

SUSTAINABILITY MARKET UPDATE

WESTPAC

2 DECEMBER 2025



DR FIONA WILD

Chief Sustainability Officer



SUSTAINABILITY STRATEGY: FOCUS AREAS



CLIMATE TRANSITION

Decarbonisation and resilience for customers and our operations



HOUSING AFFORDABILITY

New housing supply, alternative pathways to ownership for customers and housing availability for underserved communities



REGIONAL PROSPERITY

Regional business growth, local employment, community and environmental outcomes

HIGHLIGHTS



Released new
Climate Transition
Plan in Nov-25

#1

Remained largest
financier to renewable
projects in Australia¹

ZERO

exposure to
thermal coal mining²

>70%

of our finance
emissions sector
targets showed a
lower emissions
profile³

130+

engagements with
Institutional
customers in
Australia and New
Zealand in FY25



Released new
Sustainability Strategy
in Nov-25

37%

increase in
sustainable finance
lending⁴

40%

increase in
sustainable finance
bond facilitation⁵

1 Based on IJGlobal and Westpac Research Data for the period from 1 October 2024 to 30 September 2025. 2 At 30 September 2025. In line with our Sustainability Customer Requirements, we have zero corporate lending and will no longer provide bond facilitation for institutional customers with $\geq 15\%$ of their three-year rolling average revenue coming directly from thermal coal mining. 3 In FY24, our latest year of reporting. 4 Sustainable Finance includes both labelled lending, and unlabelled lending for our customers and activities in-scope of our SFF categories. % change in the TCE (or balance) at 30 September 2025 to 30 September 2024. 5 % change in the total value of bond facilitation (\$bn) cumulative from 1 October 2021 to 30 September 2025 and to 30 September 2024.



CARBON-INTENSIVE SECTOR REQUIREMENTS¹

Provision of new or renewed corporate lending and bond facilitation requires in-scope customers to have interim scope 1 & 2 decarbonisation target/s, aligned to the well below 2-degrees goal of the Paris Agreement²

CTP Evaluation Criteria	EMISSIONS TARGETS	STRATEGY	CAPITAL ALLOCATION	CLIMATE GOVERNANCE
Rating	A Accept and monitor CTP execution	B Accept and proactively engage to encourage further development of CTP content	C Escalate to appropriate governance committee and new or renewed finance may be declined	D Decline new or renewed finance ³
% of Customers assessed (Preliminary Customer Assessment ⁴)	55%	36%	0%	9%

1 Applies to customers within the oil and gas, metallurgical coal mining, and coal-fired power generation sectors. Our [Sustainability Customer Requirements](#) outline lending restrictions and exclusions for larger business customers. 2 Refers to Article 2.1 of the Paris Agreement on Climate Change adopted within the United Nations Framework Convention on Climate Change in December 2015. Targets are on an absolute or intensity basis and are assessed by Westpac. 3 Where a customer achieves a rating of 'D', but new or renewed finance supports National or Energy Security, we may escalate to the appropriate governance committee. 4 Percentage of in-scope customers assessed before 30 September 2025, in advance of any request for new or renewed corporate lending or bond facilitation.



PHILIPPA SJOQUIST

Head of Sustainability
Institutional Bank



SUPPORTING INSTITUTIONAL CUSTOMERS

In FY25 we had 130+ in-depth engagements with institutional customers on their climate transition plans (CTPs)

FY25 KEY FINDING

~64%

of customers re-engaged
from FY24¹

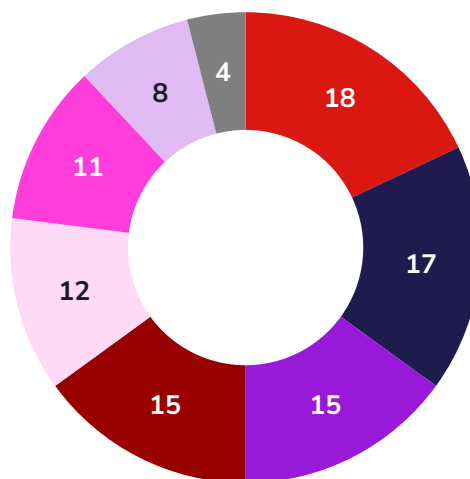
83%

had a public report
outlining their climate
transition strategy

~80%

are Group 1 entities
under the AASB S2

CUSTOMERS ENGAGED BY SECTOR¹ (%)



