certain situations include risks arising from or related to climate change. Directors who fail to consider climate-related risks may be liable in the future for breaching the duties they owe to their company of care and diligence. Climate change-related risks are managed within the Group's sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of the TCFD, and report on progress in its public reports (see our 2019 Annual Report and 2020 Interim Financial Results).
Market	Relevant, always included	Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition. Climate-related market risks can directly impact our business, our customers and suppliers. Climate-related market risks are identified in our Climate Change Position Statement and 2023 Action Plan which also sets out specific criteria for lending to the thermal coal mining and electricity generation sectors. Climate change-related risks are managed within the Group's sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of the TCFD, and report on progress in its public reports (see our 2019 Annual Report and 2020 Interim Financial Results).
Reputation	Relevant, always included	Reputation risk is the risk that an action, inaction, transaction, investment or event will reduce trust in Westpac's integrity and competence by clients, counterparties, investors, regulators, employees or the public. Reputation risk arises where there are differences between these stakeholders' current and emerging perceptions, beliefs and expectations relative to our current and planned activities, performance and behaviours. It can affect the Group's brands and businesses positively or negatively. Stakeholder perceptions can include (but are not limited to) views on financial performance, quality of products or services, quality of management, leadership and governance, history and heritage and our approach to sustainability, social responsibility and ethical behaviour. Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these risks could adversely affect our reputation. Climate-related reputational risks can directly impact our business, our customers and suppliers. Climate-related reputational risks are identified in our Climate Change Position Statement and 2023 Action Plan. We have a Reputation Risk Framework and key supporting policies in place covering the way we manage reputation risk as one of our key risks across the Group, including the setting of risk appetite and roles and responsibilities for risk identification, measurement and management, monitoring and reporting.
Acute physical	Relevant, sometimes included	We, our customers and external suppliers, may be adversely affected by the physical risks of climate change, including increases in the frequency and severity of adverse climatic events including fires, storms, and floods. These effects may directly impact us and our customers through reputational damage, environmental factors, insurance risk, business disruption and an increase in defaults in credit exposures. As an example, this may cause disruption to business delivery and damage to Westpac's own property as well as that of our customers. We conducted an assessment of physical risks in our Australian mortgage book. The Group mapped its Australian mortgage portfolio to postcodes which under a 4 degree scenario are at greatest risk of increased frequency and intensity of natural perils (inundation, soil contraction due to increased heat and reduced rainfall, floods, wind and cyclones, and bushfires), and where annual average losses are most likely to increase. The findings highlighted the importance of both climate mitigation and adaptation efforts, including government planning measures, and the benefits of climate-resilient building characteristics to reduce property damage and impacts on customers and communities. Along with our broader commitment to a well below 2-degree economy, Westpac expects to continue to help individual customers respond to climate change and continue to support research and investment into helping communities adapt and become resilient to climate-related impacts. Climate change-related risks are managed within the Group's sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of the TCFD, and report on progress in its public reports (see our 2019 Annual Report and 2020 Interim Financial Results).
Chronic physical	Relevant, sometimes included	We, our customers and external suppliers, may be adversely affected by the physical risks of climate change, including increases in temperatures, sea levels and droughts. These effects may directly impact us and our customers through reputational damage, environmental factors, insurance risk, business disruption and an increase in defaults in credit exposures. Continuation or acceleration of these trends, which is indicated under some climate scenarios, may create credit and portfolio risk from impacted customers and operational risk associated with direct impacts for example, through increase claims in our insurance business, increased losses due to customers experiencing financial stress as a result of disaster events as well as implications for operational and maintenance costs. We conducted an assessment of physical risks in our Australian mortgage book. The Group mapped its Australian mortgage portfolio to postcodes which under a 4-degree scenario are at greatest risk of increased frequency and intensity of natural perils (inundation, soil contraction due to increased heat and reduced rainfall, floods, wind and cyclones, and bushfires), and where annual average losses are most likely to increase. The findings highlighted the importance of both climate mitigation and adaptation efforts, including government planning measures, and the benefits of climate-resilient building characteristics to reduce property damage and impacts on customers and communities. Along with our broader commitment to a well below 2-degree economy, Westpac expects to continue to help individual customers respond to climate change and continues to advocate for more research and investment into helping communities adapt and become resilient to climate-related impacts. Climate change-related risks are managed within the Group's sustainability, and wider risk management frameworks. As a public supporter of the TCFD, Westpac will continue to align its approach to climate-related risks with the recommendations of this framework, and report on progress in its public reports (see our 2019 Annual Report and 2020 Interim Financial Results).

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	Yes	Westpac uses scenario analysis to guide its climate change strategy and to analyse the implications of climate-related factors to its business. Westpac continues to assess the resilience of its Business and Institutional lending to transition risks under 1.5 and 2-degrees scenarios; and the potential impact of climate-related physical risks on the Australian mortgage portfolio arising from global warming scenarios of both 2 and 4-degrees. Westpac assesses opportunities to support solutions and technology that accelerate the transition to a low carbon economy, aiming to provide \$3.5 billion of new lending to climate change solutions by 2023, and \$15 billion by 2030.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	Majority of the portfolio	Qualitative and quantitative	We acknowledge that our own commitments to operate our business in line with the goals of the Paris Agreement mean that we must clearly set out expectations for our customers, recognising that our financing activity must align with activities that support efforts to keeping 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. Climate change risks are managed within the Group's risk management framework. Westpac seeks to understand the potential for climate-related transition, physical and litigation risks to impact its business, in particular the possible impact on credit risk, regulatory and reporting obligations, and its reputation. Westpac uses transition and physical risk scenario analyses to inform an assessment of climate-related risks over short, medium and long-term horizons. The Group has also conducted preliminary analysis of its Australian lending portfolios to understand the profile of its scope 3 financed emissions. The results of the analysis showed that the material customer sectors are utilities, mining, agribusiness, property, residential mortgages, manufacturing and transport. The findings from these analyses informed Westpac's current Climate Change Position Statement and 2023 Action Plan (CCPS). The portfolio coverage for the CCPS actions relating to business customers includes customers from our Institutional, Corporate and Commercial segments. The CCPS outlines enhanced lending standards for energy sectors including management of the thermal coal portfolio to reduce exposure to zero by 2030. The CCPS also specifies our action to develop Paris-aligned financing strategies and portfolio targets, particularly for sectors representing the majority of our financed emissions, working in collaboration with our customers and industry experts and providing annual updates on progress. For example, in the electricity generation sector, we will ensure our financing supports Paris-aligned transition pathways to a net zero emissions economy by 2050 including by reducing the emissions intensity of our exposure in line with the following targets of 0.23t CO2e/MWh by 2025; and 0.18t CO2e/MWh by 2030. The CCPS also includes our action to support solutions and technology that accelerate the transition to a low carbon economy, 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. To help individual customers become more climate-resilient, the CCPS includes actions to provide access to products and services that support upgrades to homes to reduce energy consumption and to improve resilience to natural disasters; and to provide information to help customers understand and prepare for the impacts of natural disasters on their homes and communities.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Majority of the portfolio	This applies to our business, corporate and institutional portfolios. Westpac assess water-related risks and opportunities in line with the Sustainability Risk Management Framework (Framework) and relevant position statements. Westpac is committed to sustainable finance, that is managing the environmental, social and governance ('ESG') dimensions of our finance and lending activities. In line with the Westpac Risk Management Strategy and set out in Westpac's Framework, this includes incorporating ESG, including water-related, risk analysis into the credit assessment and approval process for our business, corporate and institutional customers. The requirements for ESG risk analysis are outlined in Westpac's ESG Credit Risk Policy. The Framework is Board approved and is supported by a suite of key policies and position statements. These include Our Principles for Doing Business and Responsible Investment Position Statement. The Framework was reviewed and updated in 2019. Our Financing Agribusiness Position Statement outlines the principles which we apply when providing finance or considering the provision of finance to customers in this sector. This position statement states that we value customers that operate in ways that avoid or minimise environmental and social impacts; support the adoption of better management practices and technologies - particularly animal welfare, land and soil management, labour and community rights, biodiversity protection, emissions management and water use.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	Yes	Majority of the portfolio	This applies to our business, corporate and institutional portfolios. Westpac assess forests-related risks and opportunities in line with the Sustainability Risk Management Framework (Framework) and relevant position statements. Westpac is committed to sustainable finance, that is managing the environmental, social and governance ('ESG') dimensions of our finance and lending activities. In line with the Westpac Risk Management Strategy and set out in Westpac's Framework, this includes incorporating ESG, including forest-related, risk analysis into the credit assessment and approval process for our business, corporate and institutional customers. The requirements for ESG risk analysis are outlined in Westpac's ESG Credit Risk Policy. The Framework is Board approved and is supported by a suite of key policies and position statements. These include Our Principles for Doing Business and Responsible Investment Position Statement. The Framework was reviewed and updated in 2019. Our Financing Agribusiness Position Statement outlines the principles which we apply when providing finance or considering the provision of finance to customers in this sector. This position statement states that we seek to develop relationships with customers that: <ul style="list-style-type: none"> • Avoid adverse impacts on High Conservation Value forests and use High Carbon Stock Approach assessments where appropriate. • Avoid operations in UNESCO World Heritage Sites, Ramsar wetlands and critical natural habitats (unless the activity is legally permitted and consistent with management plans for the area). • Demonstrate commitment to best practice in the production of Timber, including that used for the production of pulp and paper products, where we require growers (forest managers) and processors to support the Forest Stewardship Council (FSC) or alternatively a national scheme endorsed under the Programme for the Endorsement of Forest Certification (PEFC); and demonstrate credible progress towards full certification within a satisfactory timeline. For downstream sectors, namely manufacturers, traders or retailers of timber products, we encourage procurement of certified inputs. Risks are assessed on a case by case basis. This statement is aligned with our commitment to the Soft Commodities Compact (SCC), New York Declaration on Forests.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	Yes, for some	Where relevant in line with the Sustainability Risk Management Framework and relevant position statements, Westpac may request climate-related information from clients. The Group has in place a Board-approved Framework that is supported by a suite of key policies and position statements. These include Our Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and 2023 Action Plan (CCPS). Within the Framework climate change-related risks are managed by the Group in the same way as other transformational issues facing the economy. The Group examines the policy, regulatory, technology and market changes related to climate change ('transition risks'), and the impacts of changes in climate patterns and extreme weather events ('physical risks'). The Group seeks to understand the potential for these changes to impact its business, in particular the possible impact on credit risk, regulatory and reporting obligations, and its reputation. In line with the Westpac Risk Management Strategy and the Framework, this includes incorporating ESG, including climate-related, risk analysis into the credit assessment and approval process for our business, corporate and institutional customers. The requirements for ESG risk analysis are outlined in Westpac's ESG Credit Risk Policy. Through the CCPS, Westpac has an enhanced approach to lending to emissions-intensive sectors, supporting customers that are in or reliant on these sectors and who assess the financial implications of climate change on their business, including how their strategies are likely to perform under various forward-looking scenarios, and demonstrate a rigorous approach to governance, strategy setting, risk management and reporting. Westpac continues to assess the resilience of its Business and Institutional lending portfolio to transition risks. Lending to higher risk sectors may be subject to enhanced due diligence or restrictions under the parameters laid out in the CCPS. Divisional business units are responsible for identifying, evaluating and managing the risks that they originate within approved risk appetite and policies. They are required to establish and maintain appropriate risk management controls, resources and self-assurance processes.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Not applicable	

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Market	Other, please specify (Transition risk)
--------	-----------------------------------------

Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Westpac continues to assess the resilience of its Business and Institutional lending (excludes retail, sovereign, and bank exposures) to transition risks under 1.5 and 2-degrees scenarios. The results of the scenario analysis as at 31 March 2020 are: • Around 2.3% of our current Business and Institutional lending is exposed to sectors which by 2030 may experience higher risk in a transition to a 1.5-degree economy. • Around 0.9% of our current Business and Institutional lending is exposed to sectors which by 2030 may experience higher risk in a transition to a 2-degree economy.

Cost of response to risk

Description of response and explanation of cost calculation

The Group has in place a Board-approved Sustainability Risk Management Framework (Framework) that is supported by a suite of key policies and position statements. These include Our Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and Action Plan, and Responsible Sourcing Code of Conduct, many of which are publicly available. The Sustainability Risk Management Framework was reviewed and updated in 2019. Westpac uses scenario analysis to inform its assessment of climate-related risks over short, medium and long-term horizons. The findings from scenario analysis conducted in 2019 informed Westpac's current Climate Change Position Statement and 2023 Action Plan (CCPS) which outlined enhanced lending standards for energy sectors including management of the thermal coal portfolio to reduce exposure to zero by 2030. These lending parameters have been included in our Group Risk Appetite Statement and, where appropriate, are applied at the portfolio, customer and transaction level.

Comment

The main costs associated with managing climate related risks are FTE resourcing to undertake engagement activities, strategy development, product development, changes to policy and underwriting standards, marketing, sponsorship and other related costs.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect our business, prospects, reputation, financial performance or financial condition. Our scenario analysis examined the impact of a carbon price ranging from USD20 to USD300 (AUD29-AUD435) over short, medium and long term horizons. It has shown that delayed action, followed by accelerated mitigation action after 2030 creates uncertainty that may inhibit economic growth and lead to abrupt and unexpected policy shifts including a rapidly increasing carbon prices and energy costs for own operations and our customers possibly leading to asset impairment in some industry sectors. Our Global Cooperation scenario sees the greatest economic growth, as sectors have time to adjust to carbon constraints in an economically efficient manner. Under the Delayed Action scenario, while economic growth may be higher in the near term, it becomes lower over the long term as faster action is needed to reach the same climate ambition and the cost of low carbon technologies is higher due to lack of early investments.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Westpac continues to assess the resilience of its Business and Institutional lending (excludes retail, sovereign, and bank exposures) to transition risks under 1.5 and 2-degrees scenarios. The results of the scenario analysis as at 31 March 2020: • Around 2.3% of our current Business and Institutional lending is exposed to sectors which by 2030 may experience higher risk in a transition to a 1.5-degree economy. • Around 0.9% of our current Business and Institutional lending is exposed to sectors which by 2030 may experience higher risk in a transition to a 2-degree economy.

