



SUSTAINABILITY MARKET UPDATE

30 November 2023

PETER KING

Chief Executive Officer

OUR COMMITMENT TO SUSTAINABILITY

2023 sustainability strategy^{1,2}

OUR PURPOSE

Creating better futures together

PILLAR

Customer

Easy

Expert

Advocate

THEMES

Support in good times and bad

Simpler, safer bank

Action on climate and nature

Equitable and inclusive society

OBJECTIVES

Enhance financial inclusion and equality

Strengthen data security and protection

Become a net-zero, climate resilient bank

Become a nature positive bank

Respect and advance human rights

Enable diversity and inclusion

FOUNDATIONS

Robust environment and social risk management

Reliable data and reporting

Integration and organisational capability build

1 This presentation contains 'forward-looking statements' and statements of expectation reflecting Westpac's current views on future events. They are subject to change without notice and certain risks, uncertainties and assumptions which are, in many instances, beyond its control. Please refer to the disclaimer at the back of this presentation. Further details on our commitments, targets and other supporting information is contained in our 2023 Annual Report, Climate Report and Sustainability Index and Datasheet. 2 See our website for more information on our sustainability strategy: www.westpac.com.au/about-westpac/sustainability/our-strategy/

BECOMING A NET-ZERO, CLIMATE RESILIENT BANK

Delivering on the three elements of our Climate Action Plan

OUR ACTION AREAS



NET-ZERO, CLIMATE RESILIENT OPERATIONS



SUPPORTING CUSTOMERS' TRANSITION TO NET-ZERO AND TO BUILD THEIR CLIMATE RESILIENCE



COLLABORATE FOR IMPACT ON INITIATIVES TOWARDS NET-ZERO AND CLIMATE RESILIENCE

ANTHONY MILLER

**Chief Executive,
Business & Wealth**

INTEGRATING SUSTAINABILITY ACROSS THE BANK