- Energy
- Manufacturing
- Property, Construction and Health
- Transport
- Mining and Metals
- Consumer and Retail
- Utilities and Infrastructure
- Agriculture

KEY DEPENDENCIES CITED TO DELIVERING CTPS



**TECHNOLOGY
FEASIBILITY**



**NEW
INFRASTRUCTURE**



**SUPPORTIVE
POLICIES**

¹ Approximately 64% of the customers engaged were re-engagements from FY24, meaning that data is not strictly comparable with previous years.

NICK WANDKE

Head of Sustainability
Business & Wealth



SUPPORTING BUSINESS & WEALTH CUSTOMERS

ESG RISK ASSESSMENT

Sustainability positions
ESG & climate policy

DIGITAL BANKER

Embedded digital solution
within strategic tech stack

FIJI & PAPUA NEW GUINEA

Extended ESG engagement
to our pacific banking
business customers

PATHWAYS TO SUSTAINABILITY

Launched a suite of new
sustainability learning
content for our people

SPECIALIST TEAM

Deep industry
expertise

CUSTOMER ENGAGEMENT

Driving practice
and performance improvement

Sustainability Engagement

>9,000

Customer level ESG risk
assessments completed for
Business & Wealth customers¹

400+

Transactions reviewed by the
specialist ESG advisory team¹

150+

Commercial customer
engagements on climate and
transition readiness

¹ Since launch of ESG Risk Assessment process for commercial customers in FY24.



APPENDIX

SUSTAINABILITY STRATEGY

TAKING ACTION NOW TO CREATE A BETTER FUTURE					
WHAT	To be our customers' #1 bank and partner through life				
HOW	Customer CUSTOMER OBSESSED Proactively support customers' sustainability goals through finance, expertise and advocacy	People BEST TEAM, TRUSTED EXPERTS Strengthen sustainability learning so our people bring expertise and balance into every decision and interaction	Change BRILLIANT AT DELIVERY Partner with customers to help deliver our positions on key sustainability topics, including climate, natural capital, human rights and equitable Indigenous participation	Risk SAFE AND STRONG Actively manage material sustainability risks and impacts to customers, our business and community	Performance EXECUTION EXCELLENCE Create Sustainability outcomes for our customers, communities and shareholders
FOCUS AREAS	Climate Transition Decarbonisation and resilience for customers and our operations		Housing Affordability New housing supply, alternative pathways to ownership for customers and housing availability for underserved communities		Regional Prosperity Regional business growth, local employment, community and environmental outcomes
SUSTAINABILITY OUTCOMES	<ul style="list-style-type: none">• Support the goals of the Paris Agreement by achieving our Scope 1, 2 and 3 greenhouse gas emissions targets by 2030• Partner with customers to implement green, transition, social (including housing affordability) or sustainability activities by providing \$55bn sustainable lending and \$40bn sustainable bond facilitation activities by 2030¹• Support customers' economic resilience and prosperity by increasing our footprint and growing lending to regional businesses and communities faster than in metro Australia				
WE COMMIT TO	ALWAYS DELIVER, SAFELY		MAKE AN IMPACT		OWN IT

These Sustainability pages contain forward-looking statements and statements of expectation. Refer to the disclaimer at the back of this pack. Details on our sustainability commitments, targets and other supporting information is in our 2025 Annual Report, 2025 Sustainability Report and 2025 Sustainability Index and Datasheet. See website for more information on our sustainability strategy.