Cost of response to risk

Description of response and explanation of cost calculation

The Group has in place a Board-approved Sustainability Risk Management Framework (Framework) that is supported by a suite of key policies and position statements. These include Our Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and Action Plan, and Responsible Sourcing Code of Conduct, many of which are publicly available. The Sustainability Risk Management Framework was reviewed and updated in 2019. Westpac uses scenario analysis to inform its assessment of climate-related risks over short, medium and long-term horizons. The findings from scenario analysis conducted in 2019 informed Westpac's current CCPS which outlined enhanced lending standards for energy sectors

including management of the thermal coal portfolio to reduce exposure to zero by 2030. These lending parameters have been included in our Group Risk Appetite Statement and, where appropriate, are applied at the portfolio, customer and transaction level.

Comment

The main costs associated with implementing this management approach are FTE resourcing to undertake engagement activities, strategy development, product development, changes to policy and underwriting standards, marketing, sponsorship and other related costs such as specialised consultants.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Selected perils were inundation, soil contraction, floods, wind and cyclones, and bushfires)
----------------	---------------------------------------------------------------------------------------------------------------------

Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

Our customers may be adversely affected by the physical risks of climate change, including increases in sea levels. These effects, whether acute or chronic in nature, may directly impact us and our customers through reputational damage, environmental factors, insurance risk and business disruption and may have an adverse impact on financial performance (including through an increase in defaults in credit exposures).

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Westpac uses scenario analysis to guide its climate change strategy and to analyse the implications of climate-related factors to its business. In 2019 the Group undertook further scenario analysis to assess the impact of climate-related physical risks on the Australian mortgage portfolio arising from global warming scenarios 4 degrees. 5 natural perils were assessed: inundation, soil contraction, floods, wind and cyclones, and bushfires. The core scenario is based on the IPCC's RCP8.5 scenario and a series of conservative assumptions about the vulnerability of Australian homes to natural perils. Under a 4-degree scenario to 2050, we believe the Australian mortgage portfolio is broadly resilient to physical risks. Approximately 1.6% of the portfolio is exposed to postcodes that may experience higher physical risk by 2050 under a 4-degree scenario. The findings highlighted the importance of both climate mitigation and adaptation efforts, including government planning measures, and the benefits of climate-resilient building characteristics to reduce property damage and impacts on customers and communities.

Cost of response to risk

Description of response and explanation of cost calculation

The Group has in place a Board-approved Sustainability Risk Management Framework (Framework) that is supported by a suite of key policies and position statements. These include Our Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and Action Plan, and Responsible Sourcing Code of Conduct, many of which are publicly available. The Sustainability Risk Management Framework was reviewed and updated in 2019. Westpac uses scenario analysis to identify and assess climate-related risks over short, medium and long-term horizons. Along with our recognition that our financing activities must align with activities that support efforts to keeping 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 expects to continue to help individual customers respond to climate change, and continue to advocate for more research and investment into helping communities adapt and become resilient to climate-related impacts. This includes the work we support through the Australian Business Roundtable on Disaster Resilience and Safer Communities, which focuses on natural disaster resilience and recovery in Australia.

Comment

Costs include FTE, efforts to understand manage impacts including research and participation in industry forums.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Chronic physical	Other, please specify (selected perils were inundation, soil contraction, floods, wind and cyclones, and bushfires)
------------------	---------------------------------------------------------------------------------------------------------------------

Primary potential financial impact

Increased credit risk

Climate risk type mapped to traditional financial services industry risk classification

Credit risk

Company-specific description

We may be adversely affected by the physical risks of climate change, including increases in temperatures and severity of adverse climatic events including fires, storms, floods and droughts. These effects, whether acute or chronic in nature, may directly impact us and our customers through reputational damage, environmental factors, insurance risk and business disruption and may have an adverse impact on financial performance (including through an increase in defaults in credit exposures).

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Westpac uses scenario analysis to guide its climate change strategy and to analyse the implications of climate-related factors to its business. In 2018 the Group undertook further scenario analysis to assess the impact of climate-related physical risks on the Australian mortgage portfolio arising from global warming scenarios of 2 and 4 degrees. 5 natural perils were assessed: inundation, soil contraction, floods, wind and cyclones, and bushfires. The core scenario is based on the IPCC's RCP8.5 scenario and a series of conservative assumptions about the vulnerability of Australian homes to natural perils. Under a 4 degree scenario to 2050, we believe the Australian mortgage portfolio is broadly resilient to physical risks. Approximately 1.6% of the portfolio is exposed to postcodes that may experience higher physical risk by 2050 under a 4 degree scenario. The findings highlighted the importance of both climate mitigation and adaptation efforts, including government planning measures, and the benefits of climate-resilient building characteristics to reduce property damage and impacts on customers and communities.

Cost of response to risk

Description of response and explanation of cost calculation

The Group has in place a Board-approved Sustainability Risk Management Framework (Framework) that is supported by a suite of key policies and position statements. These include Our Principles for Doing Business, Responsible Investment Position Statement, Environmental, Social and Governance (ESG) Credit Risk Policy, Climate Change Position Statement and Action Plan, and Responsible Sourcing Code of Conduct, many of which are publicly available. The Sustainability Risk Management Framework was reviewed and updated in 2019. Westpac uses scenario analysis to identify and assess climate-related risks over short, medium and long-term horizons. We help our customers make their homes more climate-resilient by: providing information to assist home owners identify how they can make improvements to their home; and working with our bankers to ensure customers access the right products and services to help fund any improvements they wish to undertake. This includes the work we support through the Australian Business Roundtable on Disaster Resilience and Safer Communities, which focuses on natural disaster resilience and recovery in Australia. Along with our recognition that our financing activities must align with activities that support efforts to keeping 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 expects to continue to help individual customers respond to climate change, and continue to advocate for more research and investment into helping communities adapt and become resilient to climate-related impacts.

Comment

Costs include FTE, efforts to understand manage impacts including research and participation in industry forums.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Our Climate Change Position Statement recognises that economic growth and emissions reductions are complementary goals. Addressing climate change creates financial

opportunities for Westpac and our customers. Addressing the impacts of climate change requires investment and a shift in business models. Transition to a net zero emissions economy is reliant on the availability of cost-effective low carbon solutions. In our role as a financial intermediary we act as a market facilitator and partner to existing and new customers, backing financially viable, affordable, low carbon solutions that will drive the transition to a net zero emissions economy whilst accelerating the reduction in emissions. Building on the climate change scenario analysis Westpac completed in 2019, we have set our targets based on the current outlook for investment in climate change solutions that is required to remain on a credible pathway to a net zero emissions outcome by 2050. We define climate change solutions as those technologies and practices that are consistent with the investment required to limit global warming to less than two degrees and address its impacts. Climate change solutions include, but are not limited to: Renewable energy; energy efficiency technologies; green buildings; low-emissions transport; waste; water; carbon abatement and sequestration projects; forestry and land rehabilitation; and adaptation infrastructure. As part of our 2023 Climate Change Action Plan we have aimed to support solutions and technology that accelerate the transition to a low carbon economy, 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. Targets are currently for Institutional, Corporate and Commercial segments and informed by analysis of capital investment required for a "well below 2-degrees" outcome. 'New lending' is incremental and does not include refinancing. Targets will be reviewed at least every three years to reflect changes in technology, policy, climate science and investment assumptions and as our approach evolves. Our climate change solutions definition can be found in the glossary of our Sustainability Performance Report.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3500000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

This figure represents the amount of new lending exposure to climate change solutions Westpac is targeting over the next three years to 2023. Westpac has set short and medium term targets for lending to the climate solutions sector. These were derived from market analysis, estimates of Westpac's market share and estimates of future sector growth derived from climate scenario analysis. Targets are expressed in terms of Total Committed Exposure. By 2023 we are targeting \$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.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

WBC's Climate Change Position Statement and 2023 Action Plan (CCPS) describe our climate change strategy, which includes our first action to help customers and communities respond to climate change. In our role as a financial intermediary we act as a market facilitator and partner to existing and new customers, backing financially viable, affordable, low carbon solutions thereby supporting energy security while accelerating the reduction in emissions. We provide our business customers with a range of innovative sustainable finance structures including green deposits, green bonds and sustainability-linked loans. Lending to climate solutions are set out in our CCPS. Our financial reporting shows growth in exposure to climate solutions— from \$6bn in 2016 to \$9.7 bn to HY20. Similar growth has been seen in our facilitation targets - an example of this was recent growth in the green bonds sector— As at 30/9/19 our facilitation of climate-related bonds was \$3.6bn, and as at 31/3/20 it was \$4.5bn. In Nov 2018 we launched the world's first Green Tailored Deposit to be certified by the Climate Bonds Initiative (CBI). The Green Tailored Deposit is a medium to long term investment product (1-5 years) with a minimum transaction amount of AUD \$1 million, designed for investors who want or need investments that genuinely contribute to addressing climate change. All deposits are associated with a defined pool of eligible assets or projects which meet the strict CBI criteria, which can include renewable energy, low carbon transport, low carbon buildings and water infrastructure. We continue to evolve our sustainable finance approach, recognising the role financial institutions can play in facilitating the transition to a low carbon economy, and helping customers to manage the range of impacts they are likely to experience from climate change.

Comment

Estimated for total FTE and other costs

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resilience

Primary climate-related opportunity driver

New products and services related to ensuring resiliency

Primary potential financial impact

Other, please specify (Increased revenues resulting from increased demand for products and services)

Company-specific description

Through our Climate Change Position Statement and 2023 Action Plan, Westpac is committed to helping individual customers and communities to understand and respond to the impacts of climate change. We recognise that climate change may affect their communities, homes and investments in many ways. We can use our experience and expertise to assist our customers to prepare and respond to the risks and opportunities they may face. We can support measures to improve the efficiency and resilience of homes to minimise their ongoing running costs and reduce the financial impact of increases in the scale, frequency and severity of natural disasters. We can also support communities to take the collective measures required to adapt to both acute and chronic changes in weather patterns brought about by climate change. Our experience of working with customers and communities through times of natural disaster has shown that the more prepared and resilient a community is, the quicker it is able to recover. As Australia's second largest bank with over \$440bn in direct lending exposure to household mortgages, working with customers, government and the private sector presents a significant opportunity to improve community resilience to mitigate the worst impacts of climate change, as well as provide finance to adaptation measures. This opportunity has been factored into our analysis of climate-related opportunities when setting lending targets for the climate solutions sector \$3.5bn by 2023 and \$15bn by 2030.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3500000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

This figure represents the amount of new lending exposure to climate change solutions Westpac is targeting over the next three years to 2023. The opportunity presented by growth in adaptation infrastructure forms a part of our overall Climate Solutions lending targets of \$3.5bn by 2023 and \$15bn by 2030. Our 2019 reporting shows that climate-resilient green buildings represent 39.5% of our lending to climate solutions. Increased revenues can be expected as a result of growth and increased balance sheet allocation.

Cost to realize opportunity**Strategy to realize opportunity and explanation of cost calculation**

The Group's 2018-2020 Sustainability Strategy and Board-approved Climate Change Position Statement and 2023 Action Plan (CCPS) describe our climate change strategy, which includes the focus area "Help individual customers respond to climate change". Our experience of working with customers and communities through times of natural disaster has shown that the more resilient a community is, the quicker it is able to recover. That's why we are supporting customers to understand how climate-related impacts affect their homes and assets, helping them make the right decisions to prepare for any possible outcome. We also encourage our customers to consider how they can improve the energy and water efficiency of their homes in a way that benefits the environment, while minimising the ongoing costs of utilities, maintenance and repairs. Our participation and investment in the Australian Business Roundtable for Disaster Resilience and Safer Communities has helped to understand, inform and influence responses to the physical impacts of climate change, and the opportunities that might arise in helping our customers adapt. An example of this work is the release in 2017 of the ABR's report: Building Resilience to Natural Disasters in our States and Territories which articulated the business case for increased investment in resilience.

Comment

Estimated for total FTE and other costs

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced direct costs

Company-specific description

Our Climate Change Position Statement and 2023 Action Plan states that Westpac will continue to reduce emissions from our own operations in alignment with a science-based trajectory. This presents an opportunity to invest in the uptake of renewable energy sources, such as rooftop solar PV, and avoid potential rising costs as the energy market continues to transition to a low-carbon setting.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

66196

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The 2019 average cost (AUD) per kWh for our commercial sites was estimated based on invoices. Cost per kWh was multiplied by the 2019 annual energy savings of our NSW solar project to arrive at an estimated annual savings of \$66,196.

