



Independent Assurance Report on the carbon neutral claim of Westpac Banking Corporation in connection with its obligations under the National Carbon Offset Standard for Organisations for the reporting period 1 July 2018 to 30 June 2019.

SECTION 1 Audit Statement and Audit Findings

Scope of assurance

PricewaterhouseCoopers (PwC) has been engaged to undertake an independent assurance engagement in respect of selected subject matter (the **Subject Matter**) set out in Table 1 below for Westpac Banking Corporation (**Westpac**) in relation to the operational footprint of businesses and brands within its operational control within Australia for the reporting period 1 July 2018 to 30 June 2019 (the **reporting period**). The reporting criteria against which we assessed the Subject Matter is specified below.

Table 1 Subject Matter

Subject Matter	Tonnes of CO₂-e	Level of assurance
Total Scope 1 & 2 Scope greenhouse gas emissions	114,468	Reasonable Assurance
Total Scope 3 greenhouse gas emissions	58,544	Limited Assurance
Total retired offsets	(173,012)	Limited Assurance
Net greenhouse gas emissions (Carbon Neutral Claim)	0	Limited Assurance

The assurance engagement has been planned and performed in accordance with the engagement letter between PwC and Westpac for this engagement dated 3 September 2019, to enable us to provide assurance regarding the Subject Matter contained within the Westpac Banking Corporation

Carbon Neutral Program: Public Disclosure Summary 1 July 2018 – 30 June 2019 (the **Westpac Public Disclosure Summary**), which is available at:

https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/2019_Carbon_Neutral_Disclosure_Statement.pdf



Reporting Criteria

The following reporting criteria have been applied to the Subject Matter described above (together, the **Criteria**):

- The ***National Carbon Offset Standard for Organisations*** (the **NCOS**);
- The ***Carbon Neutral Guidance for Scope 3 Calculations***, released October 2016 (the **Carbon Neutral Guidance**);
- The ***National Greenhouse and Energy Reporting (Measurement) Determination 2008*** (NGER Measurement Determination);
- The applicable National Greenhouse Accounts (**NGA**) Factors – (**NGA Factors**) for the reporting period; and
- Other relevant methods set out within the Westpac Banking Corporation Public Disclosure Summary 1 July 2018 – 30 June 2019 (the **PDS**) and the Westpac Banking Corporation, Greenhouse Gas reporting and Carbon Neutral Guidelines dated 9 September 2019, available at:
https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/Greenhouse_Gas_and_Carbon_Neutral_Reporting_Guidelines19.pdf

Responsibility of Westpac's management

Management of Westpac (**Management**) is responsible for the preparation of the Subject Matter in accordance with the requirements of the Criteria. This responsibility includes:

- designing, implementing and maintaining internal controls and data management systems relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error;
- interpreting and applying the requirements of the Criteria in determining the emissions boundary for the operational footprint of businesses and brands within Westpac's operational control within Australia and quantifying the Subject Matter; and
- making estimates that are reasonable in the circumstances.



Our responsibility

Our responsibility is to express an assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained. We have conducted our assurance engagement in accordance with the following Australian standards on assurance engagements:

- Standard on Assurance Engagements ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information (Revised) (**ASAE 3000**); and
- Standard on Assurance Engagements ASAE 3410 Assurance Engagements on Greenhouse Gas Statements (**ASAE 3410**).

An assurance engagement involves performing procedures to obtain evidence about the preparation of the Subject Matter in accordance with the Criteria. The nature, timing and extent of procedures selected depend on the assurance practitioner's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, and the level of assurance sought.

In making those risk assessments, we have considered internal controls relevant to Westpac's preparation of the Subject Matter in order to design assurance procedures that are appropriate in the circumstances.

For a reasonable assurance engagement, the above standards require us to plan and perform this engagement to obtain reasonable assurance about whether the Subject Matter has been prepared, in all material respects, in accordance with the Criteria.

For a limited assurance engagement, those standards require that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria for the reporting period.

PwC has not conducted assurance procedures with respect to the internal control environment and data management system of Westpac as a whole. As such, no assurance is provided on any internal control environment and data management system.



Matters relating to the electronic presentation of the Westpac Public Disclosure Summary

This assurance report relates to the Westpac Banking Corporation Public Disclosure Summary 1 July 2018 – 30 June 2019. The directors of the Westpac are responsible for the integrity of Westpac's web site. We have not been engaged to report on the integrity of this web site. The assurance report refers only to the Westpac Public Disclosure Summary. It does not provide an opinion on any other information which may have been hyperlinked to/from the Westpac Banking Corporation Public Disclosure Summary 1 July 2018 – 30 June 2019.

Summary of assurance procedures undertaken

The procedures we conducted in our assurance engagement included:

- making enquiries of relevant management;
- assessing processes and procedures that management performed to determine:
 - the operational footprint of businesses and brands within its operational control within Australia and the completeness of facilities reported; and
 - the completeness of emission sources to be reported;
- assessing the appropriateness of estimates and assumptions applied by management;
- undertaking analytical procedures over the Total Scope 1 & Scope 2 greenhouse gas emissions by facility type during the reporting period;
- making enquiries of relevant management regarding the design of processes and controls for measuring, collating and reporting of greenhouse gas emissions;
- validating the operation of selected controls regarding the measurement of activity data utilised in the preparation of the Westpac Australia Carbon Footprint contained in the PDS (the **Carbon Account**);
- substantively testing a sample of activity data utilised in the preparation of the Carbon Account to third party invoices and/or confirmations;
- re-performing the calculations of total greenhouse gas emissions for the reporting period;
- agreeing the calculated total Scope 1, 2 and 3 greenhouse gas emissions to the Carbon Account and checking that the measurement criteria disclosed within it and the Carbon Neutral Guidelines are consistent with the methods observed from the assurance performed; and
- testing the retirement of offsets in relation to the carbon neutral claim to underlying financial records.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.



Our independence and quality control

We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. Furthermore, PwC 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 in accordance with Australian Standard on Quality Control 1 ***Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements.***

Use of our assurance report

This report has been prepared for the use of Westpac for the sole purpose of reporting on Westpac's Subject Matter in accordance with the Criteria. Accordingly, we expressly disclaim and do not accept any assumption of responsibility or liability for any reliance on this report to any party other than Westpac, or for any purpose other than that for which it was prepared.

Inherent limitations

There are inherent limitations in performing assurance—for example, assurance engagements are based on selective testing of the information being examined—and because of this, it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the reporting period that is the subject of the engagement.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given its nature and the methods used for determining, calculating and sampling or estimating such data. We specifically note that Westpac has used estimates or extrapolated underlying information to calculate certain amounts included within the Subject Matter.

In addition, the procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on Westpac's Total Scope 3 greenhouse gas emissions, Total retired offsets and Carbon Neutral Claim.

The conclusions expressed in this report have been formed on the above basis.



Reasonable assurance conclusion

In our opinion, Westpac has prepared the Total Scope 1 & Scope 2 greenhouse gas emissions, as disclosed within the Public Disclosure Summary and presented in Table 1 above, in all material respects, in accordance with the Criteria.

Limited assurance conclusion

Based on our limited assurance procedures nothing has come to our attention that would lead us to believe that Westpac's Total Scope 3 greenhouse gas emissions, Total retired offsets and Carbon Neutral Claim disclosed within the PDS and presented in Table 1 above, have not been prepared, in all material respects, in accordance with the Criteria.

PricewaterhouseCoopers

PricewaterhouseCoopers

Liza

Liza Maimone
Managing Partner

Melbourne
31 October 2019