1 Refer to our [Sustainable Finance Framework](#) for definitions on sustainable lending and bond facilitation. Refer to the [Climate Transition Plan](#) for details on the sustainable finance targets.



CLIMATE TRANSITION PLAN

SUSTAINABILITY

AMBITION TO BECOME A NET-ZERO, CLIMATE RESILIENT BANK

FOCUS AREAS NET-ZERO, CLIMATE RESILIENT OPERATIONS PARTNERING WITH CUSTOMERS TO DECARBONISE SUPPORTING OUR CUSTOMERS' PHYSICAL RESILIENCE

TARGETS	76% reduction in scope 1 and 2 absolute emissions by 2030 (2021 baseline) 50% reduction in upstream scope 3 absolute emissions by 2030 (2021 baseline)	2030 scope 3 financed emissions sector targets (see page x for details) \$55 billion in sustainable finance lending at 30 Sep-30 \$40 billion in sustainable bond facilitation between 1 Oct-21 and 30 Sep-30	
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ASPIRATIONS	Maintain operational resilience to the physical impacts of climate change.	Transition our lending portfolios to support the goals of the Paris Agreement.	Adopt a portfolio-wide view of exposure and vulnerability to physical climate risks.
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Key climate and sustainability disclosures

2025 Annual Report: Details financial and non-financial performance



2025 Sustainability Report: Details our approach to managing climate-related risks and opportunities



2025 Sustainability Index and Datasheet: Details key sustainability performance metrics in one place



Other sustainability disclosures include

- Modern Slavery Statement
- Human Rights Position Statement and Action Plan
- Natural Capital Position Statement
- Sustainable Finance Framework
- Climate Transition Plan
- New Zealand – 2025 Sustainability Update and Climate Report

Reports available at westpac.com.au/sustainability



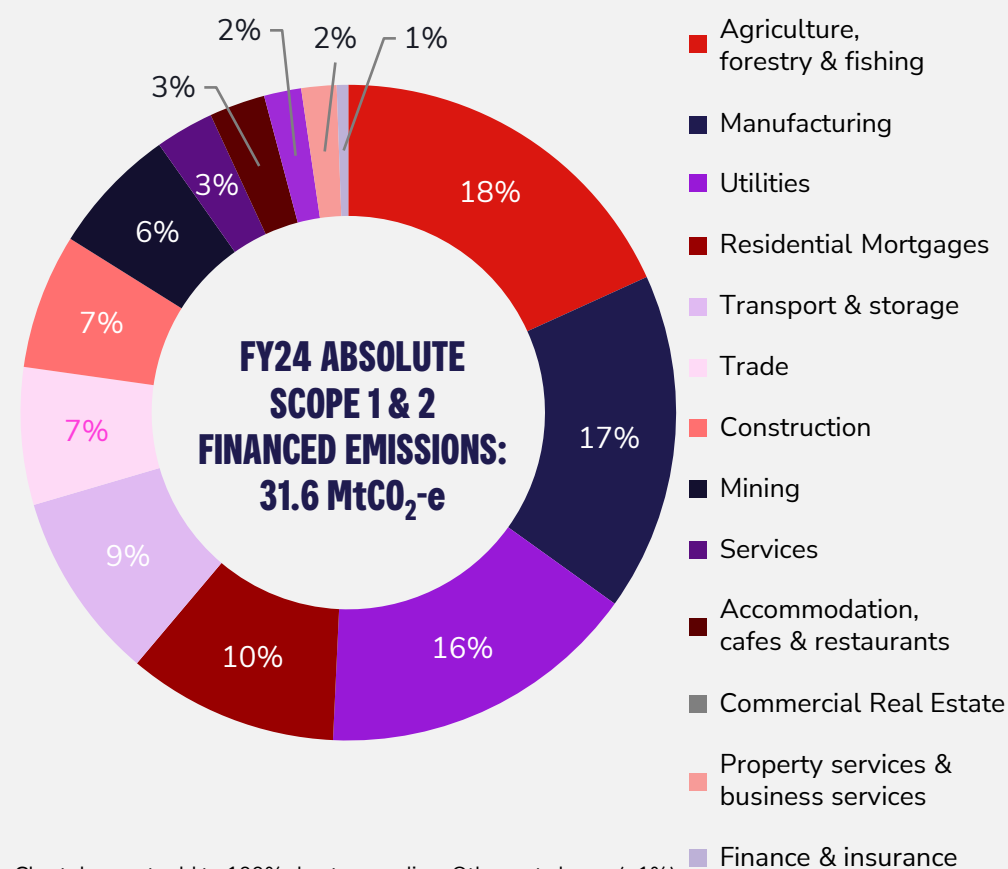
UNDERSTANDING OUR CARBON ACCOUNT TO TAKE ACTION NOW