Cost to realize opportunity

715943

Strategy to realize opportunity and explanation of cost calculation

Emission reduction targets are articulated in our Climate Change Position Statement and 2023 Action Plan which was approved by the Westpac Board. Westpac has long-term targets including to reduce the Scope 1 and 2 emissions of our operations by 90% by 2030 (2016 baseline), reduce our Scope 3 – Supply Chain emissions by 35% by 2030 (2016 baseline) and source the equivalent of 100% of our global electricity consumption through renewable sources by 2025. This will both mitigate the potential impact of future carbon pricing and reduce operational expenses over the long term. Westpac's Group Property teams have budget allocated to continuous improvement from which Scope 1, 2, or 3 emission reduction projects may be funded where they meet business requirements. In addition, other project budgets may be established to fund specific carbon reduction initiatives. This year Westpac installed the second phase of a 326 kW solar PV system at one of our commercial offices in New South Wales. The vendor and internal project teams provided the cost estimate to realise this opportunity.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of new technologies

Primary potential financial impact

Reduced direct costs

Company-specific description

Our Climate Change Position Statement and 2023 Action Plan states that Westpac will continue to reduce emissions from our own operations in alignment with a science-based trajectory. Our focus on emission reduction presents opportunities to deploy new energy efficient technologies, such as LED lighting upgrades.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

179203

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Estimated annual savings were calculated using the relevant light project business cases.

Cost to realize opportunity

659001

Strategy to realize opportunity and explanation of cost calculation

Emission reduction targets are articulated in our Climate Change Position Statement and 2023 Action Plan which was approved by the Westpac Board. Westpac has long-term targets including to reduce the Scope 1 and 2 emissions of our operations by 90% by 2030 (2016 baseline), reduce our Scope 3 – Supply Chain emissions by 35% by 2030 (2016 baseline) and source the equivalent of 100% of our global electricity consumption through renewable sources by 2025. This will both mitigate the potential impact of future carbon pricing and reduce operational expenses over the long term. Westpac's Group Property teams have budget allocated to continuous improvement from which Scope 1, 2, or 3 emission reduction projects may be funded where they meet business requirements. In addition, other project budgets may be established to fund specific carbon reduction initiatives. This year Westpac implemented a number of energy efficiency lighting upgrades in our retail branch network. The vendor and internal project teams provided the cost estimate to realise this opportunity.

Comment

Identifier

Opp5

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Other, please specify (Property and ATM consolidation)

Primary potential financial impact

Reduced direct costs

Company-specific description

Our Climate Change Position Statement and 2023 Action Plan states that Westpac will continue to reduce emissions from our own operations in alignment with a science-based trajectory. Consolidation of our property and ATM portfolio to more efficient workplaces.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1132322

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Estimated annual savings for the property and ATM consolidation were calculated by comparing the energy consumption decrease between 2018 and 2019 and multiplying by the 2019 average cost (AUD) per kWh for our property and ATM sites, respectively.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Emission reduction targets are articulated in our Climate Change Position Statement and 2023 Action Plan which was approved by the Westpac Board. Westpac has long-term targets including to reduce the Scope 1 and 2 emissions of our operations by 90% by 2030 (2016 baseline), reduce our Scope 3 – Supply Chain emissions by 35% by 2030 (2016 baseline) and source the equivalent of 100% of our global electricity consumption through renewable sources by 2025. This will both mitigate the potential impact of future carbon pricing and reduce operational expenses over the long term. Westpac's Group Property teams have budget allocated to continuous improvement from which Scope 1, 2, or 3 emission reduction projects may be funded where they meet business requirements. In addition, other project budgets may be established to fund specific carbon reduction initiatives. This year Westpac finalised a number of major commercial building refurbishments, and consolidated commercial, retail and ATM sites for greater efficiency.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Three scenarios developed in partnership with EY and ClimateWorks - Strong National Action, Global Cooperation, and Delayed Action.)	Westpac uses scenario analysis to inform its assessment of climate-related risks over short, medium and long-term horizons. The findings from scenario analysis conducted in 2019 informed Westpac’s current Climate Change Position Statement and 2023 Action Plan which outlined enhanced lending standards for energy sectors including management of the thermal coal portfolio to reduce exposure to zero by 2030. These lending parameters have been included in our Group Risk Appetite Statement and, where appropriate, are applied at the portfolio, customer and transaction level. The scenario analysis also informed our financing targets for climate change solutions which are based on an economy-wide pathway to net zero emissions by 2050. This includes a 2030 lending target to climate solutions of \$15bn. In 2016 we undertook scenario analysis which set the foundation for our subsequent analysis. Our 2016 work comprised: Boundaries: qualitative and quantitative; 2-degree transition risk and opportunity analysis; over short (2020), medium (2030) and long (2050) term horizons. Carbon price range: USD20-USD300 (AUD29-AUD435). Methodology: Three scenarios were identified representing plausible pathways to a low carbon economy based on different approaches to global cooperation and timing of action. Each scenario included assumptions for technological, social, economic and environmental factors, drawing from a broad base of existing research, including regarding carbon pricing. The scenarios were based on existing and known technologies due to the difficulty in accurately modelling the impact of unknown innovations. Summary of scenarios 1. Strong National Action: In this scenario, a lack of global carbon trading requires each country to take ambitious action individually, requiring a more rapid domestic transition. National ambition drives technical innovation in renewables, carbon capture and storage and nuclear technologies. 2. Global Cooperation: In this scenario coordinated global action results in a smooth transition to a low carbon economy. Access to an international carbon trading system provides Australia with relatively cheap carbon permits compared to the other scenarios. 3. Delayed Action: In this scenario, an initial delay towards action is followed by a much more accelerated mitigation pathway after 2030. This scenario assumes slower cost reductions of low carbon technologies due to lack of early investment and a rapidly increasing carbon price post-2030.
DDPP IRENA RCP 2.6 RCP 8.5 IEA Sustainable development scenario	Westpac uses scenario analysis to inform its assessment of climate-related risks over short, medium and long-term horizons. The findings from scenario analysis conducted in 2019 informed Westpac’s current CCPS which outlined enhanced lending standards for energy sectors including management of the thermal coal portfolio to reduce exposure to zero by 2030. These lending parameters have been included in our Group Risk Appetite Statement and, where appropriate, are applied at the portfolio, customer and transaction level. The scenario analysis also informed our financing targets for climate change solutions which are based on an economy-wide pathway to net zero emissions by 2050. This includes a 2030 lending target to climate solutions of \$15bn. 2018 Analysis Boundaries: qualitative and quantitative; 2 degree transition risk and opportunity analysis; 4 degree physical risk analysis; over medium (2030) and long (2050) term horizons. Carbon price range: USD20-USD300. Methodology: 2-degree scenarios: We revisited the three scenarios developed in partnership with EY and ClimateWorks in 2016 and reapplied them to Australian Business and Institutional lending (excluded retail, sovereign and bank exposures). We also reviewed the International Energy Agency’s Sustainable Development Scenario (IEA SDS) and the International Renewable Energy Agency’s Renewable Energy Roadmap (IRENA Remap), focusing our analysis on the Australian energy market. Under the Global Cooperation Scenario, Westpac’s exposure to sectors that may face growth constraints under a range of 2 degree scenarios to 2030 is approximately 4% of our Business and Institutional lending - unchanged since 2016. Higher risk sectors may be subject to enhanced due diligence under the parameters laid out in the CCPS. Westpac assesses opportunities arising out of growth in sectors benefiting from a transition to a low carbon economy over the short and medium term. Westpac supports solutions and technology that accelerate the transition to a low carbon economy, 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. 4-degree scenario: The analysis was completed at postcode level in partnership with Deloitte and was underpinned by models developed by Climate Risk. Our core scenario was based on data from IPCC’s RCP8.5 scenario and adopted a series of conservative assumptions about the vulnerability of homes to natural perils under 4°C of warming by 2100. The selected perils were: inundation such as sea level rise and storm surges, soil contraction due to increased heat and reduced rainfall, floods, wind and cyclones, and bushfires. Analysis focused on the mortgage portfolio of Westpac and St.George. Under a 4-degree scenario to 2050, we believe the Australian mortgage portfolio is broadly resilient to physical risks (selected perils: Inundation, soil contraction due to increased heat and reduced rainfall, floods, wind and cyclones, and bushfires). The Group mapped its Australian mortgage portfolio to postcodes which under a 4-degree scenario are at greatest risk of increased frequency and intensity of natural perils, and where annual average losses are most likely to increase. The findings highlighted the importance of both climate mitigation and adaptation efforts, including government planning measures, and the benefits of climate-resilient building characteristics to reduce property damage and impacts on customers and communities. Along with our broader commitment to a well below 2-degree economy, Westpac expects to continue to help individual customers respond to climate change and continue to advocate for more research and investment into helping communities adapt and become resilient to climate-related impacts. As at 31 March 2020, approximately 1.6% of the Australian mortgage portfolio is exposed to postcodes that are likely to experience higher physical risk at 2050.
Other, please specify ('P2' pathway articulated in the Intergovernmental Panel on Climate Change’s report – Global Warming of 1.5 C.)	In First Half 2019, the Group undertook further scenario analysis to assess the resilience of Westpac’s Australian Business and Institutional lending (excludes retail, sovereign, and bank exposures) to transition risks brought about by rapid decarbonisation of the Australian economy under 1.5 and updated 2-degree scenarios (1.5-degree scenario based on the 'P2' pathway articulated in the Intergovernmental Panel on Climate Change’s report – Global Warming of 1.5°C. 2-degrees disclosures incorporate multiple scenarios including the IRENA REMap, IEA SDS, IPCC (presented according to updated methodology), and those described in Westpac’s Sustainability Performance Report, 2016 p52). As at 31 March 2020: Westpac’s Business and Institutional lending exposure to sectors that by 2030 are likely to face growth constraints under a 1.5-degrees scenario is approximately 2.3%; Westpac’s Business and Institutional lending exposure to sectors that by 2030 are likely to face growth constraints under a 2-degrees scenario is approximately 0.9%.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	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. The Climate Change Position Statement and 2023 Action Plan (CCPS) was approved by the Board in 2020. It covers both the principles and key actions related to climate change for the Group and their intersection with business strategy and planning. To address climate change risk and opportunities, the CCPS identifies focus areas for the short, medium and long term. We will: help customers and communities respond to climate change; continue to improve the climate change performance of our operations; and continue to support initiatives and policies to achieve the goals of the Paris Agreement. We use scenario analysis to guide strategy and to analyse the implications of climate-related factors to business. We assess opportunities to support solutions and technology that accelerate the transition to a low carbon economy. We seek to understand the potential for climate-related transition, physical and litigation risks to impact our business, in particular the possible impact on credit risk, regulatory and reporting obligations, and reputation. In the CCPS, the Group sets out criteria for lending to emissions-intensive and climate-vulnerable sectors, supporting customers assess the financial implications of climate change on their business, including how their strategies are likely to perform under various forward-looking scenarios, and demonstrate a rigorous approach to governance, strategy setting, risk management and reporting. As stated in our CCPS, to help our customers and communities respond to climate change, we will: - Aim to provide \$3.5 billion of new lending to climate solutions by 2023. - Ensure our financing of the electricity generation sector supports Paris-aligned transition pathways to a net zero emissions economy by 2050. - Support existing thermal coal customers, with a commitment to reduce our exposure to zero by 2030. - Advance Paris-aligned financing strategies and portfolio targets, with annual updates. - Provide access to products and services that can help customers to reduce the energy consumption and improve the resilience of their homes. - Help communities become more resilient to climate change and the transition to a low carbon economy.
Supply chain and/or value chain	Yes	We work with over 30,000 supplier partners and during FY19 procured goods and services worth \$6.5 billion across Australia and New Zealand. Our Responsible Sourcing Code of Conduct (RSCoC) guides our approach to managing and minimising ESG risks within our supply chain. The Westpac Group expects its suppliers to minimise the environmental impacts associated with their products and services, and from their operational footprint, including offices, manufacturing and processing facilities, and transport and distribution. Impacts relating to greenhouse gas emissions, air quality, energy efficiency, water and wastewater, waste and hazardous materials, biodiversity impacts, lifecycle impacts of products and services, and packaging, where relevant, should be measured, monitored, managed and minimised. Suppliers are encouraged to source and supply credible third party certified products
Investment in R&D	No	
Operations	Yes	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. We are committed to managing our business in alignment with the Paris Agreement and the need to transition to a net zero emissions economy by 2050. We are committed to reducing the climate change impacts of our own operations, seeking to align our business with the trajectory required to achieve a net zero emissions economy by 2050. As stated in our Climate Change Position Statement and 2023 Action Plan we will: - Continue to reduce emissions from our own operations in alignment with a science-based trajectory, including through targets to reduce our Scope 1 and 2 emissions from a 2016 base year by: 85% by 2025; and 90% by 2030 and a target to reduce our Scope 3 – Supply Chain Emissions from a 2016 base year by 35% by 2030. • Offset any remaining carbon emissions and maintain carbon neutrality across our business in accordance with National Carbon Offset Standard (NCOs).