1 REDUCING OPERATIONAL EMISSIONS

2 SUPPORTING CUSTOMERS AS THEY TRANSITION TO NET-ZERO

3 HELPING CUSTOMERS FEELING THE PRESSURE OF COST-OF-LIVING CHALLENGES

Case studies

Operational emissions reduction

CERI BINDING

Head of Utilities & Direct Environment

Transition plans and oil & gas

AL WELSH

MD, Corporate & Institutional Banking

Agribusiness

PETA WARD

National GM, Regional & Agribusiness

Hardship

LISA POGONOSKI

General Manager, Customer Solutions

CLIMATE-RELATED OPPORTUNITIES

Becoming the transition partner of choice for customers



SUSTAINABLE FINANCE



BUILDING CAPABILITY

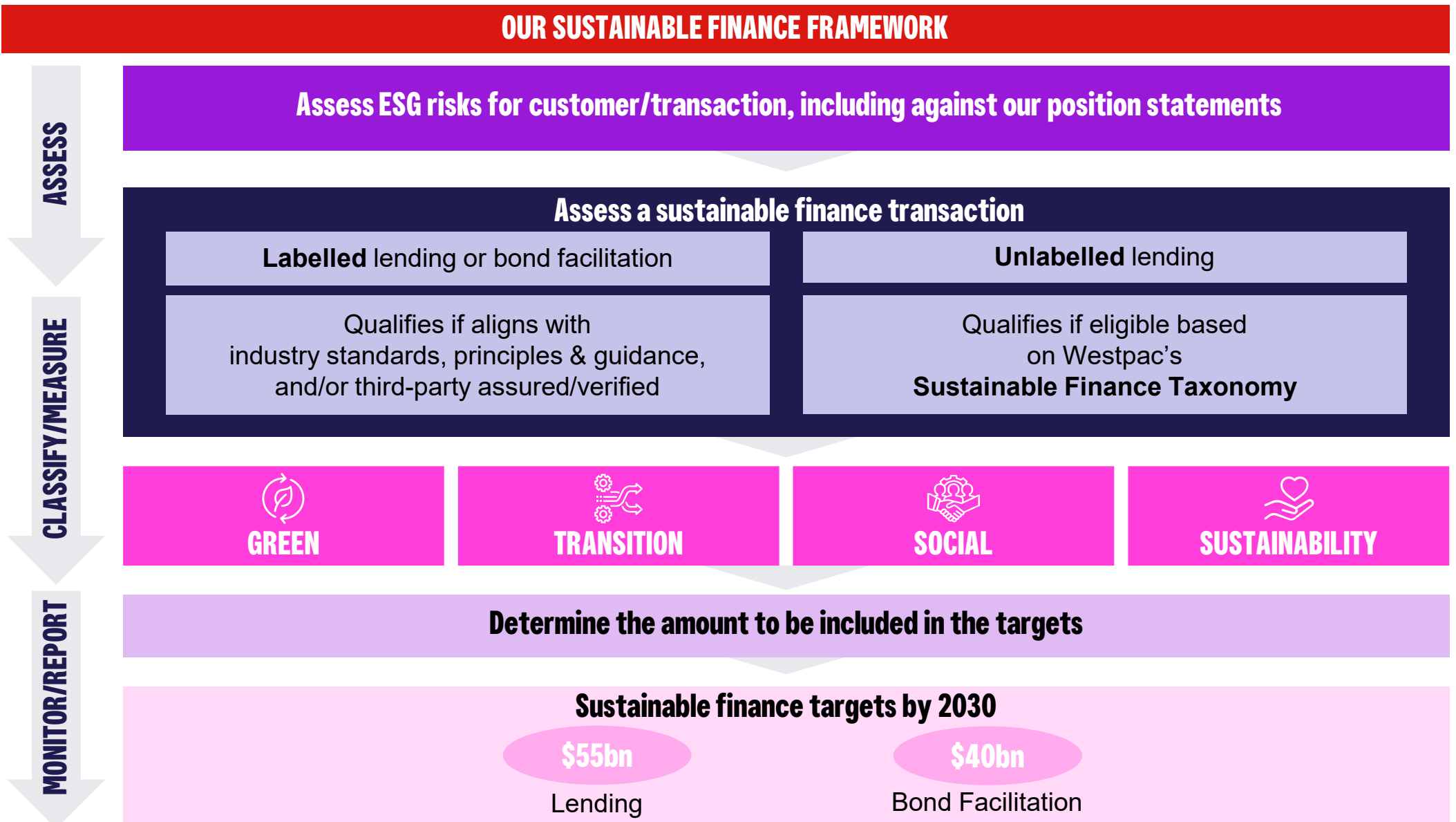


PRODUCTS AND SERVICES



SUPPORTING CUSTOMERS

NEW SUSTAINABLE FINANCE FRAMEWORK



CLIMATE-RELATED OPPORTUNITIES

Becoming the transition partner of choice for customers



SUSTAINABLE FINANCE



BUILDING CAPABILITY



PRODUCTS AND SERVICES



SUPPORTING CUSTOMERS

CERI BINDING

**Head of Utilities & Direct
Environment**

100% RENEWABLE ELECTRICITY, DIRECT OPERATIONS NATIONALLY¹



Cornerstone contracts supported over 125MW of new generation capacity



Spark Renewables' Bomen Solar Farm, near Wagga Wagga, NSW



Multi-technology approach for national renewables outcome



Flow Power's Berri Energy Project, SA



Multi-use, tree planting under Westpac contracts



Community and nature impact

1. Sourcing equivalent of 100% of Australian direct electricity demand from renewables from April 2023

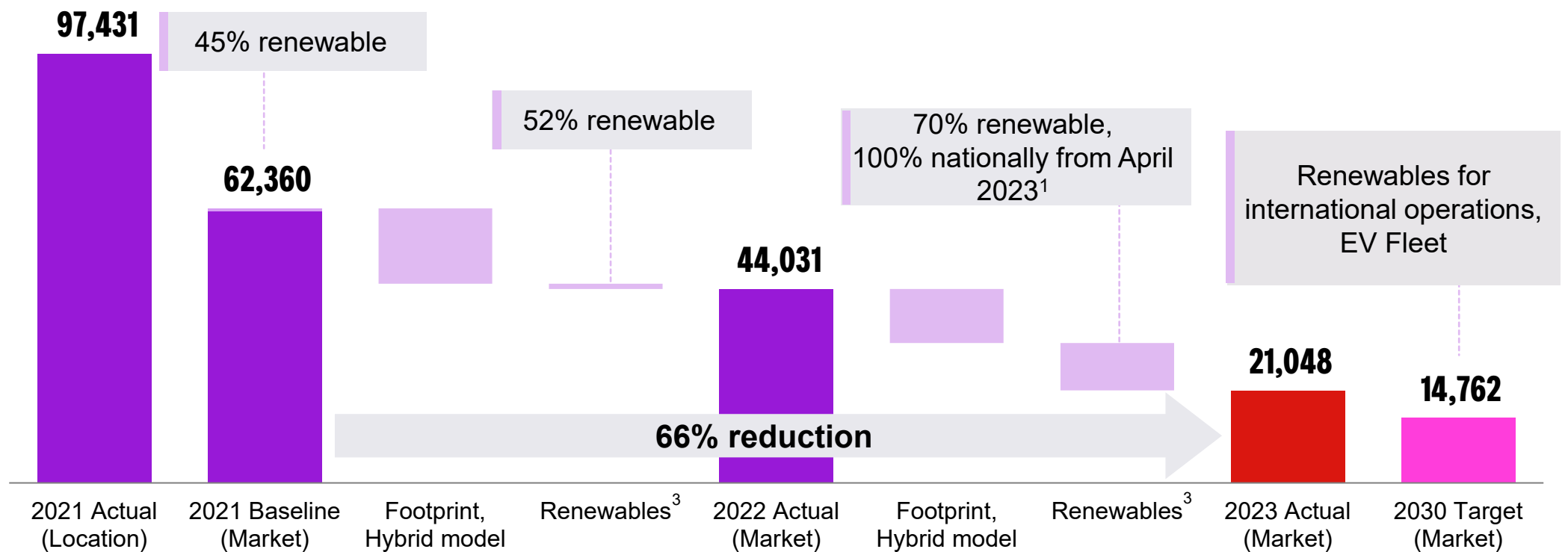
REDUCING WESTPAC GROUP SCOPE 1 AND 2 EMISSIONS¹

(tCO₂-e)

TARGET TO REDUCE OPERATIONAL SCOPE 1 AND 2 EMISSIONS BY 64% BY 2025 AND 76% BY 2030 FROM OUR 2021 BASELINE²

Scope 1: Direct impact i.e. fleet fuels, refrigerants, gas, diesel and LPG

Scope 2: Indirect impact (purchased electricity)