SUSTAINABILITY

Greenhouse gas (GHG) emissions by source (tco₂-e)

	FY24	FY25	% of total
Scope 1: Direct emissions from controlled facilities, including fleet fuels, refrigerants, gas, diesel, LPG.	6,262	4,714	<0.1
Scope 2: Indirect emissions (market-based) from the generation of energy we have purchased, including purchased electricity.	2,303	1,963	<0.1
Scope 3 upstream emissions: Indirect emissions related to selected sources from our operations and supply chain.	57,655	56,469	<0.5
Scope 3 financed emissions: Indirect emissions related to our lending. Share of customers' scope 1 & 2 emissions.	31.6 MtCO ₂ -e	Not Reported ²	>99

Estimated FY24 financed emissions¹ (% of total)





Refer to Appendix of our 2025 Sustainability Report for details of the methodologies for estimating our emissions.

¹ Sectors in our financed emissions analysis are based on ANZSIC codes. These sector definitions differ from those used for: (i) our financed emissions sector targets and, (ii) our reporting of Group Exposure by Sector included in our Sustainability Report and Sustainability Index and Datasheet. ² Financed emissions are reported one year in arrears due to data availability. Data will be reported in FY26.

OUR EMISSIONS REDUCTION TARGETS

SUSTAINABILITY

Progress on operational emissions targets¹

Reduction in market-based emissions from 2021 baseline (%)	FY24	FY25	2025 Target	2030 Target	Target Progress
Scope 1 and 2 emissions	(86)	(89)	(64)	(76)	 Surpassed
Scope 3 upstream emissions	(41)	(42)	NA	(50)	 On track

Progress on our financed emissions targets¹

Change in emissions from baseline year² (%)

Westpac sector	FY23	FY24	2030 Target Implied % change
Power generation	(23)	(38)	(62)
Upstream Oil and Gas	(45)	(55)	(23)
Thermal coal mining	(81)	(94)	(100)
Aviation (passenger aircraft operators)	(45)	(47)	(60)
Steel production	Not reported (NR) - As at 30 Sep 24, we are on track to achieve our 2030 target and progress is below our emissions pathway. Given the small number of customers, this information is not publicly disclosed.		
Aluminium			
Cement production	(5)	NR	(14)
Commercial Real Estate (Offices)	(18)	(27)	(59)
Residential Real Estate (Australia)	(11)	(14)	(56)
Australia Beef and Sheep ³	2	2	(9)
Australia Dairy ³	(7)	(7)	(10)
New Zealand Beef and Sheep ³	2	(4)	(9)
New Zealand Dairy ³	(2)	(6)	(10)

1 Refer to the Appendix of our 2025 Sustainability Report for details of the methodologies for estimating our emissions. 2 Prior year baseline and progress for Residential Real Estate target are as at 31 August, and as at 30 September for FY24. Baselines: Commercial and Residential Real Estate – 2022; Aluminium – 2023; all other financed emissions – 2021.. 3 Prior year numbers restated for Australia and New Zealand Agriculture targets, refer to our 2025 Sustainability Report for details. 4 Customers within the oil and gas, metallurgical coal mining, and coal-fired power generation sectors. See our Sustainability Customer Requirements for more information including definitions for National or Energy Security. 5 Percentage of customers assessed in advance of their request for new/renewed corporate lending or bond facilitation.