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Capital expenditures Access to capital Assets Liabilities	Revenues may increase due to efforts to increase our exposure to the climate solutions sector. This has been factored into our processes by setting short and medium term targets for lending to the climate solutions sector (\$3.5bn by 2023 and \$15bn by 2030). Revenues may also be impacted negatively as other sectors of the economy reduce in size as the result of efforts to mitigate climate change. The magnitude of this risk is considered low given Westpac's relative low exposure to carbon intensive sectors. This has been factored into our processes by setting lending restrictions on high transition risk sectors (e.g. thermal coal and coal-fired electricity generation). Similarly, revenue impacts linked to physical changes caused by climate change may increase due to greater investment in adaptation measures and the emergence of new products. Capital expenditures are considered in line with targets set out our 2023 Climate Change Action Plan (CCPS), and in particular commitments to reduce the emissions intensity of our operations and our commitment to source 100% of global electricity consumption through renewable energy sources by 2025. For access to capital we conduct regular assessments and stakeholder engagement and consultation. This includes capital providers such as investors, shareholders and customers (depositors). Climate change ranks consistently highly as an issue of importance to stakeholders (and to Westpac), particularly investors. This is also reflected in stakeholder queries directed to our Sustainability, client facing and Investor Relations teams. In response Westpac prepares comprehensive reporting, disclosure and communication materials on at least a half yearly basis to inform capital providers of our performance on climate change. In line with the recommendations of the TCFD, these materials form part of our financial reporting cycle Climate risk and opportunities linked to our financial assets are factored into our processes through the integration of our CCPS which sets out both lending targets to climate solutions, and restrictions on lending to emissions intensive sectors.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

The Group has long recognised that climate change is one of the most significant issues that will impact the long-term prosperity of the economy and way of life. Westpac was the first Australian bank to recognise the importance of limiting global warming to two degrees and that to do this, global emissions need to reach net zero in the second half of this century.

It has been over a decade since the Group released its first climate change action plan. Since then, Westpac has continued to integrate the consideration of climate-related risks and opportunities into business objectives and strategy. This includes alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which the Group has publicly committed to support and setting specific targets for lending and our own operational footprint.

The Board has oversight of our approach to and management of climate change. The Group's fourth Climate Change Position Statement and 2023 Action Plan (CCPS) was supported by the Group Executive and approved by the Board in April 2020. It covers both the principles and key actions related to climate change for the Westpac Group and their intersection with broader business strategy and planning.

Climate Change Position Statement's principles:

- A transition to a net zero emissions economy is required by 2050.
- Economic growth and emissions reductions are complementary goals.
- Addressing climate change creates opportunities.
- Climate-related risk is a financial risk.
- Collective action, transparency and disclosure matter.

Focus areas for action:

- Help customers and communities respond to climate change
- Improve the climate change performance of our operations.
- Support initiatives and policies to achieve the goals of the Paris Agreement

The Position Statement specifically ties business strategy and planning to a science-based emissions reduction target for Scope 1 and 2 emissions of 85% by 2025 and 90% by 2030 (2016 baseline) and ongoing commitment to carbon neutrality of our operations. Furthermore, we committed in April 2019 to source 100% of global electricity consumption through renewable energy sources by 2025. As one of the first Australian companies to make this commitment, Westpac Group will become a member of RE100, a global leadership initiative led by The Climate Group in partnership with CDP, bringing together the world's most influential businesses who have committed to go 100% renewable. We have also achieved our Sustainability Strategy measure of introducing a renewable energy target ahead of 2020. Westpac Group was one of 28 banks working with the United Nations Environment Program Finance Initiative (UNEP FI) to develop the Principles for Responsible Banking (and in 2018 became the first bank to publicly report on the draft principles), as we believe that it is important for banks, working with civil society and other stakeholders, to define and act on what we mean by responsible and sustainable banking. This work aligns the purpose of banking with society's goals as expressed the United Nations Sustainable Development Goals (SDGs)

and the Paris Climate Agreement.

As an example of climate change influencing business decisions, we conducted climate change scenario analysis to identify risks and opportunities as part of the refresh of our CCPS. This analysis was overseen by an internal Steering Committee comprising representatives from risk, sustainability and banking teams. This research has informed actions in our position statement, driven public engagements and our communications and forward strategy. The Climate Change Position Statement was approved by the Board in 2020. A specific measure of the impact of this work is the increased in exposure to climate solutions which rose from \$9.3bn at 30 September 2019 to \$9.7bn at 31 March 2020)

The CCPS recognises a number of aspects of climate change that have influenced our thinking over the short (to 2023), medium (to 2030) and long term (2050). This includes explicit acknowledgement of the goals of the Paris Agreement, and our commitment to support the transition of the economy to net-zero emissions. The CCPS sets our actions over the short, medium and long term which we report against every year. Key elements of this include short and medium term targets for lending to climate solutions; enhanced lending parameters to emissions intensive sectors (e.g. thermal coal and coal-fired generation assets) and short and medium term science-based targets for our own emissions.

The Board has approved Westpac's CCPS. Management of climate change at the Board level is cascaded to Group Executives. The Sustainability Council's membership comprises Group Executive – Customer & Corporate Relations and General Managers from across the Group. The Council has explicit responsibility for managing our sustainability agenda including climate change, meets at least quarterly and has climate change as a fixed agenda item; reports to the Board through twice-yearly updates; and has oversight of committees established to oversee aspects of the Group's CCPS, including the Sustainable Finance Committee, Climate Change Risk Committee and Environment Management Committee.

In New Zealand, the NZ Sustainability Advisory Panel informs the WNZL Executive Team and Board by providing insights on opportunities and ESG risks, including climate change. Cross-business working groups are responsible for the plans to deliver integrated responses to climate change e.g. Climate Change Solutions working group, Operational Sustainability working group directs CO2 reductions initiatives. WNZL transformation programme, FIT, drove business-wide efficiency programme contributing to CO2 reductions. Decisions to relocate Christchurch corporate and CBD branch to Green Star 5 rated building and to convert 30% of our 301-car fleet to EVs and install charging infrastructure were influenced by our commitment to reducing our environmental footprint.

C-FS3.2

(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.2a

(C-FS3.2a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Bank lending (Bank)	Credit policy Risk policy Policy related to other products and services	All of the portfolio	Climate change risks are managed within the Group's risk management framework. Westpac seeks to understand the potential for climate-related transition, physical and litigation risks to impact its business, in particular the possible impact on credit risk, regulatory and reporting obligations, and our reputation. Through our Climate Change Position Statement and 2023 Action Plan (CCPS), Westpac sets out criteria for lending to emissions-intensive and climate-vulnerable sectors, supporting customers that are in, or reliant, on these sectors and who assess the financial implications of climate change on their business, including how their strategies are likely to perform under various forward-looking scenarios, and demonstrate a rigorous approach to governance, strategy setting, risk management and reporting. The Group reviews its Risk Management Framework, Risk Management Strategy, Sustainability Risk Management Framework, risk appetite measures and policies, including the ESG Credit Policy, and integrates criteria set out in the CCPS. These criteria are applied at the portfolio, customer and transaction level where appropriate. The Climate Change Risk Committee oversees work to identify and manage the potential impact on credit exposures from climate change-related transition and physical risks across the Group. It reports to the Group Credit Risk Committee. Escalation of risks to relevant divisional risk committees occurs in accordance with the Sustainability Risk Management Framework. If the identified risks are not within risk appetite then the application of conditions to manage the risks may be considered, or the transaction may be declined. We are also a signatory to several voluntary principles-based frameworks that guide the integration of ESG-related issues to banking, lending and investment analysis. These include the Equator Principles, the Principles for Responsible Banking, the Principles for Responsible Investment, and the TCFD.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	Please select	

C-FS3.2b

(C-FS3.2b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Coal	Bank lending	Other, please specify (New and existing customers)	As stated in our current Climate Change Position Statement and 2023 Action Plan: for thermal coal, we will continue to support our existing thermal coal customers, managing our portfolio in line with a commitment to reduce our exposure to zero by 2030. In the interim, we will not establish relationships with new thermal coal customers; limit support for thermal coal mines or projects to existing basins; and maintain strict quality criteria of average calorific value on a Gross As Received basis must be at least 5,700 kCal/kg for existing mines; and at least 6,300 kCal/kg Gross As Received for new mines. A thermal coal customer includes subsidiaries of existing customers, with thermal coal customers defined as those generating more than 25% of revenues from thermal coal, or in the case of a stand-alone mine, more than 35% of volumes from thermal coal. All other coal customers or mines are deemed as metallurgical. For metallurgical coal we will continue to provide financing for metallurgical coal production and seek to support technological developments and industry initiatives that reduce the dependence of the steel industry on coal; and require that any material component of production from new metallurgical mines that is used for the purposes of electricity generation meets our existing standard
Oil & gas	Bank lending	Other, please specify (New and existing customers)	As stated in our current Climate Change Position Statement and 2023 Action Plan: We will continue to assess the role of oil and gas in the transition to a low carbon economy and to develop Paris-aligned financing strategies and portfolio targets for emissions intensive sectors, working with our customers. In the interim we will continue to provide finance to the sector in line with our ESG policies and commitment to the Paris Agreement. This includes not providing project finance to oil and gas exploration in high risk frontier basins such as Arctic and Antarctic refuges, and for oil sands development
Other, please specify (Electricity Generation)	Bank lending	Other, please specify (New and existing customers)	As stated in our current Climate Change Position Statement and 2023 Action Plan: for the electricity generation sector we will take into account the intersecting requirements of emissions reduction, affordability, energy security and reliability, and the feasibility of emerging low emissions technologies (e.g. carbon capture and storage). We will consider the impact of the transition on vulnerable households, regional communities and trade-exposed industries; and ensure our financing supports Paris-aligned transition pathways to a net zero emissions economy by 2050 including by reducing the emissions intensity of our exposure in line with the following targets: 0.23t CO2e/MWh by 2025; and 0.18t CO2e/MWh by 2030.
Other, please specify (Agribusiness)	Bank lending	Other, please specify (New and existing customers)	Our Financing Agribusiness Position Statement, outlines the principles which we apply when providing finance or considering the provision of finance to customers in the agribusiness sector. We recognise that the agribusiness sector has an important role to play in managing and mitigating the risks and opportunities associated with climate change. We will continue to endeavour to assist customers to meet the challenge of both transition and physical risks associated with climate change; and to maximise opportunities to reduce greenhouse gas emissions arising from the adoption of new technologies and farming techniques. We seek to develop relationships with customers that: - avoid adverse impacts on High Conservation Value forests and use High Carbon Stock Approach assessments where appropriate; and operations in UNESCO World Heritage Sites, Ramsar wetlands and critical natural habitats (unless the activity is legally permitted and consistent with management plans for the area). - Demonstrate commitment to best practice in the production of: o Palm oil, where we require growers, producers and processors to support RSPO standards and demonstrate credible progress towards full certification within a satisfactory timeline, and commit to NDPE policies. For downstream sectors (manufacturers, traders or retailers) we encourage RSPO membership and procurement of Certified Sustainable Palm Oil ; o Soy, where we require growers, producers and processors in higher risk geographies to support the Roundtable for Sustainable Soy and demonstrate credible progress towards full certification within a satisfactory timeline. For downstream sectors, namely manufacturers, traders or retailers of soy products, we encourage procurement of certified inputs; o Timber, including that used for the production of pulp and paper products, where we require growers (forest managers) and processors to support the Forest Stewardship Council or alternatively a national scheme endorsed under the Programme for the Endorsement of Forest Certification ; and demonstrate credible progress towards full certification within a satisfactory timeline. For downstream sectors, namely manufacturers, traders or retailers of timber products, we encourage procurement of certified inputs. o Other agro-commodities, we encourage the adoption of better management practices to reduce and minimise environmental and social impacts, and where appropriate, achieve certification under credible standards.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2016

Covered emissions in base year (metric tons CO2e)

147620

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2020

Targeted reduction from base year (%)

9

Covered emissions in target year (metric tons CO2e) [auto-calculated]

134334.2

Covered emissions in reporting year (metric tons CO2e)

121168

% of target achieved [auto-calculated]

199.099790754038

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

As part of the 2020 Strategy and our Climate Change Position Statement and 2020 Action Plan, GHG emission reduction targets were set using Scope 1 and Scope 2 methodologies endorsed by the Science Based Targets Initiative (SBTI). Our targets during the 2019 reporting year were: • 9% reduction in Scope 1 and 2 Group emissions by 2020; and • 34% reduction in Scope 1 and 2 Group emissions by 2030 (using 2016 baseline); o An adjusted 2016 number that excludes emissions from Western Sydney data centre is used as a baseline for our 2020 and 2030 emissions reduction targets. The rebased 2016 Scope 1 and 2 figure is 147,620 tCO₂-e. Western Sydney data centre is excluded from operational control from 2017 onwards. Our refreshed targets for the 2020 period onwards have recently been set in our Climate Change Position Statement and 2023 Action Plan. Our updated targets are: • to reduce our Scope 1 and 2 emissions from a 2016 base year by: o 85% by 2025; and o 90% by 2030 • to reduce our Scope 3 – Supply Chain Emissions from a 2016 base year by 35% by 2030. These targets have been prepared using scope 1 and scope 2 methodologies endorsed by the Science Based Targets Initiative (SBTI) and will be reported against from 2020 onwards.

Target reference number

Abs 2

Year target was set

2019

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based) +3 (upstream)

Base year

2019

Covered emissions in base year (metric tons CO2e)

6225

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

3

Target year

2025

Targeted reduction from base year (%)

30

Covered emissions in target year (metric tons CO2e) [auto-calculated]

4357.5

Covered emissions in reporting year (metric tons CO2e)

6225

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

A new target including WNZL Scope 1, Scope 2 and mandatory Scope 3 sources was set in 2019 as part of the carbonzero certification process. The target was set following the Toitū carbonzero program rules.

C4.2**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

0.2

Target year

2025

Figure or percentage in target year

100

Figure or percentage in reporting year

0.2

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

Our 2019 commitment to source the equivalent of 100% of our global electricity consumption through renewable sources by 2025 is a key emissions reduction initiative allowing us to commit to substantially more ambitious emissions reduction targets in 2020. Our refreshed targets for the 2020 period onwards have recently been set in our Climate Change Position Statement and 2023 Action Plan. Our updated targets are: • to reduce our Scope 1 and 2 emissions from a 2016 base year by: o 85% by 2025; and o 90% by 2030 • to reduce our Scope 3 – Supply Chain Emissions from a 2016 base year by 35% by 2030. Our targets have been prepared using scope 1 and scope 2 methodologies endorsed by the Science Based Targets Initiative (SBTI). Abs 1

Is this target part of an overarching initiative?