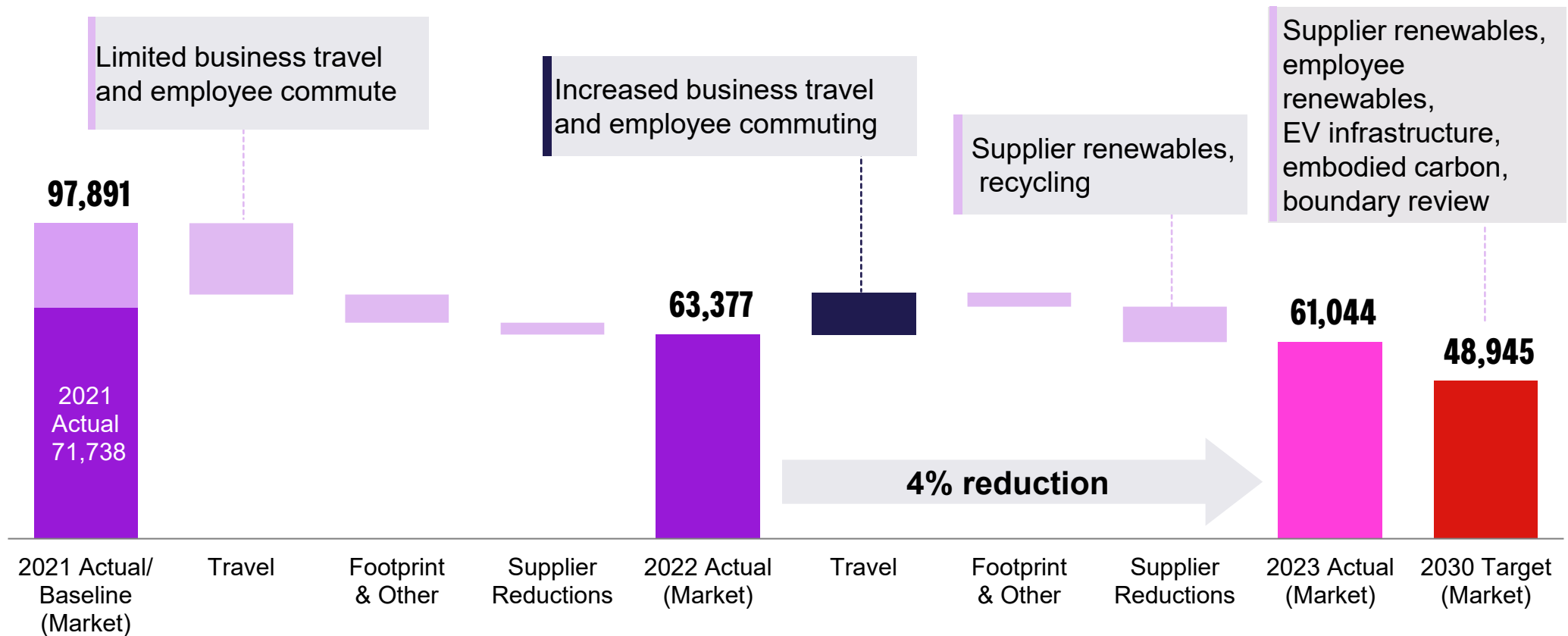
¹ Refer to page 19 of the 2023 Climate Report and the Environment tab of the 2023 Sustainability Index and Datasheet for details of our operational targets. ² 2021 baseline adjusted for COVID-19 pandemic and other impacts. ³ Renewable numbers reflect global percentages. Westpac sourcing equivalent of 100% of Australian direct electricity demand from renewables from April 2023, this equates to 70% of our global consumption for FY23.

UPSTREAM SCOPE 3 EMISSIONS¹

(tCO₂-e)

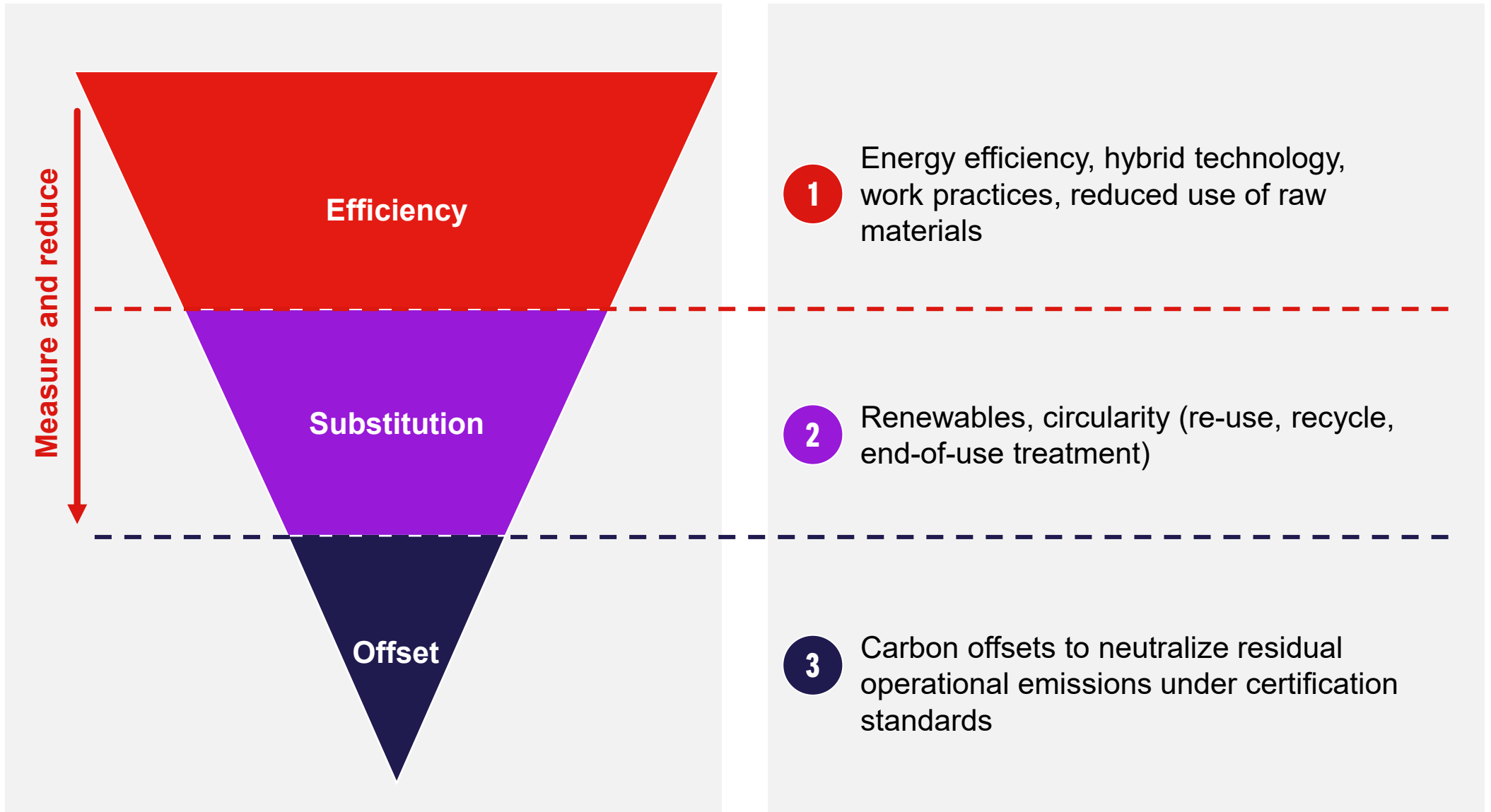
TARGET TO REDUCE OUR SCOPE 3 UPSTREAM EMISSIONS BY 50% BY 2030 FROM OUR 2021 BASELINE²

Upstream scope 3 emissions: Indirect impact from sources not owned or controlled by Westpac



¹ Refer to page 19 of the 2023 Climate Report and the Environment tab of the 2023 Sustainability Index and Datasheet for details of our operational targets. ² 2021 baseline adjusted for COVID-19 pandemic and other impacts.

USING OFFSETS FOR RESIDUAL EMISSIONS








AL WELSH

**MD, Corporate & Institutional
Banking**

TRANSITION PLANS

Engaging with customers on their transition plans

Pilot Assessment Framework (FY23)

TARGETS 	Short and long-term emission reduction commitments across scope 1, 2 and 3. Commitment to net-zero by 2050	<ul style="list-style-type: none">– Leveraged global frameworks (e.g. CA100+, GFANZ)– Piloted with 20 emissions intensive customers in FY23– Customers appreciated the guidance in this fast-evolving area– Customers looking for consistency on temperature alignment from government, banks and investors
STRATEGY 	Details on initiatives to achieve the targets and the timing of implementation	
CAPITAL ALLOCATION 	How capital is being allocated to emission reduction or zero carbon projects	
REPORTING 	Detail provided on emission reporting, including baselines and progress on key projects	
GOVERNANCE 	Board experience on climate change/net-zero. How does Board assess climate issues. Linking of remuneration to emission reduction targets	

ENERGY TRANSITION – UPSTREAM OIL AND GAS

A key part of the energy transition

Energy value chain needs to balance the increase in renewables with the reduction in oil and gas

Our upstream portfolio comprises 82% gas and 18% oil

2030 target

23% reduction in scope 1, 2 and 3 absolute financed emissions by 2030 from a 2021 baseline

Positions, subject to national energy security

We will not provide project finance or bond facilitation for the development of new (greenfield) or expansionary oil and gas fields, including new associated dedicated infrastructure, unless in accordance with the International Energy Agency Net-Zero by 2050 scenario (2021)

We will continue to provide corporate lending and bond facilitation where the customer has a credible transition plan¹ in place by 30 September 2025

Engaging with upstream oil and gas customers on their transition plans:

- Sector-wide progress in developing emissions reduction plans and achieving reductions to scope 1 and 2 emissions
- Developing 1.5°C-aligned transition plans covering scope 1, 2 and 3 by 30 September 2025 will be challenging for sector
- In FY24 we will engage further to understand our customers' evolving decarbonisation strategies

¹ A credible transition plan should be developed by reference to the best available science and should include scope 1, 2 and 3 emissions and actions the company will take to achieve greenhouse gas reductions aligned with pathways to net-zero by 2050, or sooner, consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100.

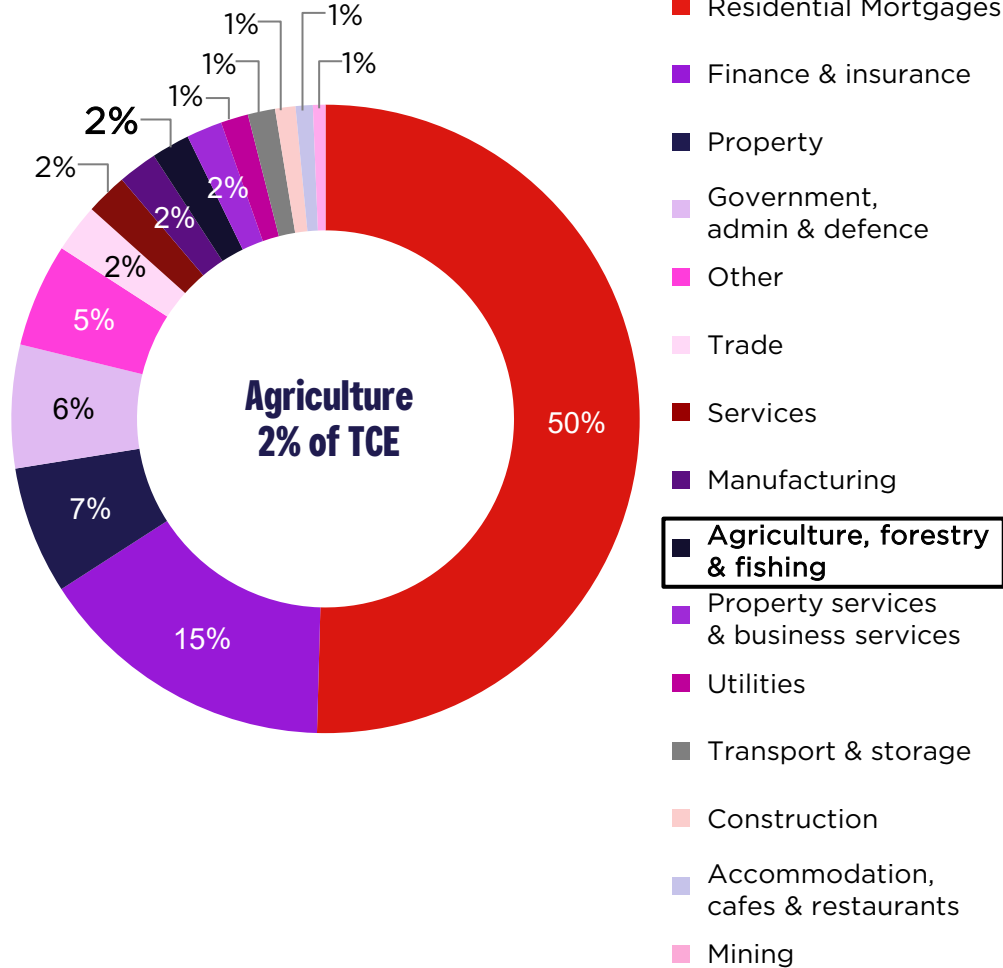
PETA WARD

**National General Manager,
Regional & Agribusiness**

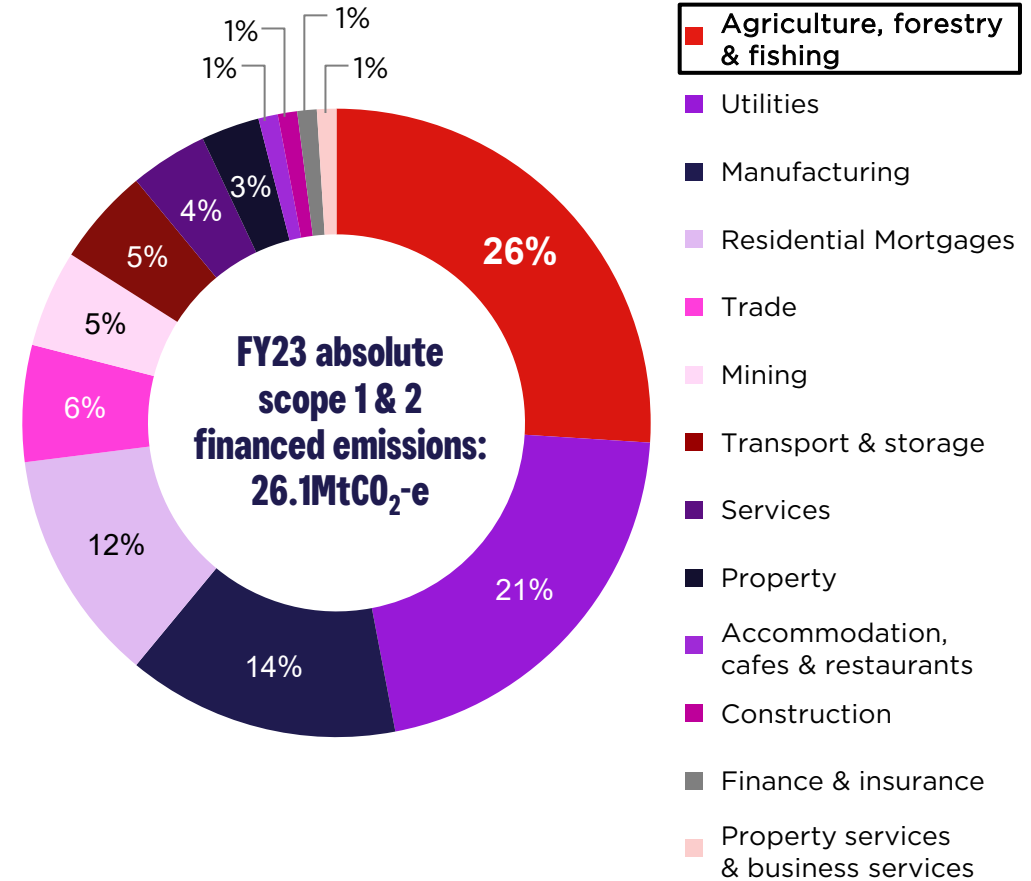
AGRICULTURE

Represents 2% of TCE¹ and 26% of emissions

Westpac's exposure (%)



Estimated FY23 financed emissions



¹ Total Committed Exposure.

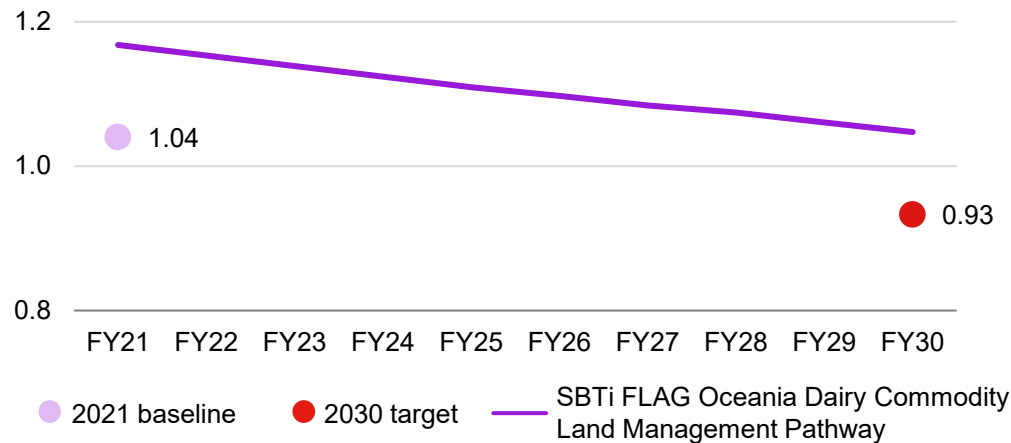
AGRICULTURE

Targets to reduce operational emissions and improve productivity

Australian Dairy

Target: 10% reduction in scope 1 land management emissions intensity

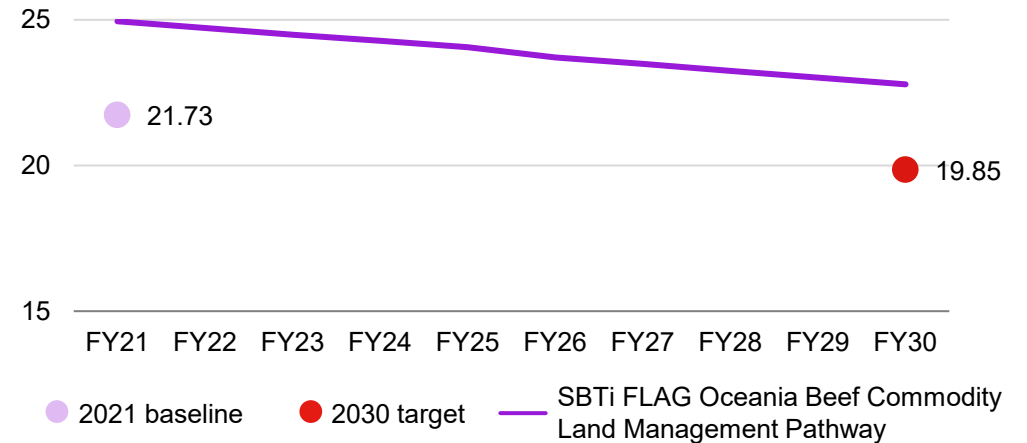
Baseline & Target (tCO₂-e / t of FPCM)



Australian Beef & Sheep

Target: 9% reduction in scope 1 land management emissions intensity

Baseline & Target (tCO₂-e / t of FW)



Deforestation

No further conversion of natural forest to agricultural land use within farm systems from 31 December 2025 for customers in scope of the targets

SBTi – Science Based Targets Initiative
 FLAG – Forest, Land and Agriculture (target setting guidance and pathway)
 FPCM – Fat and Protein Corrected Milk (production unit)
 FW – Fresh Weight (production unit)


AGRICULTURE

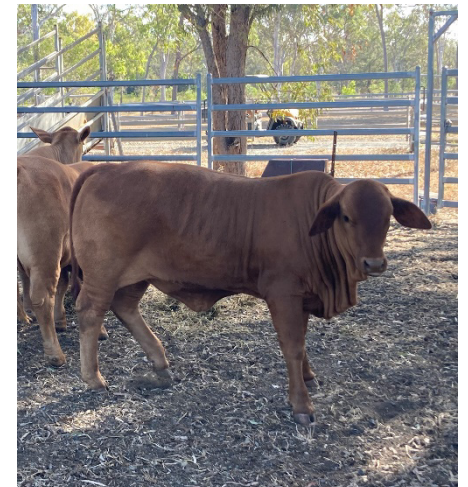
Supporting customers in their transition to net-zero

 **Decarbonisation pathway for Beef and Sheep is different to Dairy**

 **Progressive and well-organised industry groups in Australia**

 **Emissions reduction and productivity go hand-in-hand**

 **No one single initiative – many that in aggregate will support transition**

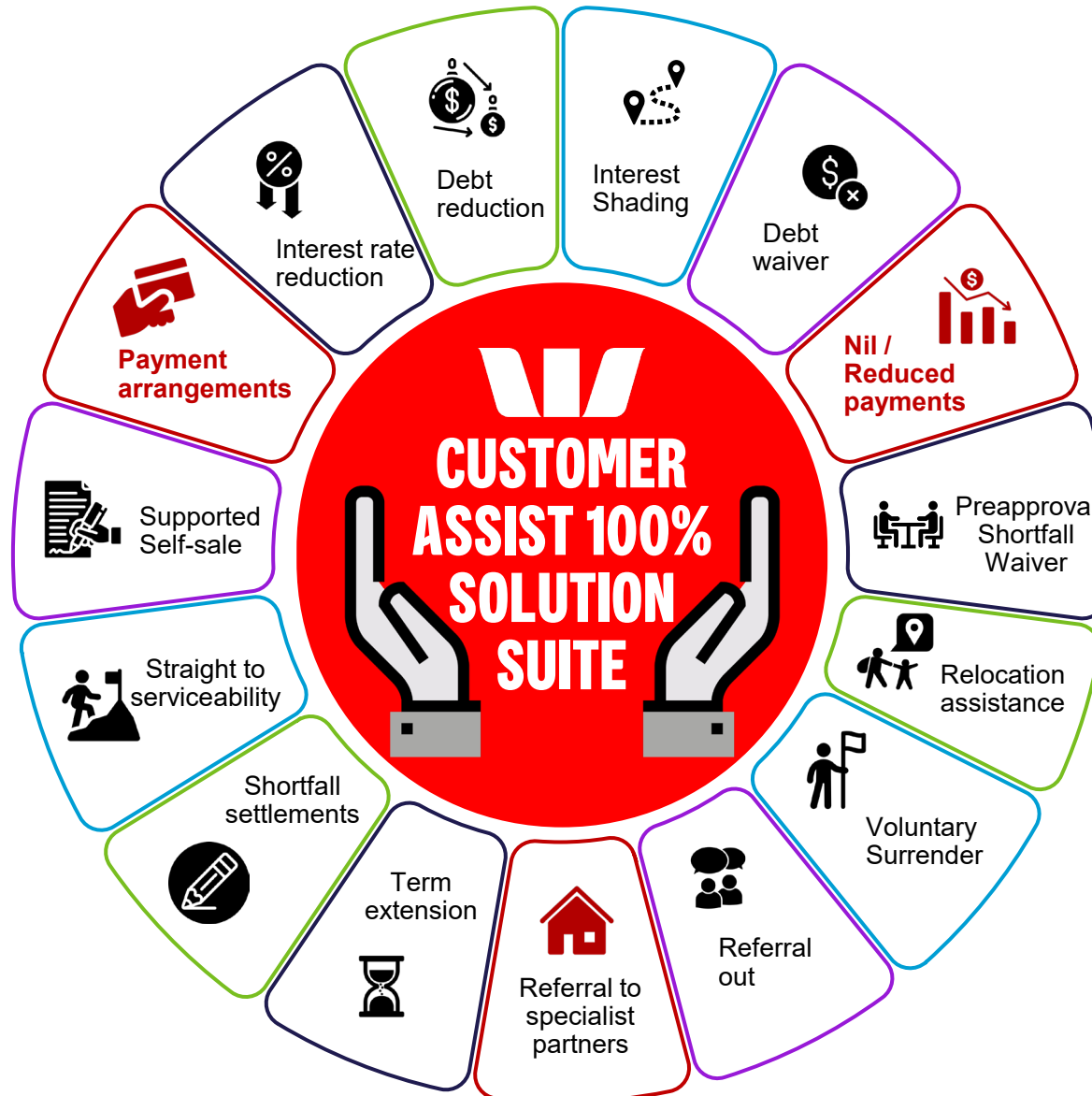


LISA POGONOSKI

**General Manager, Customer
Solutions**

100% SOLUTION MODEL TO SUPPORT CUSTOMERS





No matter what the circumstances, Assist have a solution to support



SUPPORTING CUSTOMERS THROUGH HARDSHIP

Customer case study

Andrew

- UNEMPLOYED** 
- NO FAMILY LOCALLY** 
- SOUTH AUSTRALIA** 
- 75% EQUITY** 

Approach

Dedicated case manager, Sam

- Initially provided Andrew with long-term payment arrangements and periods of forbearance
- Further options provided including refinance, voluntary surrendering the property or self-sale
- After decision made to sell the property, we supported Andrew to renovate property
- Property sold 10 days after being listed
- Andrew used proceeds to clear debt and buy another home, two streets from his favourite beach

ANTHONY MILLER

**Chief Executive,
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QUESTIONS

APPENDIX

COMPREHENSIVE SUSTAINABILITY REPORTING

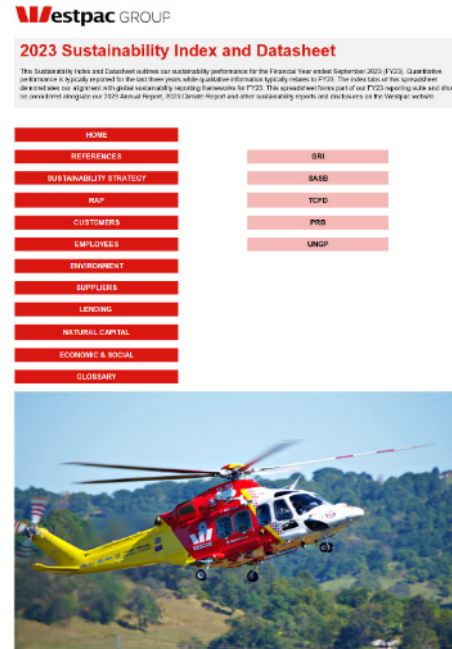
2023 Annual Report



2023 Climate Report, includes Climate Change Position Statement and Action Plan



2023 Sustainability Index and Datasheet



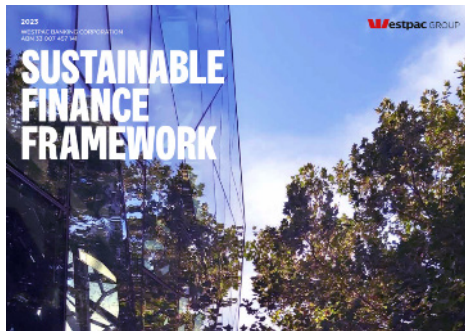
Human Rights Position Statement and Action Plan



Child Safeguarding Supplement



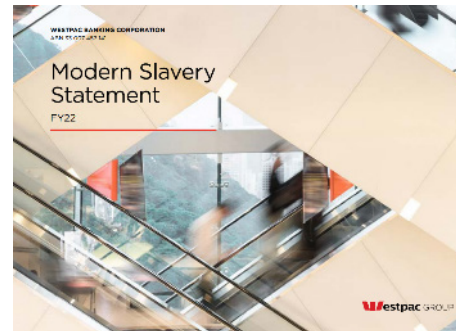
Sustainable Finance Framework



Natural Capital Position Statement



Modern Slavery Statement FY22



Safer Children, Safer Communities 2022 Impact Report




A suite of disclosures for more information and depth.


 Available at westpac.com.au/sustainability

SUSTAINABILITY RECOGNITION

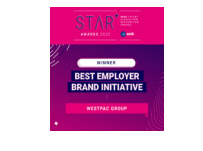
INDUSTRY RECOGNITION



Achieved highest ISS QualityScore for Social dimension




Rated Prime status of "C" by ISS ESG




Winners for the second year running in the SEEK Star Awards for Best Employer Brand initiative for our Graduate 'Uncommon minds' campaign

SUSTAINABILITY INDEXES




Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA

At Dec 22, Westpac has received an S&P DJI ESG score of 68. We have been a member of the DJSI Indices since 2002




At Sep 23, Westpac has received an ESG Risk Rating of 21.1 from Sustainalytics and was assessed to be at Medium risk of experiencing material financial impacts from ESG factors¹

Member of the FTSE4Good Index Series, of which Westpac has been a member since 2001




At Aug 23, Westpac has received an MSCI ESG Rating of A (score of 5.2 which is above Industry Average)²


INCLUSION AND DIVERSITY RECOGNITION




Recognised in the Bloomberg Gender Equality Index for the 7th consecutive year




Accredited as Level 1 Activate as a Carer Friendly Employer under the CarersNSW Carers + Employers Program



Named within Top 10 Employer for gender equality through Equileap



First Australian financial institution to be Disability Recruiter Accredited




















Bronze Accreditation for Australian Workplace Quality Index

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SUSTAINABLE COMMITMENTS, PARTNERSHIPS AND ASSOCIATIONS

MAJOR COMMITMENTS, PARTNERSHIPS AND ASSOCIATIONS

 <p>Principles for Responsible Banking Signatory (2019)</p>	 <p>Toitū net carbonzero certified (New Zealand) Since 2019</p>	 <p>UN Sustainable Development Goals CEO Statement of Commitment (2016)</p>	 <p>Paris Climate Agreement Supporter (2015)</p>	 <p>The Valuable 500 Signatory (2021)</p>	
 <p>The Equator Principles Founding Adopter, First Australian Bank (2003)</p>	 <p>UN Environment Programme Finance Initiative Founding Member (1991) Banking Board Co-Chair (since 2020)</p>	 <p>Financial Stability Board's Task Force on Climate-related Financial Disclosures Align with and support</p>	 <p>Taskforce on Nature-related Financial Disclosures Forum member (2021)</p>	 <p>UN Women Partner (2021)</p>	 <p>Electric Vehicle Council of Australia Member (2022)</p>
 <p>RE100, an initiative of The Climate Group in partnership with CDP Member (since 2019)</p>	 <p>Commitment to United Nations Global Compact Signatory (2002), Global Compact Network Australia Founding Member (2009)</p>	 <p>WeConnect International (for women owned businesses) Member (2020)</p>	 <p>Global Reporting Initiative Align with</p>	 <p>Industry-led UN-convened Net-Zero Banking Alliance Member, principals and steering groups (NZBA governance bodies) (from 2023)</p>	
 <p>Climate Bonds Initiative Partner</p>	 <p>Carbon Markets Institute Corporate Member</p>	 <p>Australian Industry Energy Transitions Initiative Partner (2022)</p>	 <p>Australian Sustainable Finance Institute Founding Member</p>	 <p>Sustainability Accounting Standards Board Align with</p>	
 <p>Climate Active Certification (Australia) Since 2012 (previously NCOS)</p>	 <p>Supply Nation (for Indigenous owned businesses) Founding Member (2010)</p>	 <p>Social Traders (for certified social enterprises) Member (2016)</p>	<p>United Nations Tobacco-Free Finance pledge Founding Signatory (2018)</p>	 <p>Green Building Council of Australia Member (since 2011)</p>	

INVESTOR RELATIONS TEAM

Contact us

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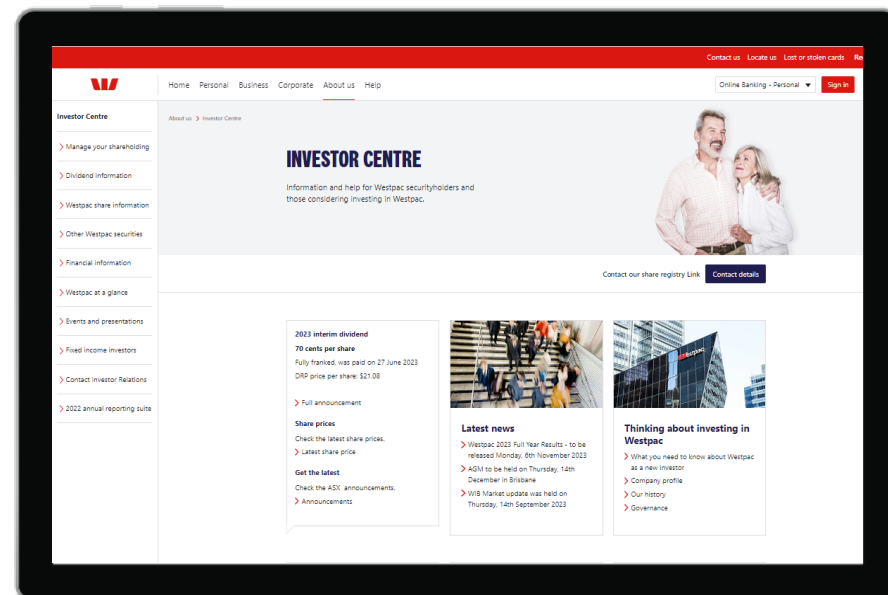
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DISCLAIMER

The information in this presentation is intended to be general information about Westpac Banking Corporation (Westpac) and its activities as at the date of this presentation. Full details on our sustainability strategies, commitments, targets and other supporting information is contained in our 2023 Annual Report and 2023 Climate Report.

It is given in summary form and is therefore not necessarily complete. It is not intended that it be relied upon as advice to investors or potential investors, who should be seeking independent professional advice depending on their specific investment objectives, financial situation or particular needs. The material contained in this presentation may include information, including, without limitation, methodologies, modelling, scenarios, reports, benchmarks, standards, tools, metrics and data, derived from publicly available or government or industry sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

This presentation contains statements that constitute “forward-looking statements” within the meaning of Section 21E of the US Securities Exchange Act of 1934. Forward-looking statements are statements about matters that are not historical facts. Forward-looking statements and metrics appear in a number of places in this presentation and include statements regarding our current intent, belief or expectations with respect to our business and operations, macro and micro economic and market conditions, results of operations and financial condition, capital adequacy and risk management, including without limitation, climate change, net-zero, emissions intensity and other sustainability related statements, commitments and targets, projections, scenarios, risk and opportunity assessments, pathways, forecasts and metrics, forecasted economic indicators and performance metric outcomes, financial support to certain borrowers, indicative drivers, estimated emissions and other proxy data. These are subject to known and unknown risks, and there are significant uncertainties, limitations, risks and assumptions in the metrics and modelling on which these statements rely. In particular, the metrics, methodologies and data relating to climate and sustainability are rapidly evolving and maturing, including variations in approaches and common standards in estimating and calculating emissions, and uncertainty around future climate- and sustainability-related policy and legislation. There are inherent limits in the current scientific understanding of climate change and its impacts.

Forward-looking statements may also be made by members of Westpac’s management, directors, officers or employees (verbally or in writing) in connection with this presentation. Such statements are subject to the same limitations, uncertainties, assumptions and disclaimers in this presentation.

We use words such as ‘will’, ‘may’, ‘expect’, ‘indicative’, ‘intend’, ‘seek’, ‘would’, ‘should’, ‘could’, ‘continue’, ‘anticipate’, ‘believe’, ‘probability’, ‘risk’, ‘aim’, ‘target’, ‘plan’, ‘estimate’, ‘outlook’, ‘forecast’, ‘goal’, ‘guidance’, ‘ambition’, ‘assumption’, ‘projection’, or other similar words that generally indicate forward-looking statements.

These forward-looking statements reflect our current views as at the date of this presentation with respect to future events and are subject to change, certain risks and uncertainties and assumptions and other factors which are, in many instances, beyond the control of Westpac, its officers, employees, agents and advisors, and have been made based upon management’s current expectations, understandings or beliefs concerning future developments and their potential effect upon us.

Although management currently believes these forward-looking statements have a reasonable basis, there can be no assurance that future developments or performance will be in accordance with our expectations or that the effect of future developments on us will be those anticipated.

Actual results, performance, conditions, circumstances or the ability to meet commitments and targets could differ materially from those we expect or are expressed or implied in such statements, depending on various factors, including without limitation significant uncertainties in climate change and sustainability related metrics and modelling as well as further development of methodologies, reporting or other standards which could impact metrics, data and targets.

There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material. Factors that may impact on the forward-looking statements made include, but are not limited to, those described in this presentation and in the section titled ‘Risk factors’ in Westpac’s 2023 Annual Report available at www.westpac.com.au. Investors should not place undue reliance on forward-looking statements and statements of expectation, including targets, particularly in light of the current economic climate and the significant global volatility.

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