Carbon-intensive sector requirements

- From 30 Sep-25, new or renewed corporate lending and bond facilitation for in-scope customers⁴ are subject to Customer CTP Evaluation.
- The evaluation assesses emissions targets, strategy, capital allocation, and climate governance, and rates customers from A to D.
- Customers must have interim Scope 1 and 2 decarbonisation target/s aligned to the well below 2°C goal of the Paris Agreement to qualify for financing.
- Customers rated D would not be eligible for financing. If the finance supports National or Energy Security⁴, we may escalate to the appropriate governance committee for review.

Preliminary CTP assessment of new or renewed lending or bond facilitation (facilities)

Rating	Action if new / renewed facilities are requested	% of customers assessed ⁵
A	Accept & monitor customer CTP execution.	55
B	Accept & engage to encourage further development of CTP	36
C	Escalate to governance committee. New/renewed facilities may be declined.	0
D	Decline new/renewed facilities	9

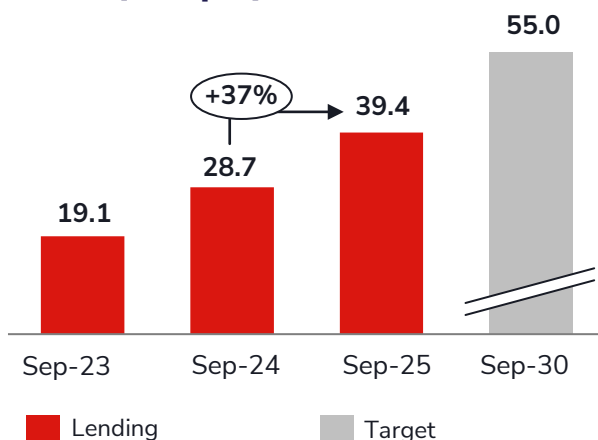


CLIMATE-RELATED OPPORTUNITIES AND TARGETS

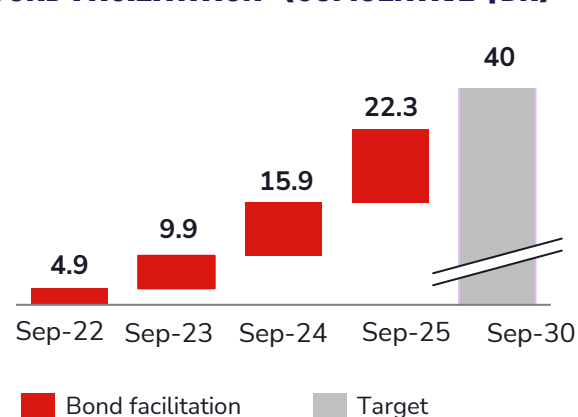
SUSTAINABILITY

Our **Sustainable Finance Framework** defines how we classify sustainable finance transactions as Green, Transition, Social or Sustainability. We also have 2030 targets for lending and bond facilitation.

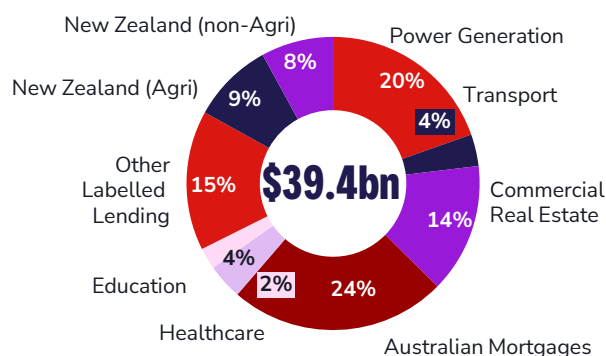
LENDING (TCE¹ \$BN)



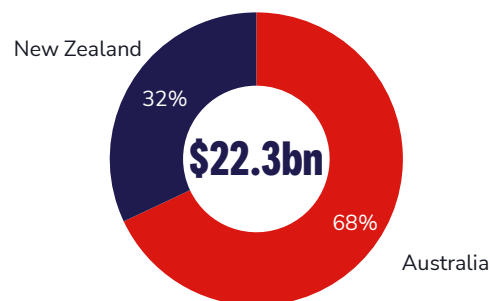
BOND FACILITATION² (CUMULATIVE \$BN)



LENDING BY SECTOR (SEP-25 %)



BOND FACILITATION BY COUNTRY (%)



Sustainable finance highlights

- 89.2% of our electricity sector lending to renewables.
- Coordinating Arranger and Bookrunner for AirTrunk's SYD1 and SYD2 term loan financing, supporting biodiversity, conservation and disaster relief, delivered through its social impact program.
- Joint Sustainability Coordinator for Bluecurrent's NZ\$2.5bn Green Loan supporting smart electricity and water metering across Australasia.
- Sustainability Coordinator and Lead Manager for Auckland Council's first Sustainability-Linked Bond. Auckland Council is targeting to plant one million native forest stems by 2027.
- Ranked #1 in the 2025 NZ Sustainable Bond League Table⁴.

Other climate-related opportunities (Sep-25)³

- \$63.4m for EV/Hybrid vehicles loans in Australia.
- \$182.4m for the Greater Choices home loan and EV loan in New Zealand.

1 Total committed exposure (TCE) or balance (for residential mortgages) at 30 Sept. TCE is the sum of loan balance and other committed facilities. For this purpose, TCE must meet the requirements of our Sustainable Finance Framework, and so excludes pre settlement risk, secondary market trading and the underwriting of facilities. 2 Bond facilitation target and progress is measured as the cumulative sum of our proportionate share of qualifying bonds facilitated from 1 Oct-21. Prior years are restated following data quality reviews which identified additional bonds not previously included. 3 Includes loans that have not been assessed under our SFF. 4 KangaNews, 2025 NZ Sustainable Bond – All Issuers – Incl Self-led Deals League Table at 30 Sep-25.



INVESTOR RELATIONS TEAM – CONTACT US

CONTACT US

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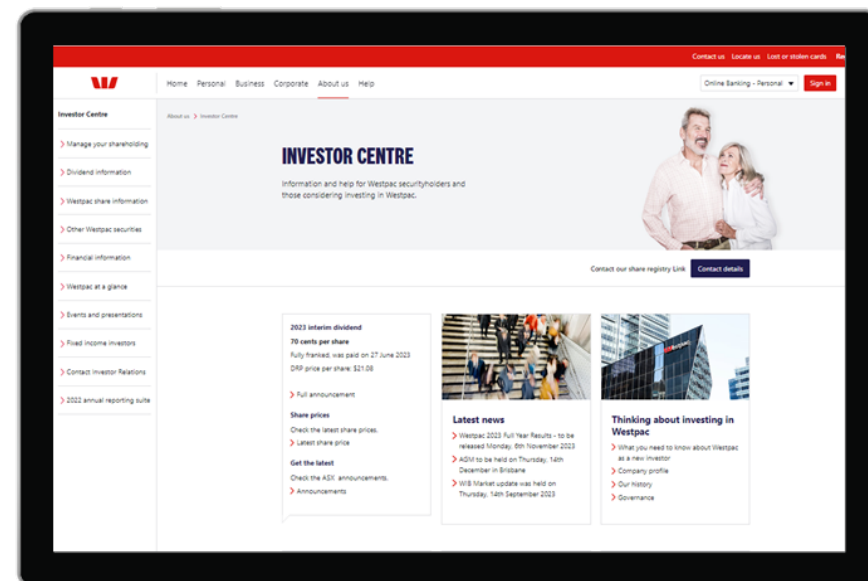
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