RE100

Please explain (including target coverage)

In April 2019, WBG announced its commitment to source the equivalent of 100% of its global electricity consumption through renewable sources by 2025 (<https://www.westpac.com.au/news/making-news/2019/04/westpac-to-go-100pc-renewable-by-2025/>). As one of the first Australian companies to make this commitment, we became a member of RE100, a global leadership initiative led by The Climate Group in partnership with CDP, bringing together the world's most influential businesses who have committed to go 100% renewable. The first phase of our transition will be achieved through a power purchase agreement with Bomen Solar Farm, under construction in Wagga Wagga, New South Wales. Bomen Solar Farm is expected to deliver a 45 per cent transition to renewables for Westpac by 2021, as well as providing greater cost certainty for the group in relation to electricity spend.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2019

Target coverage

Other, please specify (New Zealand)

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Please select

Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

31

Target year

2025

Figure or percentage in target year

100

Figure or percentage in reporting year

31

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

Our transition to EVs is part of a wider Westpac New Zealand commitment to reduce our emissions by 30% between 2019 and 2025. Abs 2

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

In 2019 we achieved our target to convert 30% of Westpac New Zealand fleet to electric vehicles or plug-in hybrid electric vehicles (PHEV). Subsequently, we set a new target to convert 100% of the Westpac New Zealand fleet to electric vehicles or PHEV by 2025.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	6	
To be implemented*	1	49840
Implementation commenced*	3	53007
Implemented*	5	3596
Not to be implemented	2	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

245

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

66196

Investment required (unit currency – as specified in C0.4)

715943

Payback period

11-15 years

Estimated lifetime of the initiative

16-20 years

Comment

326 kW solar PV system installed on NSW-based office building. Estimated emission savings figure reflects annual savings calculated for FY19.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

536

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

179203

Investment required (unit currency – as specified in C0.4)

659001

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

The estimated lifetime of each project is determined by the length of the leasing arrangement. Retail Lighting Upgrades: Estimated emission savings figure reflects annual savings calculated for FY19 Tranche 3 (51 sites) and Tranche 4 (23 sites) project phases.

Initiative category & Initiative type

Company policy or behavioral change	Site consolidation/closure
-------------------------------------	----------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

2815

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

Please select

Estimated lifetime of the initiative

Please select

Comment

Consolidation of our property and ATM portfolio to more efficient workplaces.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	The Group complies with the National Greenhouse and Energy Reporting Act which requires Westpac to capture and report all energy consumption, Scope 1 and Scope 2 greenhouse gas emissions from Australian activities under our Operational Control. The Group has continued its commitment to remain Carbon Neutral as stated in its Climate Change Position Statement and 2020 Action Plan. In 2019, Westpac's Australian operations maintained its certification under the Australian Government's Carbon Neutral Program and National Carbon Offset Standard.
Other (Publicly set targets)	Publicly set targets are used to ensure prioritisation of emissions reduction initiatives.
Internal incentives/recognition programs	Relevant senior managers have incentives tied to the achievement of climate change related targets included in our Climate Change Position Statement and 2023 Action Plan (CCPS) and Sustainability Strategy including targets to make up to \$3.5bn available for lending to climate solutions by 2023, and \$15bn for lending to climate solutions by 2030; eco-efficiency targets linked to 85% reduction in GHG emissions by 2025 and 90% by 2030 (2016 baseline); and a measure to introduce a renewable energy target, achieved in April 2019 when we announced our commitment to source the equivalent of 100% of its global electricity consumption through renewable sources by 2025. The extent of sustainability managers' financial remuneration is dependent on the management of climate change issues, including the attainment of targets. The management of climate change issues includes the identification, prioritisation and response to those issues, through our CCPS, and the attainment of targets included in both the Sustainability Strategy and the Position Statement. The CEO Community and Environment Awards recognise both an individual employee and a team that have demonstrated outstanding support for their community or environment including through not-for-profits, and include causes related to climate change. The winners are people who have gone beyond what is expected and have made a sustained contribution to one or more not-for-profit organisations, giving generously of their time, capabilities and commitment.
Internal price on carbon	Westpac factors the cost of carbon credits into its budget processes as part of its commitment to carbon neutrality and electricity procurement.
Employee engagement	Employees are engaged through the Our Tomorrow Network, informing and empowering our people on important sustainability-related topics. During the reporting period the We Have the Will campaign supported our employees to take personal action to tackle environmental impacts. These groups are supported by an intranet site, Yammer (internal social media), regular newsletters and invitations to presentations and workshops. Employees are also engaged through participation in, World Environment Day, and National Recycling Week environmental activities, as well as being provided with information on implementing emission reduction/environmental impact activities at work and at home. In NZ, employees of relevant business units are also engaged in working groups focused on our own emissions reductions and developing and promoting climate solutions products.
Dedicated budget for energy efficiency	The Group's WorkSMART program is focused on new ways of working and leading in an agile and paper independent environment which will drive less investment in paper and therefore Scope 3 emission reduction activities. The Group also has a continuous improvement budget from which Scope 1,2 or 3 emission reduction projects may be funded where they meet business requirements. In addition, other project budgets may be established to run specific carbon reduction initiatives.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Company-wide

Description of product/Group of products

In our CCPS we committed to a lending and investment target for Climate Change Solutions (including energy; Energy efficiency technologies; Green buildings; Low-emissions transport; Waste; Water; Carbon abatement and sequestration projects; Forestry and land rehabilitation; and Adaptation infrastructure.): \$3.5bn by 2023 and \$15bn by 2030. \$9.7bn climate change solutions exposure as at 31 March 2020 progressing towards our \$10bn by 2020 target. We continue to facilitate and issue climate bonds and other green debt instruments. As at 1H20, we achieved strong progress of \$4.5 billion surpassing our 2020 target of \$3 billion. In 2019, we delivered a number of sustainability-linked loans (SLL) designed to incentivise and reward the borrower for meeting pre-determined sustainability targets. These include: • \$100 million to Queensland Airports Limited (QAL) for the redevelopment of Gold Coast Airport, based on carbon accreditation through the Airports Council International program and a reduction in carbon emissions • US\$2.1 billion to COFCO International to be provided in collaboration with 20 other banks, the largest for a commodity trader; metrics include year-on-year improvement in environmental, social and corporate performance, and an increase in the traceability of agri-commodities • \$60 million to AGL as part of a broader syndicated deal, making AGL the first energy company to issue a sustainability-linked loan in the Asia Pacific region. Targets relate to emissions intensity and renewable energy and storage capacity. In November 2018 we also launched the world's first Green Tailored Deposit to be certified by the Climate Bonds Initiative (CBI). The Green Tailored Deposit is a medium to long term investment product (1-5 years) with a minimum transaction amount of AUD \$1 million, designed for investors who want or need investments that genuinely contribute to addressing climate change. All deposits are associated with a defined pool of eligible assets or projects which meet the strict CBI criteria, which can include renewable energy, low carbon transport, low carbon buildings and water infrastructure.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Climate Bonds Taxonomy

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

Asset classes/ product types

Bank lending	Project Finance
--------------	-----------------

Comment

In our 2023 CCPS, we will support solutions and technology that accelerate the transition to a low carbon economy, 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

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

July 1 2015

Base year end

June 30 2016

Base year emissions (metric tons CO2e)

11102

Comment

As part of Westpac's Climate Change Position Statement and 2020 Action Plan and 2020 Sustainability Strategy, GHG emission reduction targets were set using scope 1 and scope 2 methodologies endorsed by the Science Based Targets Initiative (SBTI), using FY16 as the baseline.

Scope 2 (location-based)

Base year start

July 1 2015

Base year end

June 30 2016

Base year emissions (metric tons CO2e)

136518

Comment

As part of Westpac's Climate Change Position Statement and 2020 Action Plan and 2020 Sustainability Strategy, GHG emission reduction targets were set using scope 1 and scope 2 methodologies endorsed by the Science Based Targets Initiative (SBTI), using FY16 as the baseline. In FY18, a Western Sydney-based data centre was removed from our operational control and the Scope 2 emission baseline for 2016 was adjusted accordingly. Targets were updated in our Climate Change Position Statement and 2023 Action Plan.

Scope 2 (market-based)

Base year start**Base year end****Base year emissions (metric tons CO2e)****Comment**

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Australia - National Greenhouse and Energy Reporting Act

ISO 14064-1

Toitū carbonzero programme

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
9260

Start date
July 1 2018

End date
June 30 2019

Comment
As reported for FY19.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
9824

Start date
July 1 2017

End date
June 30 2018

Comment
As reported for FY18.

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
9274

Start date
July 1 2016

End date
June 30 2017

Comment
As reported for FY17.

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
11102

Start date
July 1 2015

End date
June 30 2016

Comment
As reported for FY16.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

111908

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

July 1 2018

End date

June 30 2019

Comment

As reported for FY19.

Past year 1

Scope 2, location-based

118515

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

July 1 2017

End date

June 30 2018

Comment

As reported for FY18.

Past year 2

Scope 2, location-based

124963

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

July 1 2016

End date

June 30 2017

Comment

As reported for FY17.

Past year 3

Scope 2, location-based

145599

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

July 1 2015

End date

June 30 2016

Comment

As reported for FY16.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Offices in the United States

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Westpac Group operations in the US includes only a small site which is deemed immaterial.

Source

Asian Sites in Singapore, Hong Kong, Shanghai, Beijing and Jakarta

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Energy and carbon data for Asian operations are deemed immaterial and data is limited from this region. This continues to be assessed as Westpac Group grows in the Asian region.

Source

Refrigerants from retail sites

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

Explain why this source is excluded

We have estimated our retail refrigerant emissions using our corporate refrigerants emissions / FTE intensity. These emissions are expected to be small relative to Westpac's reported electricity, stationary energy and fuel emissions. Westpac reports refrigerants for corporate sites only. Potential to influence reduction of emissions at corporate sites is generally greater as Westpac is more likely to have operational control of these sites, and where it doesn't landlords are more likely to be corporate landlords. For retail sites Westpac's potential to influence the reduction of refrigerant emissions is low, with air conditioning systems typically small and data not readily available.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

2081

Emissions calculation methodology

Paper Consumption, Non Carbon Neutral: Paper consumption includes office and copy paper, other paper items (e.g. statements) and paper products purchased through Westpac's Preferred Suppliers which is not certified as carbon neutral. Emission factors are sourced from the EPA Victoria's greenhouse gas inventory management plan: 2012-13 update. Water: Emissions from water consumption used by Australian sites. Activity data is based on invoice records provided by suppliers. The emission factor applied is sourced from EPA Victoria, Greenhouse Gas Inventory Management Plan: 2012-13 update.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

In the first half of 2020 WBG updated it's methodology for reporting emissions associated with our purchased goods and services to improve the completeness of Westpac's Scope 3 emissions reporting. Restated Group total scope 3 figures were publicly reported in our half year ASX statement and Investor Discussion Pack. The restatement included accounting for the full fuel cycle Scope 3 emissions from our third-party data centre. Purchased Goods emissions were restated to 12,931 tCO₂e.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions from capital goods have been excluded from our inventory due to the materiality of the emissions source. Given the nature of our organisations as a service company, emission from capital goods are not expected to contribute significantly to Scope 3 emissions and are therefore considered immaterial.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

15693

Emissions calculation methodology

Transmission and distribution emissions are calculated by applying NGA Factors or MfE (2019 Summary of Emission Factors) factors to supplier invoice data for Australia and New Zealand data, respectively.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions from energy losses that are attributable to the transmission and/or distribution of energy to the end user. For Australia this includes electricity, natural gas, diesel, petrol and LPG. For New Zealand this includes electricity only. Transmission and distribution emissions are relevant to WBG as they contribute significantly to the Groups total scope 3 emissions.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions from upstream transportation and distribution have been excluded from our inventory due to the materiality of the emissions source. Given the nature of our organisations as a service company, emissions from upstream transportation and distribution do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

9479

Emissions calculation methodology

Waste to landfill: Emissions from waste sent to landfill are calculated for Westpac group commercial offices, data centres and the retail network, but excludes ATMs. For commercial facilities and data centres invoice data provided by the waste contractor or building manager is used where available. For sites where invoice data is not available, waste to landfill is estimated based on averages from properties in the same portfolio for which actual data is available. For Retail Sites waste data is based on representative waste audits and extrapolated across the retail branch network using FTE figures. The emission factor for Commercial and Industrial waste from NGA Factors is applied. In New Zealand, emissions from waste were calculated based on waste data collected for all commercial offices and retail branches. Secure Paper Destruction: Emission from paper waste are emissions which are a result of paper collected throughout our commercial and retail properties for secure destruction. Data is sourced from the Westpac Preferred Supplier for Secure Paper Destruction. The emission factor for paper and cardboard is sourced from NGA Factors, July 2018.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

21

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

16364

Emissions calculation methodology

Hire vehicles: Data for Preferred Supplier provided in kms travelled. Data for non-preferred spend extracted from WBGs supplier payment analysis tool in \$ spent. Kms estimated based on average \$/km. 2018 DEFRA. Personal vehicles: distance travelled in km by WNZL employees in their own vehicles for business purposes. MfE 2019 Summary of Emission Factors. Taxi: Data sourced from WBGs supplier payment analysis tool in \$ spent, & total kms estimated utilising State based flag fall & per KM fees of major taxi providers. Australia 2018 DEFRA. WNZL MfE 2019 Summary of Emission Factors. Air: Emissions calculated including class of travel & total mileage. Australia 2018 DEFRA, including radiative forcing. WNZL MfE 2019 Summary of Emission Factors. Radiative forcing included. Hotel: Hotel stays include accommodation nights undertaken by Westpac Group employees booked through the Westpac preferred travel supplier agency. Australia 2018 DEFRA. WNZL MfE 2019 Summary of Emission Factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

98

Please explain

Includes air travel, hire vehicles/personal vehicles, hotels, and taxis. In the first half of 2020 WBG updated its methodology for reporting emissions associated with our business travel to improve the completeness of Westpac's Scope 3 emissions reporting. Restated Group total scope 3 figures were publicly reported in our half year ASX statement and Investor Discussion Pack. The restatement included accounting for radiative forcing associated with our air travel emissions. Business Travel Emissions were restated to 30,515 tCO₂-e.

Employee commuting

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Westpac will report employee commuting emissions impact from 1st July 2020 onwards.

Upstream leased assets

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

15423

Emissions calculation methodology

Emissions from shared building facilities or services that are attributable to Westpac but not under our direct operational control, including both direct and indirect emissions sources (electricity, natural gas, diesel, transmission and distribution losses). Base building consumption data is manually apportioned based on the NLA occupied by Westpac/total NLA of site. For annual reporting where the landlord does not provide the data requested, the total base building emissions are estimated based upon the NABERS rating of the site. Where a NABERS rating (Australia-based building energy efficiency rating) is not available for a particular site, the base building emissions are estimated based upon the average base building emissions per square metre of the sites where actual invoice data was processed. Emission factors are sourced from NGA Factors July 2018.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

60

Please explain

WBC leases the majority of commercial office space. Therefore, base building emissions for the majority of our corporate sites are accounted for as part of our Scope 3 inventory. Several of our major workplaces have been designed and achieved 6 Star Green Star Interiors rating from the Green Building Council of Australia (GBCA).

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

3221

Emissions calculation methodology

GHG emissions from couriers are calculated using a supplier carbon inventory tool that uses an approach where emissions are allocated to products according to expenditure, composition and disposal practices.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

WNZL exclude courier emissions due to the materiality of the emissions source for the region.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions from processing of sold products have been excluded from our inventory due to the materiality of the emissions source in context of a service organisation. These emissions do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Use of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Westpac offers online and mobile banking services to our customers. Provision of these services results in indirect consumption of energy through use of computer and mobile devices. Although our customers may use these services on a regular basis, this is deemed to be a minor source of Scope 3 emissions due to the small amounts of electricity required to charge these devices and the fact that these devices are used for a multitude of purposes other than banking.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions from end of life treatment of sold products have been excluded from our inventory due to the materiality of the emissions source in context of a service organisation. These emissions do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions from downstream leased assets have been excluded from our inventory due to the materiality of the emissions source in context of a service organisation. These emissions do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions from franchises have been excluded from our inventory due to the materiality of the emissions source in context of a service organisation. These emissions do not contribute significantly to Scope 3 emissions and are therefore immaterial.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

No other (upstream) Scope 3 emission sources have been identified.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

No other (downstream) Scope 3 emission sources have been identified.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000059

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

121168

Metric denominator

unit total revenue

Metric denominator: Unit total

20649000000

Scope 2 figure used

Location-based

% change from previous year

1.2

Direction of change

Increased

Reason for change

Total revenue in a banking context is regarded to be the sum of net interest income and non-interest income - or total operating income before operating expenses and impairment charges. [As Westpac has a 30 September year-end for financial data and a 30 June year end for environmental data, the intensity figure is gross global combined Scope 1 and 2 emissions in metric tonnes CO2 as at 30 June 2019 divided by total revenue as at 30 September 2019.] The 1.2% increase in intensity between 2018 and 2019 can be attributed to the decrease in total revenue which was proportionally greater than the decrease in emissions during the same period.

Intensity figure

3.6

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

121168

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

33288

Scope 2 figure used

Location-based

% change from previous year

0.6

Direction of change

Decreased

Reason for change

The 0.6% decrease in intensity between 2018 and 2019 can be attributed to the decrease in our Scope 1 and Scope 2 emissions resulting from the emission reduction activities noted within this submission.

Intensity figure

0.2

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

121168

Metric denominator

square meter

Metric denominator: Unit total

805533

Scope 2 figure used

Location-based

% change from previous year

5.6

Direction of change

Increased

Reason for change

The 5.6% increase in intensity between 2018 and 2019 can be attributed to an increase in average FTE per square meter of NLA.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	245	Decreased	0.19	326 kW solar PV system installed on NSW-based office building. Estimated emission savings figure reflects annual savings calculated for FY19. Our total S1 and S2 emissions in FY18 were 128,339 tCO2-e; therefore we arrived at an 0.19% reduction (-245 tCO2-e / 128,339 tCO2-e *100).
Other emissions reduction activities	536	Decreased	0.42	During FY19, Westpac Group implemented a number of energy efficiency initiatives as reported in C4.3. Our total S1 and S2 emissions in FY18 were 128,339 tCO2-e; therefore we arrived at a 0.42% reduction (-536 tCO2-e / 128,339 tCO2-e * 100).
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other	6390	Decreased	5	From FY18 to FY19, Westpac Group reduced overall Scope 1 and 2 emissions by 7,171 tonnes CO2-e; therefore by subtracting those identified emissions reductions we have a remaining 6,390 tonnes CO2-e reduction. The remaining emissions reduction of 6,390 corresponds with the reduction in energy consumption from our commercial and retail property consolidation. Our total S1 and S2 emissions in FY18 were 128,339 tCO2-e; therefore we arrived at an 5% reduction (-6,390 tCO2-e/128,339 tCO2-e * 100).

C7.9b**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

C8. Energy**C8.1****(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	29317	29317
Consumption of purchased or acquired electricity	<Not Applicable>	0	158768	158768
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	299	<Not Applicable>	299
Total energy consumption	<Not Applicable>	299	188085	188383

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Waste

Metric value

1593

Metric numerator

tonnes CO2-e

Metric denominator (intensity metric only)

NA

% change from previous year

16

Direction of change

Decreased

Please explain

Tonnes CO2-e from waste to landfill in Australian and New Zealand operations.

Description

Other, please specify (Water Consumption)

Metric value

536

Metric numerator

tonnes CO2-e

Metric denominator (intensity metric only)

NA

% change from previous year

5

Direction of change

Decreased

Please explain

Tonnes CO2-e of water consumption from Australian operations.

Description

Other, please specify (Paper Consumption)

Metric value

9431

Metric numerator

tonnes CO2-e

Metric denominator (intensity metric only)

NA

% change from previous year

37

Direction of change

Increased

Please explain

Tonnes CO2-e from paper consumption from operation in Australia, New Zealand, the Pacific and UK and paper disposal from our Australian operations.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

NGER Assurance Statement FY19.pdf

Page/ section reference

Page 1-5

Relevant standard

Australian National GHG emission regulation (NGER)

Proportion of reported emissions verified (%)

71

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Westpac New Zealand – Toitū carbonzero certification.pdf

Page/ section reference

Page 4

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

18

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

NGER Assurance Statement FY19.pdf

Page/ section reference

Page 1-5

Relevant standard

Australian National GHG emission regulation (NGER)

Proportion of reported emissions verified (%)

96

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Westpac New Zealand – Toitū carbonzero certification.pdf

Page/ section reference

Page 4

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

2

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3 (upstream & downstream)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

NCOS Assurance Statement FY19.pdf

Page/section reference

Page 1 - 6

Relevant standard

ASAE3000

Proportion of reported emissions verified (%)

94

Scope 3 category

Scope 3 (upstream)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Westpac New Zealand – Toitū carbonzero certification.pdf

Page/section reference

Page 4

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

6

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Other, please specify (Total Australian Energy Consumption)	<ul style="list-style-type: none"> Australia National Greenhouse and Energy Regulations (NGER Act); Standard on Assurance Engagements ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information; Standard on Assurance Engagements ASAE 3410 Assurance Engagements on Greenhouse Gas Statements 	Australian energy consumption as reported as part of the Australian Government's National Greenhouse and Energy Reporting. NGER Assurance Statement FY19.pdf
C4. Targets and performance	Other, please specify (Lending to climate solutions)	Assured by PwC in accordance with the Australian Standard on Assurance Engagements 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Revised) (ASAE3000). The firm applies the Australia Standard on Quality Control ASOC Quality Control for Firms that Perform Audits and Reviews Of Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements	Metrics for total attributable financing (\$m) and distribution by technology taxonomy type (%) for lending to climate solutions are third-party assured by PWC in accordance with ASAE3000. See pages 108-109 of the attached 2019 Sustainability Performance Report. Westpac_Group_2019_Sustainability_Performance_Report.pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Solar

Project identification

Project Database ID: VCSPD1745 Serial numbers: 6089-278940413-278948441-VCU-034-APX-IN-1-1745-01012018-31012018-0 Project Type: Bundled Solar Power Project by Vector Green Sunshine Private Limited and Polepally Solar Parks Private Limited

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

8029

Number of credits (metric tonnes CO2e): Risk adjusted volume

8029

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Wind

Project identification

Project Database ID: VCSPD1163 Serial numbers: 6884-356318434-356336527-VCU-050-APX-IN-1-1163-01012017-31122017-0 Project Type: Wind Power Project in Tirupur District, Tamil Nadu India

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

18094

Number of credits (metric tonnes CO2e): Risk adjusted volume

18094

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Biomass energy

Project identification

Project Database ID: VCSPD251 Serial numbers: 7103-370328429-370374306-VCU-034-MER-IN-1-251-01012014-31122014-0 Project Type: Biomass Based Cogeneration Project at Nectar Life Sciences Ltd

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

45878

Number of credits (metric tonnes CO2e): Risk adjusted volume

45878

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Biomass energy

Project identification

Project Database ID: VCSPD251 Serial numbers: 7102-370275030-370328151-VCU-034-MER-IN-1-251-01012015-31122015-0 Project Type: Biomass Based Cogeneration Project at Nectar Life Sciences Ltd

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

53122

Number of credits (metric tonnes CO2e): Risk adjusted volume

53122

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Wind

Project identification

Project Database ID: VCSPD706 Serial numbers: 6873-353303285-353304876-VCU-050-APX-IN-1-706-06062018-30092018-0 Project Type: 51 MW Wind Power Project at Chitradurga

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

1592

Number of credits (metric tonnes CO2e): Risk adjusted volume

1592

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Wind

Project identification

Project Database ID: VCSPD706 Serial numbers: 6354-297169470-297177877-VCU-050-APX-IN-1-706-01012018-05062018-0 Project Type: 51 MW Wind Power Project at Chitradurga

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

8408

Number of credits (metric tonnes CO2e): Risk adjusted volume

8408

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Wind

Project identification

Project Database ID: VCSPD682 Serial numbers: 6970-361622108-361651864-VCU-034-APX-IN-1-682-01012013-31122013-0 Project Type: Wind Power Project at Anthiyur, Tamil Nadu

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

29757

Number of credits (metric tonnes CO2e): Risk adjusted volume

29757

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Wind

Project identification

Project Database ID: VCSPD682 Serial numbers: 6971-361651865-361675013-VCU-034-APX-IN-1-682-01012014-31122014-0 Project Type: Wind Power Project at Anthiyur, Tamil Nadu

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

23149

Number of credits (metric tonnes CO2e): Risk adjusted volume

23149

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Forests

Project identification

Serial numbers: 309497230 – 309504375 Project Type: PFSI Te Arahiwi Forest and PFSI Coatbridge Forest (native permanent forestry carbon credits)

Verified to which standard

Other, please specify (Permanent Forestry Sink Initiative (PFSI). Unit type: AAU)

Number of credits (metric tonnes CO2e)

7146

Number of credits (metric tonnes CO2e): Risk adjusted volume

7146

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Other, please specify (1. Internal carbon price used to stress test institutional loans 2. A range of carbon price assumptions are used conduct scenario analysis as part of climate change risk management 3. Budget for carbon neutral program)

GHG Scope

Scope 3

Application

Carbon neutral program Credit and lending

Actual price(s) used (Currency /metric ton)

427

Variance of price(s) used

Westpac has undertaken multiple climate change scenario analyses to understand the longer term impacts to the Australian and New Zealand economies, including risks and opportunities of limiting global warming to less than two degrees Celsius. The carbon price range of USD20-300 (AUD29-AUD427) used in this analysis is publicly available at: <https://www.westpac.com.au/about-westpac/sustainability/news-resources-and-ratings/9-nov-16-climate-change-scenario-analysis-summary-released/>. Since 2016, Westpac has evolved its scenario analysis and further details can be found in our Annual Reports and Sustainability Performance Reports.

Type of internal carbon price

Implicit price

Offsets

Other, please specify (1. Implied price of carbon under climate change scenarios 2. Cost of carbon offsets in carbon neutral program 3. Future carbon price scenarios in lending and risk management)

Impact & implication

Our scenario analysis was conducted to understand the longer term impacts on the Australian economy – including risks and opportunities for Westpac – of limiting global warming to less than two degrees Celsius above pre-industrial levels, meaning the Australian economy reaches net zero carbon emissions by 2050. The research modelled three scenarios and examined the impact of a carbon price ranging from USD20 to USD300 (AUD29-AUD435) over short, medium and long term horizons. This analysis has given Westpac a clearer understanding of growth prospects for sectors of the Australian economy and its role in actively supporting Australia's transition to a low carbon economy. This process helped inform our approach to transitional risks including the policy, legal, technology and; financial impacts related to climate change, as well as the business implications of physical risks such as changes in climate patterns and extreme weather events. It has also underpinned our new financing targets for climate change solutions which are based on an economy-wide pathway to net zero emissions by 2050. To address climate-related risks, we have enhanced our approach to lending to emissions intensive sectors. We support customers that are in, or reliant on, these sectors and who assess the financial implications of climate change on their business, including how their strategies are likely to perform under various forward-looking scenarios and demonstrate a rigorous approach to governance, strategy setting, risk management and reporting. We have also developed additional criteria for customers in the energy sector, including specific published requirements for financing electricity generation and thermal coal. We will continue to expand the scope of this work to ensure we support customers across a wider range of climate-affected sectors and to respond to the wide range of community concerns on climate change.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Climate change is integrated into supplier evaluation processes

% of suppliers by number

98

% total procurement spend (direct and indirect)

72.9

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We review suppliers in line with our Responsible Sourcing Code of Conduct through an assessment process that tailors questions to suppliers' circumstances and specific sustainability risks. In FY19, screening and assessment for our Top 100 Suppliers by spend was completed, with these suppliers reviewed for risks- including economic, environmental, & social risks. Suppliers included within the 'Top Suppliers assessed in Australia under the Westpac Responsible Sourcing Program (%)' are the top 100 suppliers to the Bank by spend for the 12 months ended September 2019. This process was also applied to new market engagement activities and existing supplier relationships managed within our Australian supplier portfolios. This represented approximately 72.9% of the total supply chain spend in FY19. As part of this process, category and supplier screening is conducted to identify the level of sustainability related risk. If the screening comes back as either medium or high risk, the supplier is required to fill out an assessment to confirm the steps they have taken within their operations and supply chain to identify, eliminate and manage their social and environmental risks. These steps may have included steps related to labour and workplace practices, occupational health and safety practices, promoting a diverse and inclusive workforce, risk management, management of environmental issues, corporate governance and ethics, supply chain management and community engagement. We have not captured % of Scope 3 emissions for FY19.

Impact of engagement, including measures of success

The Westpac Group expects its suppliers to minimise the environmental impacts associated with their products and services, and from their operational footprint, including offices, manufacturing and processing facilities, and transport and distribution. Impacts relating to greenhouse gas emissions, air quality, energy efficiency, water and wastewater, waste and hazardous materials, biodiversity impacts, life-cycle impacts of products and services, and packaging, where relevant, should be measured, monitored, managed and minimised. Suppliers are encouraged to source and supply credible third-party certified products. Mitigation plans are utilised for our suppliers, whose activities are outside of our operational control, but where we can exert a degree of influence to address rights issues and breaches.

Comment

The Westpac Group expects its suppliers to commit to the principles, values and spirit of its Responsible Sourcing Code of Conduct (RSCoC), and adhere to these expectations within any contract agreed between itself and the Westpac Group. The RSCoC better supports us to manage and mitigate risks within Westpac supply chain through an improved understanding of issues associated with specific sourcing categories, and beyond supplier risk, to incorporate commodity, sector, country and reputational risk. It focuses management effort more towards material issues and impacts identified through the screening and assessment process. It includes provisions for validation and corrective and preventative actions. Suppliers are required to comply with Westpac Group processes that seek to demonstrate or validate compliance, including responding fully and honestly in relation to any requests for information, providing reasonable access to relevant documentation and supplier premises, and acting promptly on issues identified by the Westpac Group. The Responsible Sourcing Assessment process is active and integrated within market engagement processes within Australia. Westpac Group has incorporated the principles of our RSCoC into sourcing frameworks in New Zealand and have undertaken a baseline assessment of our sourcing practices in the Pacific jurisdictions that we operate in. Adherence to the RSCoC is reported annually.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Other, please specify (Customer engagement as part of implementation of our Climate Change Position Statement)

Details of engagement

Other, please specify (Customer engagement)

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

Portfolio coverage (total or outstanding)

All of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement

We engage customers that are relevant to the implementation of our climate-change position statement which states the following. We continue to evolve our sustainable finance approach, recognising the role financial institutions can play in facilitating the transition to a low carbon economy, and helping customers to manage the range of impacts they are likely to experience from climate change. We will support solutions and technology that accelerate the transition to a low carbon economy, aiming to provide \$3.5 billion of new lending to climate change solutions by 2023, and \$15 billion by 2030. We will guide business customers in, or reliant on, emissions-intensive and climate-vulnerable sectors to assess the financial implications of climate-related risks and opportunities in their business, including how their strategies are likely to perform under various forward-looking scenarios; and demonstrate a rigorous approach to their governance, strategy setting, risk management, and reporting on climate-related risks and opportunities. We will develop Paris-aligned financing strategies and portfolio targets, particularly for sectors representing the majority of our financed emissions, working in collaboration with our customers and industry experts.

Impact of engagement, including measures of success

Opportunity: Our exposure to climate solutions was at \$9.7bn (as at 31 March 2020) progressing towards our 2020 target of \$10bn. We facilitated \$4.5 bn in funding for climate change solutions, exceeding our 2020 target of \$3bn. Of the \$9.7bn in lending to climate solutions, 35.7% was to green buildings, 35.9% to renewable energy and 15.1% to low carbon transport. The share of renewables in our exposure to the electricity generation sector was 75%. Risk: We have maintained compliance with our thermal coal portfolio quality thresholds. The emissions intensity of our electricity generation portfolio is 0.26tCO₂e/MWh which is below our 2020 target of 0.3tCO₂e/MWh as at 31 March 2020.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Engagement with our customers, investors, employees, government, suppliers, NGOs and communities informs our strategy and reporting. We participate in a range of multi-stakeholder forums including the Investor Group on Climate Change, Australian Business Roundtable for Disaster Resilience & Safer Communities, UNEP FI Principles for Responsible Banking Stakeholder Advisory Group, Australian Sustainable Finance Initiative and the Australian Climate Measurement Standards Initiative, and more.

Our approach to engagement on climate change is guided by our stakeholder engagement framework, materiality assessments and our Climate Change Position Statement. Our stakeholder engagement framework sets out Westpac Group’s approach to engaging with its stakeholders to deepen its understanding of evolving expectations, priorities and concerns, to help ensure we are responding appropriately. Our materiality assessment takes on feedback obtained via stakeholder engagement, together with an assessment of industry trends, internal reports and independent research, grounded in both the Global Reporting Initiative Standards and the AA1000 AccountAbility Principles Standard (2018). Our Climate Change Position Statement and 2023 Action Plan was developed using these methods and sets out the principles and key actions to guide our priorities for climate-related engagement over a three year period. The Climate Change Position Statement sets our company specific climate-related engagement strategy, our methods of engagement, how we prioritise these engagements and how we measure our progress.

Westpac’s sustainability performance is regularly benchmarked by a number of third-party ratings and awards, including the Dow Jones Sustainability Indices (DJSI), Sustainalytics and MSCI-ESG. Other measures of success can include feedback from investors; competitor benchmarking and industry ranking by independent reports; feedback from NGOs, shareholders and the nature and frequency of campaign activity.

A specific example of engagement with partners in our value chain beyond suppliers and customers is the development of TCFD aligned reporting materials which feature in our financial and sustainability reporting. Westpac has expressed public support for the TCFD and has aligned its reporting to this framework to assist a wide range of partners, including investors, to engage with our climate work.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Adaptation or resilience	Support	As a member of the Australian Business Roundtable for Disaster Resilience and Safer Communities (ABR), Westpac advocates for better policy and funding for resilience and adaptation. The ABR has delivered five research reports examining the issue of disaster resilience in Australian communities.	As articulated in the reports and press released found at: http://australianbusinessroundtable.com.au/
Other, please specify (Climate-related risks and opportunities)	Neutral	We know that the policy response to climate change, both globally and domestically, will influence the speed of the transition, the industries that will be impacted and ultimately the economic outcome. For well over a decade, Westpac has been an active participant in the development of an appropriate policy response for Australia and New Zealand, and during this time Westpac’s preferred policy position has remained consistent. We will continue to provide information and insight from our experience to help drive policy outcomes aligned to net zero emissions and support an effective global response; work with peer organisations, industry groups and non-government organisations to collaborate and, where appropriate, share information; and continue to advocate for a broad market-based price on carbon, as the most effective, affordable, flexible and equitable means of achieving emissions reductions, at the least cost, across the economy.	Westpac’s core position is set out in our Climate Change Position Statement supported by the Executive Team and approved by the Board. Our position: 1. An effective policy response to climate-related issues requires a suite of complementary policies. 2. These policies need to be capable of achieving the Nationally Determined Contributions (NDCs) that represent each country’s committed global reductions targets in the short and medium term and give consideration to the long-term target of reducing emissions to net zero by 2050. 3. Policies should: deliver a clear framework to support the development and deployment of low-emissions technology by providing certainty over a timeline sufficient to match investment horizons which are often long-term; and include strategies to increase resilience and promote adaptation for impacted communities, companies and sectors.. 4. A broad market-based price on carbon is the most effective, affordable, flexible and equitable means of achieving emissions reductions at the least cost across the economy.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Business Council of Australia

Is your position on climate change consistent with theirs?

Mixed

Please explain the trade association's position

The BCA's policies on energy and climate can be found at: https://www.bca.com.au/energy_and_climate

How have you influenced, or are you attempting to influence their position?

Westpac is a longstanding member and participant of the BCA. In 2019 Westpac undertook a review of its membership of industry associations, in line with our Industry Association Principles, with a focus on climate change and energy policy, lobbying and advocacy. For our full Industry Association Review, see: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/Westpac_Industry_Association_Review.pdf

Trade association

New Zealand Financial Markets Association (NZFMA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Information on the NZFMA can be found at <https://www.nzfma.org/site/>

How have you influenced, or are you attempting to influence their position?

WBC is on the board of the NZFMA Carbon Markets Committee and actively engaged in formulating core positions based on practical market experience.

Trade association

Investor Group on Climate Change (IGCC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

IGCC's position on climate change and related issues can be found at: <https://igcc.org.au/>

How have you influenced, or are you attempting to influence their position?

Through BT's membership in the IGCC we support the development of investment practices that seek to address the risks and opportunities of climate change.

Trade association

The Carbon Market Institute (CMI)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The CMI's policies can be found at: <http://carbonmarketinstitute.org/policy/>

How have you influenced, or are you attempting to influence their position?

Westpac is an active Corporate Member, which involves speaking at CMI's flagship, annual Australasian Emissions Reduction Summit and engaging in policy and private finance working groups.

Trade association

New Zealand Sustainable Business Council (SBC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Information on the New Zealand Sustainable Business Council can be found at <https://www.sbc.org.nz/>

How have you influenced, or are you attempting to influence their position?

Our General Manager Commercial, Corporate & Institutional WNZL is Co-Chair of the SBC. WNZL provided input to SBC's submissions on relevant government policy options.

Trade association

Climate Bonds Initiative

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Information on the Climate Bonds Initiative can be found at: <https://www.climatebonds.net/>

How have you influenced, or are you attempting to influence their position?

Through our global commitments, partnerships and participation in leading indices, surveys and awards, including the Climate Bonds Initiative we are helping frame the sustainability conversation while contributing to the development of sustainability standards.

Trade association

Australian Banking Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The ABA's policies on energy and climate can be found at: <https://www.ausbanking.org.au/submission/position-on-climate-change/>

How have you influenced, or are you attempting to influence their position?

Westpac is a longstanding member of the ABA and contributes regularly to relevant working groups and consultation on climate change matters, including the Corporate Sustainability Working Group.

Trade association

Climate Leaders Coalition (CLC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Information on the Climate Leaders Coalition can be found at <https://www.climateleaderscoalition.org.nz/>

How have you influenced, or are you attempting to influence their position?

WNZL is one of 13 founding corporate members of the CLC. Our General Manager Commercial, Corporate & Institutional WNZL co-chairs the CLC.

Trade association

Australian Sustainable Finance Initiative (ASFI)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Information on ASFI can be found at <https://www.sustainablefinance.org.au/>

How have you influenced, or are you attempting to influence their position?

A number of our senior employees participate in various aspects of ASFI's activities including its steering committee and working groups.

Trade association

Australian Financial Markets Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

AFMA engages with regulatory and government authorities on a number of aspects of the technical design, implementation and operation of the Australian carbon market and related impacts.

How have you influenced, or are you attempting to influence their position?

Westpac has participated in policy engagement via the Carbon Markets Committee and as a member of the AFMA Electricity Committee. As an active market participant, we actively engage in formulating core positions based on practical market experience.

Trade association

Climate Measurement Standards Initiative (CMSI)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

As an industry-led collaboration between insurers, banks, scientists, regulators, reporting standard professionals, service providers and supporting parties, the CMSI will increase/build confidence by providing standards for disclosure. The project will integrate the disciplines of climate science, hazard science, catastrophe modelling and financial modelling to provide a set of open source standards for the disclosure of climate-related physical risks for companies with financial interests in physical assets, including residential and commercial buildings or other infrastructure in Australia. More information is at <https://climate-kic.org.au/our-projects/cmsi/>

How have you influenced, or are you attempting to influence their position?

A number of our employees participate in various aspects of CMSI's activities including its steering committee and working groups.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Westpac is a member of, and participates in, a number of industry associations. Participating in these associations provides the Group opportunities to engage with other businesses and organisations, share insights, support advocacy, and consider and discuss potential industry standards.

We have principles for engagement with key industry associations where we are a member which include:

- We generally seek broad alignment with the policy positions and any advocacy/lobbying
- Membership does not preclude Westpac from taking different policy positions to those associations, particularly where we believe that our position is in the best interests of our customers, shareholders, employees and the economy more broadly
- When our position varies significantly to an industry association, we engage directly
- We regularly review our memberships of industry associations to ensure our participation meets the expectations of our broader stakeholders.

Through our Sustainability and Government & Industry Relations teams will continue to monitor our memberships for future evidence of significant differences on policy and advocacy; regularly assess our membership in relation to our Industry Association Principles, and outcomes arising from our engagement; and disclose our approach to industry associations and alignment on climate change as part of our annual sustainability reporting.

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

WBC-climate-change-position-statement-2023.pdf

2020_Interim_Financial_Results.pdf

Westpac_Group_2019_Sustainability_Performance_Report.pdf

2019_Westpac_Group_Annual_Report.pdf

Page/Section reference

ASX: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/2020_Interim_Financial_Results.pdf (p47-51, 91-93) AR:

https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/2019_Westpac_Group_Annual_Report.pdf 118-120; 127-128

SPR: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/Westpac_Group_2019_Sustainability_Performance_Report.pdf pp41-42, 55-56, 61-62, 83, 86-90

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

Publication

In other regulatory filings

Status

Complete

Attach the document

2020_Interim_Results_Presentation_and_IDP.pdf

Page/Section reference

Continued sustainability leadership (50): Other metrics Climate-related metrics (52): Emission figures and targets Climate-related disclosures – scenario analysis (53):

Content elements

Governance

Emissions figures

Emission targets

Other metrics

Comment

Publication

In other regulatory filings

Status

Complete

Attach the document

2019InterimFinancialResults.pdf

Page/Section reference

2.6 Sustainability Performance (52-54): Sustainability governance, strategy 2.6.1 Climate-related financial disclosures (55-56): Governance, strategy, risks & opportunities, emissions figures, emission targets Risk factors – Climate change (100): Risks and opportunities

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

WBC-climate-change-position-statement-2023.pdf

Page/Section reference

All

Content elements

Governance
Strategy

Comment

Publication

In other regulatory filings

Status

Complete

Attach the document

1H19_WBC_presentation_and_IDP.pdf

Page/Section reference

Continued sustainability leadership (57): Other metrics Climate-related metrics (58): Emission figures and targets Climate-related disclosures – scenario analysis (59): Scenario analysis metrics

Content elements

Emissions figures
Emission targets
Other metrics

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

2018_Sustainability_Performance_Report.pdf

Page/Section reference

Lending and banking solutions (41-42): Strategy Financing impact investment solutions (42): Strategy Climate Change (55): Governance, strategy, Emissions figures, emission targets, other metrics Scenario Analysis (56): Risks & opportunities Sustainability governance framework (61-62): Governance Performance metrics - Sustainable lending and investment (83): other metrics Performance metrics - Environment (86-90): Emissions figures, other metrics Assurance report (115-116)

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication

In other regulatory filings

Status

Complete

Attach the document

Certification_Year 8 2018-19_PDS (1).pdf
NCOS Assurance Statement FY19.pdf

Page/Section reference

National Carbon Offset Standard (NCOS) Report and Audit report, containing information on emissions figures, emission targets, and other metrics.

Content elements

Emissions figures
Emission targets
Other metrics

Comment

Publication

In other regulatory filings

Status

Complete

Attach the document

Greenhouse_Gas_and_Carbon_Neutral_Reporting_Guidelines19.pdf
NGER Assurance Statement FY19.pdf

Page/Section reference

National Greenhouse and Energy Reporting (NGER) Report and Audit report, containing information on emissions figures, emission targets, and other metrics.

Content elements

Emissions figures

Emission targets
Other metrics

Comment

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Equator Principles Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) UNEP FI Principles for Responsible Banking	See https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/Westpac_Group_2019_Sustainability_Performance_Report.pdf page 65 See also https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/WBC-climate-change-position-statement-2023.pdf page10
Industry initiative	Principles for Responsible Investment (PRI) UNEP FI Principles for Responsible Banking Banking Environment Initiative Climate Action 100+ Soft Commodities' Compact UNEP FI We Mean Business	See https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/Westpac_Group_2019_Sustainability_Performance_Report.pdf page 65 See also https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/WBC-climate-change-position-statement-2023.pdf page10
Commitment	Other, please specify	See https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/Westpac_Group_2019_Sustainability_Performance_Report.pdf page 65 See also https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/WBC-climate-change-position-statement-2023.pdf page10

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	For our scope 3 emissions (primarily comprising emissions in our lending portfolio), we conduct analysis of our lending portfolios to understand the profile of the financed emissions to identify the material customer sectors. We used publicly available average emissions factors for Australian homes and generic emissions factors for industry sectors.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	<Not Applicable>	

C-FS14.1a

(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)

Category 15 (Investments)

Evaluation status

Relevant, calculated

Scope 3 portfolio emissions (metric tons CO2e)

Portfolio coverage

More than 80% but less than or equal to 90%

Percentage calculated using data obtained from client/investees

Emissions calculation methodology

This analysis used publicly available average emissions factors for Australian homes and generic emissions factors for industry sectors in our lending portfolio.

Please explain

We acknowledge that our own commitments to operate our business in line with the goals of the Paris Agreement mean that we must clearly set out expectations for our customers, recognising that our financing activity must align with activities that support efforts to keeping 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. The Group has conducted preliminary analysis of its lending portfolios to understand the profile of its scope 3 financed emissions. The results of the analysis showed that the material customer sectors are utilities, mining, agribusiness, property, residential mortgages, manufacturing and transport. Westpac will continue to refine its approach to measuring portfolio scope 3 emissions in line with its commitment to develop financing strategies to support the transition to a low carbon economy. Our focus on the energy system recognises its critical role in the transition to a low carbon economy. Given their significant contribution to emissions, we have set criteria for mining and electricity generation financing activities. This includes managing our thermal coal portfolio in line with a commitment to reduce our exposure to zero by 2030 and ensuring our financing for the electricity generation sector supports Paris-aligned transition pathways to a net zero emissions economy by 2050 including by reducing the emissions intensity of our exposure in line with the following targets: 0.23t CO2e/MWh by 2025; and 0.18t CO2e/MWh by 2030

C-FS14.1b

(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)

Metric type

Other, please specify (% of portfolio)

Metric unit

Percentage portfolio value

Scope 3 portfolio metric

Portfolio coverage

More than 80% but less than or equal to 90%

Percentage calculated using data obtained from clients/investees

Calculation methodology

Please explain

The Group has conducted preliminary analysis of its lending portfolios (including Australian mortgage lending, SME and corporate loans) to understand the profile of its scope 3 financed emissions. The results of the analysis showed that the material customer sectors are utilities, mining, agribusiness, property, residential mortgages, manufacturing and transport. Westpac will continue to refine its approach to measuring portfolio scope 3 emissions in line with its commitment to develop financing strategies to support the transition to a low carbon economy. The results of this analysis informed our Climate Change Position Statement and 2023 Action Plan, where in addition to the criteria for the energy system and agribusiness we expect to include property, manufacturing and transport in our future work on sector-based approaches. We are committed to develop Paris-aligned financing strategies and portfolio targets, particularly for sectors representing the majority of our financed emissions, working in collaboration with our customers and industry experts and providing annual updates on progress.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	Yes, by asset class Yes, by industry Yes, by country/region	The Group has conducted preliminary analysis of its lending portfolios (including Australian mortgage lending, SME and corporate loans) to understand the profile of its scope 3 financed emissions. The results of the analysis showed that the material customer sectors are utilities, mining, agribusiness, property, residential mortgages, manufacturing and transport.

C-FS14.2a

(C-FS14.2a) Break down your organization's Scope 3 portfolio impact by asset class.

Asset class	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Corporate/SME loans	Total carbon absolute emissions (CO2e)	Percentage portfolio value		The Group has conducted preliminary analysis of its lending portfolios to understand the profile of its scope 3 financed emissions.
Mortgages	Total carbon absolute emissions (CO2e)	Percentage portfolio value		The Group has conducted preliminary analysis of its lending portfolios to understand the profile of its scope 3 financed emissions.

C-FS14.2b

(C-FS14.2b) Break down your organization's Scope 3 portfolio impact by industry.

Industry	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Transportation	Total carbon absolute emissions (CO2e)	Percentage portfolio value		The Group has conducted preliminary analysis of its lending portfolios to understand the profile of its scope 3 financed emissions.
Utilities	Total carbon absolute emissions (CO2e)	Percentage portfolio value		The Group has conducted preliminary analysis of its lending portfolios to understand the profile of its scope 3 financed emissions.
Real Estate	Total carbon absolute emissions (CO2e)	Percentage portfolio value		The Group has conducted preliminary analysis of its lending portfolios to understand the profile of its scope 3 financed emissions.
Other, please specify (Mining)	Total carbon absolute emissions (CO2e)	Percentage portfolio value		The Group has conducted preliminary analysis of its lending portfolios to understand the profile of its scope 3 financed emissions.
Other, please specify (Agribusiness)	Total carbon absolute emissions (CO2e)	Percentage portfolio value		The Group has conducted preliminary analysis of its lending portfolios to understand the profile of its scope 3 financed emissions.
Other, please specify (Manufacturing)	Total carbon absolute emissions (CO2e)	Percentage portfolio value		The Group has conducted preliminary analysis of its lending portfolios to understand the profile of its scope 3 financed emissions.

C-FS14.2c

(C-FS14.2c) Break down your organization's Scope 3 portfolio impact by country/region.

Country/Region	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Australia	Total carbon absolute emissions (CO2e)	Percentage portfolio value		The Group has conducted preliminary analysis of its lending portfolios to understand the profile of its scope 3 Australian financed emissions.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	Yes	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. We are committed to managing our business in alignment with the Paris Agreement and the need to transition to a net zero emissions economy by 2050. Our approach to financing emissions-intensive sectors is grounded in the principles, benchmarks and underwriting standards established in our Board approved Climate Change Position Statement and 2023 Action Plan (CCPS). The CCPS also includes how we provide financial services, support communities, operate our facilities, engage on matters of policy, and contribute to industry initiatives. The CCPS states that we acknowledge that our own commitments to operate our business in line with the goals of the Paris Agreement mean that we must clearly set out expectations for our customers, recognising that our financing activity must align with activities that support efforts to keeping 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. We continue to evolve our sustainable finance approach, recognising the role financial institutions can play in facilitating the transition to a low carbon economy, and helping customers to manage the range of impacts they are likely to experience from climate change. The CCPS specifies our actions for sustainable finance and sets out criteria for lending to emissions-intensive and climate-vulnerable sectors.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	Please select	

C-FS14.3a

(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?

	We assess alignment	Please explain
Bank lending (Bank)	Yes, for some	Approach to financing emissions-intensive sectors is grounded in the principles, benchmarks and underwriting standards established in our Climate Change Position Statement (CCPS). The CCPS sets out criteria for lending to emissions-intensive and climate-vulnerable sectors, supporting customers that are in, or reliant, on these sectors and who assess the financial implications of climate change on their business, including how their strategies are likely to perform under various forward-looking scenarios, and demonstrate a rigorous approach to governance, strategy setting, risk management and reporting. Given their significant contribution to emissions, we have set criteria for mining and electricity generation financing activities. This includes managing our thermal coal portfolio in line with a commitment to reduce our exposure to zero by 2030 and ensuring our financing for the electricity generation sector supports Paris-aligned transition pathways to a net zero emissions economy by 2050 including by reducing the emissions intensity of our exposure in line with the following targets: 0.23t CO2e/MWh by 2025; and 0.18t CO2e/MWh by 2030. We will continue to assess the role of oil and gas in the transition to a low carbon economy and to develop Paris-aligned financing strategies and portfolio targets for emissions intensive sectors, working with our customers. In the interim we will continue to provide finance to the sector in line with our ESG policies and commitment to the Paris Agreement, including not providing project finance to oil and gas exploration in high risk frontier basis such as Arctic and Antarctic refuges and for oil sands development. In line with our Agribusiness Position Statement we will assist customers to meet the challenge of both transition and physical risks associated with climate change, and to maximise opportunities to reduce emissions arising from the adoption of new technologies and farming techniques; and undertake further analysis to build on our understanding of the short, medium and long-term climate change risks and opportunities in our major agribusiness portfolios, and how we can continue to support our customers to respond. In addition to the criteria for the energy system and agribusiness outlined in the CCPS, we expect to include property, manufacturing and transport in our future work on sector-based approaches.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C-FS14.3b

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Bank lending (Bank)	Yes, for some	Our Climate Change Position Statement and 2023 Action Plan (CCPS) re-affirms our commitment to the Paris Agreement and the need to transition to a net zero emissions economy by 2050. The first action in the CCPS is to help customers and communities respond to climate change. To help business customers, we provide a range of innovative sustainable finance structures including green deposits, green bonds and sustainability-linked loans. As stated in our CCPS, we will support solutions and technology that accelerate the transition to a low carbon economy, 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. We will engage customers, particularly those operating in the most emissions intensive and climate-vulnerable sectors, to develop financing strategies that can support their response to climate change impacts, with a focus on our largest and most material customer relationships. We will also develop Paris-aligned financing strategies and portfolio targets, particularly for sectors representing the majority of our financed emissions, working in collaboration with our customers and industry experts and providing annual updates on progress.
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>
Other products and services, please specify	<Not Applicable>	<Not Applicable>

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Group Head of Sustainability	Environment/Sustainability manager

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms