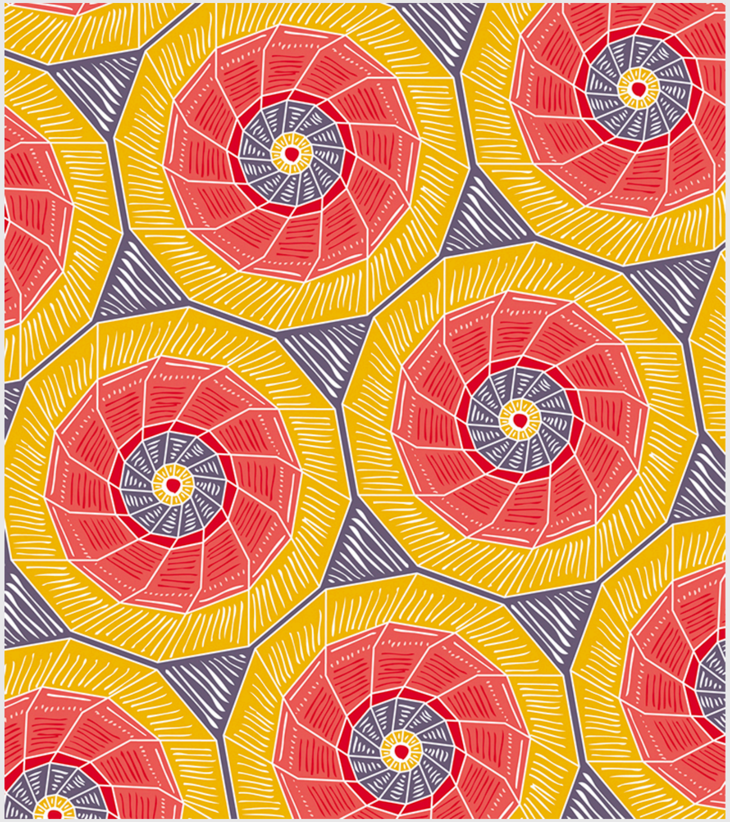
# WESTPAC'S CLIMATE TRANSITION PLAN

WESTPAC BANKING CORPORATION
ABN 33 007 457 141



## ACKNOWLEDGEMENT OF INDIGENOUS PEOPLES

We acknowledge the First Peoples of Australia and recognise their ongoing role as Traditional Owners of the land and waters of this country. We acknowledge Westpac's Aboriginal and Torres Strait Islander employees, partners, and stakeholders, and pay our respects to their Elders, both past and present.

In Aotearoa New Zealand we also acknowledge tāngata whenua and the unique relationship that Indigenous Peoples share with all New Zealanders under Te Tiriti o Waitangi.

# "OUR PURPOSE IS TAKING ACTION NOW TO CREATE A BETTER FUTURE. ONE WAY WE ARE DOING THIS IS THROUGH OUR CLIMATE AMBITION TO BECOME A NET-ZERO, CLIMATE RESILIENT BANK.

**IN THIS REPORT, WE OUTLINE THE STEPS WE WILL TAKE TO CONTINUE PROGRESS TOWARDS OUR CLIMATE AMBITION."**

WESTPAC CEO, ANTHONY MILLER

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|---|---|
| **Plan Owner:** | Chief Sustainability Officer |
| **Effective date:** | 3 November 2025 |
| **Version:** | 1.0 |

Cover image credit: Samantha Kent

## CONTENTS

# OUR CLIMATE TRANSITION PLAN

**WHAT IS OUR CLIMATE TRANSITION PLAN?**
Westpac's Climate Transition Plan (CTP) outlines our approach to help achieve our ambition of becoming a net-zero, climate resilient bank. It is guided by the principles within our Climate Change Position, supporting Westpac's Sustainability Strategy. The CTP supersedes Westpac's 2023-2025 Climate Change Position Statement and Action Plan.

The CTP covers our operations and lending and includes the actions we will undertake to help achieve our ambition. It outlines our targets, the metrics we do or intend to monitor, and the key enablers and dependencies in achieving our ambition.

Financed emissions connected with our lending portfolios account for the largest share of our greenhouse gas (GHG) emissions footprint, making support for customers the greatest opportunity to enable progress towards becoming a net-zero, climate resilient bank. The CTP describes our understanding of customers' pathways to lower their GHG emissions, the steps they may take to strengthen their climate resilience, and the challenges they face across both areas.

Aspects of achieving our climate ambition rely on Westpac managing climate-related risks and opportunities. The CTP outlines the actions we may take to manage some of these in our lending and our operations. Additional detail on our climate-related risks and opportunities can be found in our 2025 Sustainability Report.

**BOUNDARY**
In this document a reference to 'Westpac', 'we', 'the Bank', and 'our' is to Westpac Banking Corporation ABN 33 007 457 141 and its consolidated subsidiaries. Unless otherwise stated, this CTP covers all our businesses across Australia, New Zealand, Papua New Guinea, and Fiji. It also covers the operations in our international branches and offices, unless otherwise stated. Businesses will undertake actions as relevant to their functions and customer needs.

This document contains climate-related statements and statements that constitute "forward-looking statements" within the meaning of Section 21E of the US Securities Exchange Act of 1934- such as targets, ambitions, plans, estimates, assumptions and metrics- that inherently carry uncertainty, particularly in the context of climate reporting. These risks and uncertainties need to be considered when interpreting this document. For an explanation of forward-looking statements and the risks, uncertainties and assumptions to which they are subject, see the Disclaimer on page 22. Each of Westpac's divisions and subsidiaries will contribute to actions and targets in their own way and we do not anticipate all divisions to complete all outlined activities. All amounts are in Australian Dollars.

In addition to this CTP, Westpac New Zealand will develop a localised plan which will be released as part of their Full Year Disclosure Statements.

**KEY TERMS**
Our Climate Ambition is *to become a net-zero, climate resilient bank*. This is our overarching goal which is subject to uncertainty or dependencies that may be outside of Westpac's control.

Our ambition is supported by:

- Target(s) **–** Outcomes for which we have identified one or more pathways for achievement by a set date, subject to certain assumptions and dependencies.
- Aspiration(s) **–** Outcomes that we strive to achieve, for which we have not yet identified a specific pathway for delivery.

To achieve our targets and aspirations we have:

- Commitment(s) **–** Actions we are dedicated to taking and are within our direct control (e.g. will, are).
- Aim(s) **–** Actions we are striving to achieve that are outside our direct control and require a degree of collaboration or influence (e.g. seek).

**TRANSITION PLAN TASKFORCE (IFRS TPT) INDEX**
This CTP is informed by the International Financial Reporting Standards Foundation's Transition Plan Taskforce disclosure framework (IFRS TPT)[1]. The table below provides an index to relevant IFRS TPT elements in this CTP.

| Element | Section |
|---|---|
| **Foundations** including strategic ambition | Our Climate Transition Plan |
| **Implementation strategy** including products, services, insights and external dependencies | Net-zero, climate resilient operations; Partnering with customers to decarbonise; Supporting our customers' physical resilience |
| **Engagement strategy** including customer, industry and government | Partnering with customers to decarbonise; Supporting our customers' physical resilience; Interconnections; Advocacy |
| **Metrics and targets** including GHG emissions metrics and targets, financial and business metrics | Net-zero, climate resilient operations; Partnering with customers to decarbonise; Supporting our customers' physical resilience |
| **Governance** including Board oversight, roles and responsibilities, culture and training | Governance section of Westpac's annual sustainability disclosures |

**GOVERNANCE**
Our CTP is governed in line with our sustainability governance, described in our annual sustainability disclosures. We will review the CTP annually to consider if adjustments are required as economic and industry conditions evolve. Progress against this CTP will be principally reported annually.

1 Transition Plan Taskforce. (2023). Disclosure Framework

# CLIMATE TRANSITION PLAN ON A PAGE

| | | | |
|---|---|---|---|
| **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)<br><br>**50%** reduction in upstream scope 3 absolute emissions by 2030 (2021 baseline) | **Scope 3 financed emissions** 2030 sector targets<br><br>**$55 billion** in sustainable finance lending at 30 September 2030<br><br>**$40 billion** in sustainable bond facilitation between 1 October 2021 and 30 September 2030 | |
| **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 |

# EXECUTIVE SUMMARY

**We are taking action now to help achieve our ambition to become a net-zero, climate resilient bank.** This means working towards net-zero emissions across our operational footprint and lending portfolios and remaining focused on building our resilience to the physical impacts of climate change.

## OUR OPERATIONS

### NET-ZERO, CLIMATE RESILIENT OPERATIONS

**We are leading by example by reducing the direct impact of our operations to achieve our 1.5°C-aligned scope 1 and 2 emissions reduction targets, and upstream scope 3 emissions reduction target.**

This includes continuing to source 100% renewable electricity for our direct operations and working with employees and key suppliers to reduce emissions in our upstream value-chain.

We are also strengthening operational resilience to extreme weather events by assessing our physical climate risk. This enables us to continue operating and supporting our customers before, during and after such events.

## OUR LENDING PORTFOLIOS

### PARTNERING WITH CUSTOMERS TO DECARBONISE

**Financed emissions are the largest portion of our emissions footprint, accounting for >99% of our total GHG emissions.**

We acknowledge the importance of addressing financed emissions across all sectors of our lending portfolios.

Westpac's pathway to achieving our climate ambition is informed by the technological and behavioural decarbonisation levers available to each sector of the economy. This CTP explores the commercial readiness of these sector-specific levers to enable an orderly transition to net-zero and outlines how we are supporting implementation for an economy-wide transition.

### SUPPORTING OUR CUSTOMERS' PHYSICAL RESILIENCE

**We are taking a whole-of-portfolio, risk-based approach to gain a better understanding of physical risk exposure and vulnerability of our lending portfolios and in turn, our customers.**

We partner with customers to support their efforts in strengthening resilience to physical climate risks. This will become increasingly important as extreme weather events grow in frequency and intensity.

**We focus our efforts through two types of action:**

**Customer and industry engagement:** We engage with customers to understand the climate issues that matter most to them, learning from their experiences and sharing insights to support their actions towards decarbonisation. In some instances, we take a broader industry-based approach, providing an opportunity to engage multiple customers at once.

**Finance:** Consistent with our climate ambition, we are mobilising capital to incentivise development of transition technologies and climate adaptation measures. We offer products and financing solutions that support customer decarbonisation goals and climate resilience.

### Targets, aspirations and metrics

Westpac's CTP details the actions we will take to achieve our climate ambition, and the 2030 targets and aspirations we have set to help get us there. Where data allows, we have identified metrics to monitor our progress and improve the transparency of reporting on that progress, noting that metrics and targets may continue to develop over time.

### Interconnection

Responding to these challenges cannot be done in isolation. We consider the interconnect between human rights, climate change and nature guided by our approach to supporting a just transition and nature-based solutions.

### Advocacy

We will advocate for action on climate change and collaborate on initiatives that help progress net-zero and climate resilience goals across Australia and New Zealand.

### Enablers

This CTP is enabled by our people's climate capability, effective use of climate data, and working towards strengthening climate risk management within our business.

# NET-ZERO, CLIMATE RESILIENT OPERATIONS

**We are leading by example by reducing the direct impact of our operations. Having reduced our scope 1 and 2 emissions by more than 89% from a 2021 baseline[1] to 2025, we seek to maintain this reduction and further our understanding of upstream scope 3 emissions.**

**Maintaining climate resilient operations means sustaining business continuity throughout extreme weather event disruptions and strengthening our ability to operationally withstand a changing climate to support customers when it matters most.**

## CLIMATE-RELATED RISKS AND OPPORTUNITIES

**RISK**

- Acute and chronic physical risk impacts to our operations and supply chain.
- Failure to recognise or address climate change risks or opportunities.

**OPPORTUNITY**

- Strengthening our operational climate resilience to help us remain available to customers through climate-related events.

## Net-Zero Operations

### TARGETS

**REDUCE OUR SCOPE 1 AND 2 ABSOLUTE EMISSIONS BY 76% FROM OUR 2021 BASELINE[1] BY 2030**

**REDUCE OUR UPSTREAM SCOPE 3 ABSOLUTE EMISSIONS BY 50% FROM OUR 2021 BASELINE[1] BY 2030**

Our scope 1 and 2 emissions reduction targets are aligned with a 1.5°C trajectory and are complemented by our upstream scope 3 emissions reduction target, contributing to our ambition to become a net-zero bank.

Historically, our scope 1 and 2 operational emissions were substantially driven by electricity consumption. We are proud to have significantly reduced our scope 2 emissions by sourcing the equivalent of 100% renewable electricity for our direct operations through entering into long-term Power Purchase Agreements, contracts with electricity suppliers and unbundled procurement of Energy Attribute Certificates (EACs)[2]. We aim to continue sourcing the equivalent of 100% renewable electricity for our direct operations.

Fleet emissions are now the largest contributor to our scope 1 emissions footprint. Where possible, we aim to transition our fleet vehicles to electric vehicles (EVs) or plug-in hybrids (PHEVs).

We can further reduce our scope 1 emissions associated with Westpac's buildings through measures including the electrification of buildings, use of renewable or lower emission fuels and replacement of refrigerants with lower-emission alternatives.

To assist in reducing these remaining scope 1 emissions in Australia, where possible, we consider operational GHG emissions when evaluating properties from which we may operate in the future.

The speed at which we reduce our remaining operational emissions may be limited by factors including technology availability, government policy and economic viability. This includes the roll out of EV charging infrastructure at scale, and the ability to influence the electrification of buildings which we may operate from.

Carbon credits supported by a global carbon credit market will play an important role in our ability to achieve net-zero operations. Where we consider appropriate, we purchase and retire carbon credits to help offset our remaining scope 1 emissions and selected upstream scope 3 emissions.

Our upstream scope 3 emissions are the largest component of our reported operational emissions. We aim to address these emissions by encouraging key suppliers to electrify their operations and source renewable energy. We also make available renewable electricity offers[3] to our employees in Australia to support reductions in their home emissions.

We will continue to review our operational decarbonisation strategy and execution plans, including our measurement of upstream scope 3 emissions to support improved reporting.

1 2021 baselines for scope 1 and 2 emissions reduction target, and upstream scope 3 emissions reduction target adjusted for the COVID-19 pandemic and other impacts.
2 Detail on Energy Attribute Certificates (EACs) purchased and retired is outlined in our annual sustainability disclosures.
3 Offers are provided by third party suppliers.

# NET-ZERO, CLIMATE RESILIENT OPERATIONS

## Climate resilient operations

### ASPIRATION

**MAINTAIN OPERATIONAL RESILIENCE TO THE PHYSICAL IMPACTS OF CLIMATE CHANGE**

Climate resilience is integrated into our operational resilience activities and is part of our broader risk management approach, considering our people, branches, systems, assets and supply chain. Westpac's Business Continuity Program supports us having the capability to maintain critical business operations and recover quickly, to assist in minimising impacts that can arise from climate-related disruptions like floods or bushfires.

We are strengthening our operational resilience activities, including the ability of our critical operations and material service providers to respond to climate disruption risks, including adverse weather events.

Being a climate resilient bank also means we support customers during climate-related events, remaining available to them where we can. To do this, we seek to understand the actions we can take to help prepare for events before they occur, have plans in place to provide critical services during an event, and support customers respond and recover after an event. More information is provided in the Supporting Our Customers' Physical Resilience section of the CTP.

## Improving operational resilience of our branches and corporate sites

**Work to date:** We have undertaken a physical climate risk assessment across our branch network and corporate sites to identify the exposure of these sites to flood, bushfire and cyclone risks.

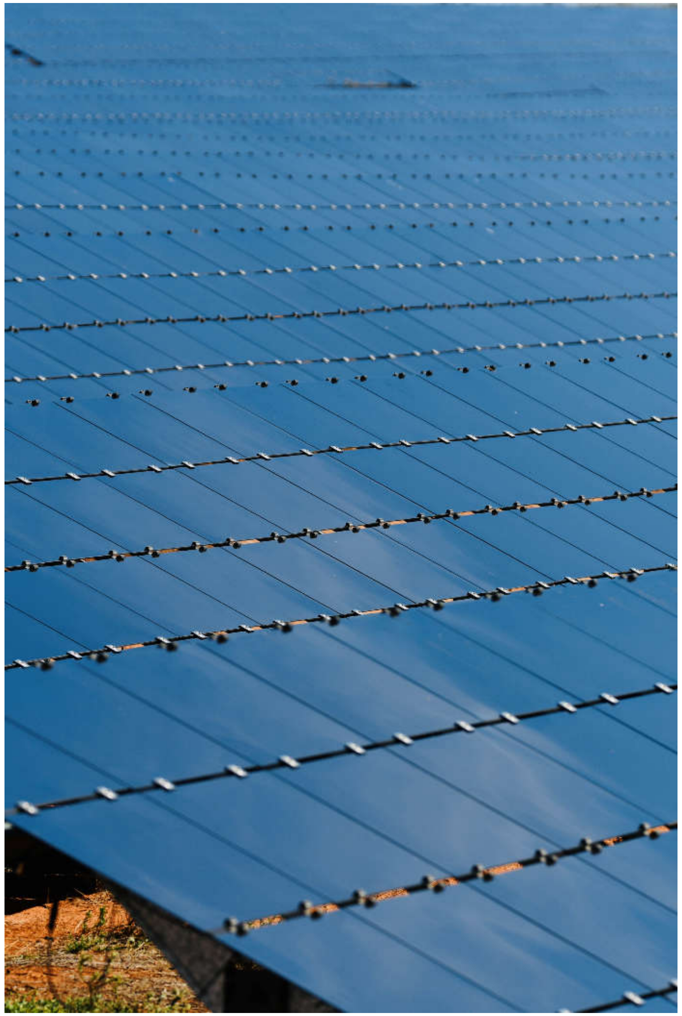
**Future action:** Using these insights, we can take action to better manage our operations and continue to provide services during and after extreme weather events. We aim to run training and testing exercises across Westpac to support this work, including upskilling our staff to better understand the climate-related events most likely to impact our branches and operational sites.

## Related Metrics

We monitor and report against the following metrics related to our operational targets. Progress against these metrics will be reported in Westpac's annual sustainability disclosures.

| Targets | Metric |
|---|---|
| Reduce scope 1 and 2 absolute emissions by 76% from a 2021 baseline[a] by 2030<br><br>Reduce upstream scope 3 absolute emissions by 50% from a 2021 baseline[a] by 2030 | • Percentage reduction in scope 1 and 2 and upstream scope 3 emissions relative to target baselines<br>• Percentage of our direct electricity demand from renewable sources |

a. 2021 baselines for scope 1 and 2 emissions reduction target, and upstream scope 3 emissions reduction target adjusted for the COVID-19 pandemic and other impacts.



# PARTNERING WITH CUSTOMERS TO DECARBONISE

**Our financed emissions are the largest portion of our emissions footprint, accounting for >99% of our total GHG emissions. Partnering with our customers to encourage and support their decarbonisation journey is critical to achieving our climate ambition.**

**Westpac's pathway to net-zero financed emissions is intrinsically linked to the broader Australian and New Zealand economies' emissions. An orderly transition to net-zero, as discussed on the next page, is expected to limit disruptions and lead to improved economic growth and resilience.**

**To better understand our customers' needs and challenges, we explore the variety of decarbonisation levers available for customers and the commercial readiness of these levers.**

**We look to partner with customers who operate across a broad range of sectors and in various elements of a sector's value chain. When we engage customers, we discuss the context of their business and look to understand how we can support customers to achieve their decarbonisation goals.**

## CLIMATE-RELATED RISKS AND OPPORTUNITIES

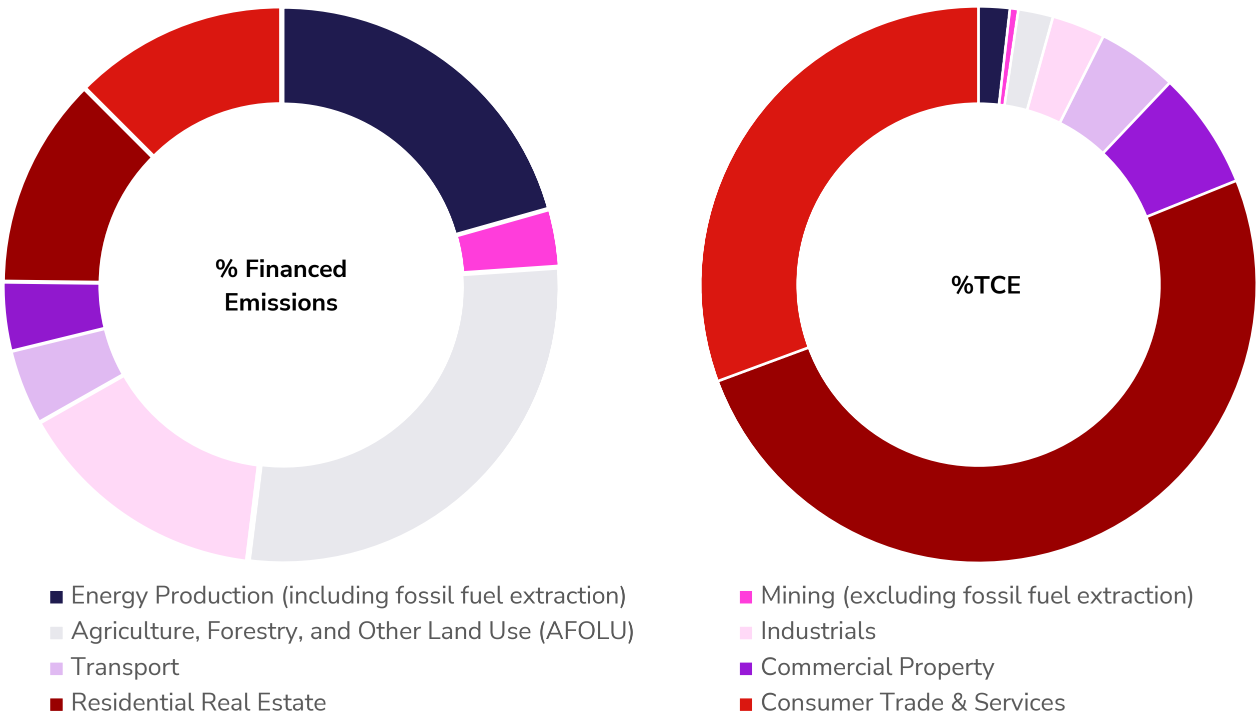
**RISK**

- Transition-related impacts on customer operations and revenue from policy, technology or market shifts.
- Failure to recognise or address climate change risks or opportunities.

**OPPORTUNITY**

- Improving customer relationships.
- Increase revenue streams by developing and providing climate-related products and services for customers.

**Westpac's indicative financed emissions and Total Committed Exposure (TCE) by sector**



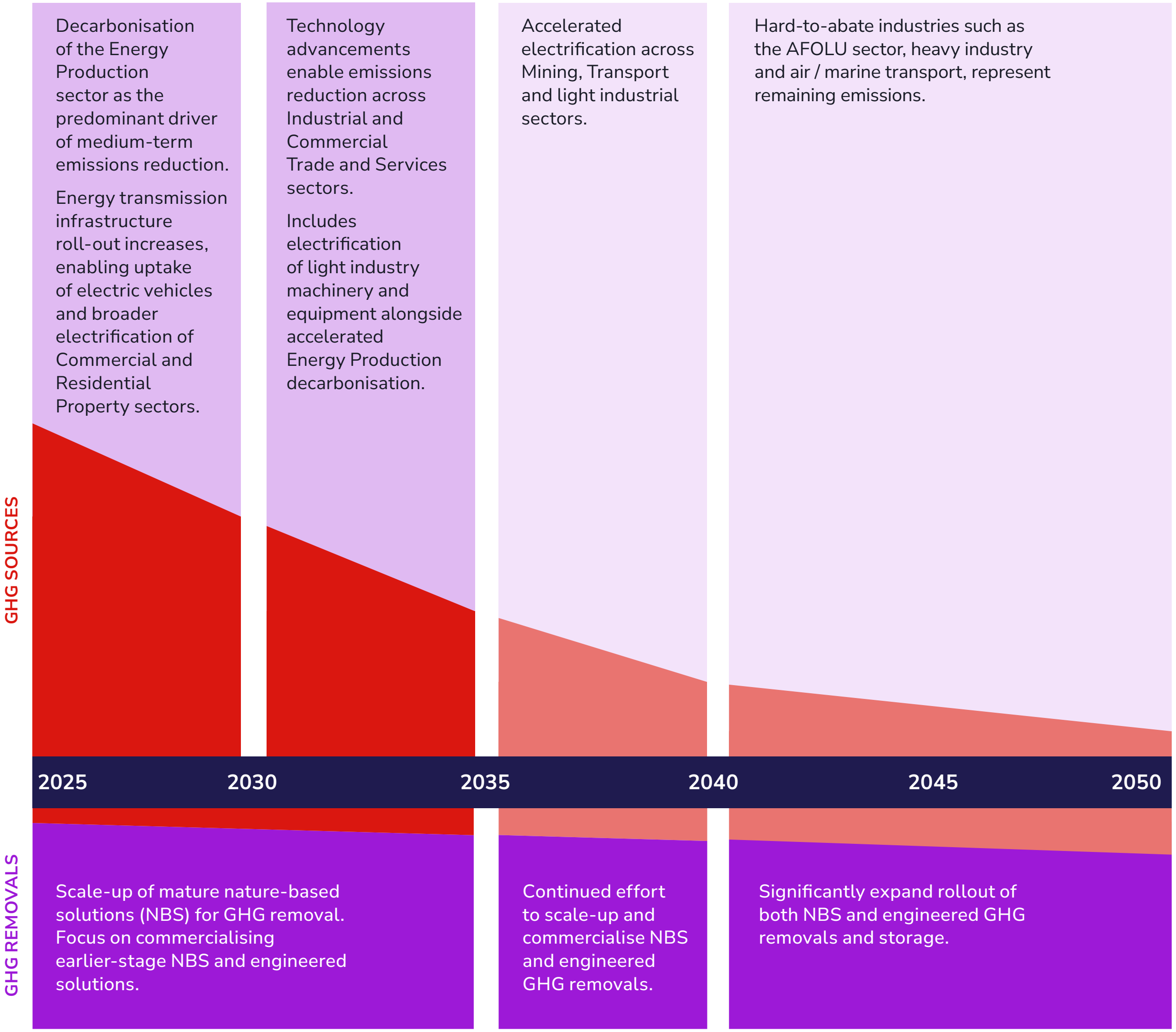

## Taking a whole-of-portfolio view

Given the diversity of the customers and sectors within our lending portfolios, achieving net-zero financed emissions will depend on the economies in which we operate also reaching or nearing net-zero.

We take a whole-of-portfolio view in considering our financed emissions. Our financed emissions intensity varies by sector. Acknowledging this variance enables Westpac to consider our approach to partnering with a broad range of customers to achieve our climate ambition and supporting our customers' decarbonisation goals.

# PARTNERING WITH CUSTOMERS TO DECARBONISE

## Our view of a pathway to net-zero for Australia and New Zealand




An orderly transition to net-zero requires contributions from all sectors of the Australian and New Zealand economies to implement operational, technological and behavioural levers. While some levers are available today, others require further development and additional policy and financial support mechanisms to become commercially viable before 2050.

Our CTP assumes Westpac's pathway to net-zero by 2050 is aligned with an orderly transition[1] occurring across the Australian and New Zealand economies. An orderly transition provides the greatest likelihood of capitalising on decarbonisation opportunities and minimises transition risks for Westpac and our customers.

The pace of the transition must balance challenges such as energy affordability, technology readiness, market appetite, capital reallocation and policy alignment, while managing trade-offs across sectors to achieve economy-wide decarbonisation in the long-term.

**Decarbonisation to 2035:** In the next decade, we expect the Australian and New Zealand economies to focus decarbonisation efforts on the most emissions-intensive sectors, while taking advantage of high feasibility opportunities which support broader decarbonisation.[1] This may include reducing the emissions of energy production and accelerating the electrification of road transport and commercial and residential properties.

Consideration of carbon capture and storage is also expected to increase in the medium-term.

**Decarbonisation beyond 2035:** From 2035, we anticipate significant step changes in technology to enable decarbonisation. During this phase of the transition, progress will be enabled by research in new and emerging technologies and implementation of these technologies into business operations.[1]

Many businesses, particularly those in hard-to-abate sectors, may not be able to reduce absolute scope 1 and 2 emissions to zero. It will therefore become increasingly important for other sectors of the Australian and New Zealand economies to develop and implement emissions removal processes or technologies which enable an economy-wide transition to net-zero.

1 Our view of a pathway to net-zero by 2050 is derived from the Australian Climate Change Authority's Sector Pathway Review (Commonwealth of Australia, 2024), New Zealand Climate Change Commission's Commission's Advice on Aotearoa New Zealand's fourth emissions budget (2024), sector-specific decarbonisation scenarios from relevant agencies (e.g. the International Energy Agency), and insights from engaging our customers

# PARTNERING WITH CUSTOMERS TO DECARBONISE

## Commercial readiness of decarbonisation levers

The levers available to decarbonise each sector of the Australian and New Zealand economies are at varying degrees of commercial readiness and sectoral applicability. These levers range from widely available solutions like renewable electricity generation (on-site or large scale), to sector-specific solutions like feed supplements in the Agriculture, Forestry, and Other Land Use (AFOLU) sector.

We work closely with customers to understand how we can support application of these levers as appropriate, given the variance across sectors and individual operations influenced by factors like financial viability and technological maturity.

## Our understanding of cross-sector decarbonisation levers

### RENEWABLE ELECTRICITY GENERATION AND SUPPORTING INFRASTRUCTURE

The Energy Production sector plays a central role in enabling the broader economy to decarbonise. Prioritising the transition to lower-emissions energy supply while balancing economic activity, energy security and affordability, is critical for the Australian and New Zealand economies to progress towards net-zero emissions.

Energy demand is expected to grow as new technologies are adopted. To support economy-wide decarbonisation, the Energy Production sector is expected to increase the availability and use of renewable energy, firmed by storage and backed up by gas-powered generation. This shift will need to be supported by the development of transmission and distribution infrastructure. Policy shifts may be required to enable infrastructure roll-out.

Other key sectors, such as the Commercial Property, Residential Real Estate, Mining and Industrials sectors also have an opportunity to leverage on-site renewable generation to reduce their scope 2 emissions.

### ELECTRIFICATION AND FUEL SWITCHING

Electrification of operations across all sectors of the Australian and New Zealand economies will significantly increase electricity demand. The speed of electrification will likely need to be balanced with the capacity and reliability of the electricity system and supported by behavioural strategies like demand management.

The Industrials sector will rely on both electrification and fuel switching to transition process heat away from natural gas. In some low-heat circumstances (<400°C), electric heat generation and new technologies such as heat bricks may enable fuel switching away from gas. Research and development continue to identify alternatives to medium (400°C-1,000°C) and high (>1,000°C) heat processes which enable the production of glass, chemicals, bricks, and other materials.

Additionally, the Residential Real Estate and Commercial Property sectors have an opportunity to reduce their scope 1 emissions through switching natural gas appliances and equipment for electric alternatives, such as cooking appliances and water and space heating equipment.

### ENERGY AND OPERATIONAL EFFICIENCY UPGRADES

Upgrading existing appliances and equipment as they reach end of life presents an opportunity to reduce energy demand. Upgrades to equipment required for production, heating, and lighting will play a vital role in decarbonising the Industrial, Commercial Property and Residential Real Estate sectors.

Upgrading old housing and commercial building stock with improved insulation and heat recovery will support reduced emissions and energy demand. While these upgrades are available today, financial feasibility often limits adoption.

The Industrials and Consumer Trade and Services sectors have opportunities to implement more efficient machinery, reducing both energy consumption and operating costs. Ongoing research and development into these upgrades are expected to result in implementation costs decreasing in the medium-term.

Finally, the Transport sector can actively avoid emissions through route optimisation, minimising inefficient transport movements across all transport modes. Land use planning that reduces reliance on car commutes and promotes active transport like walking and cycling supports this optimisation, avoiding emissions over short distances.

### VEHICLE ELECTRIFICATION AND LOWER CARBON FUEL USE

The Transport and Mining sectors have opportunities to decarbonise through vehicle electrification and switching to lower carbon fuel alternatives. While the development of lower-emissions vehicles relies on technology developed across the Industrial sector, users of this technology have an important role to play in supporting the Industrial sector by adopting new technology across their operations.

The Transport sector may initially electrify through the roll-out of electric or hybrid light vehicles. Medium and heavy vehicles used for haulage and mass transit are expected to electrify as technology becomes widely adopted in the 2030s.

Across the Mining and Agriculture sectors, development of heavy vehicle electrification continues to progress. Low carbon fuels and support for alternative-fuel research and development will play an important role in supporting short-term decarbonisation of medium and heavy vehicle use.

### CARBON CAPTURE, USE AND STORAGE (CCUS) AND FUGITIVE EMISSIONS REDUCTION TECHNOLOGIES

Some industries may face major technological challenges to decarbonise. Where switching to lower-carbon energy sources is not technologically or financially feasible, development and implementation of CCUS technology may be required.

Significant progress is being made in developing technology which can identify fugitive methane leaks from oil and gas extraction and distribution, with an increasing onus on oil and gas companies to reduce and repair these leaks.

# PARTNERING WITH CUSTOMERS TO DECARBONISE

## Our approach to partnering with customers and addressing our financed emissions

**We are committed to partnering with customers to help them achieve their decarbonisation goals through customer and industry-wide engagement, sustainable finance solutions, products and services.**

## TARGET

### ACHIEVE OUR 2030 SCOPE 3 FINANCED EMISSIONS SECTOR TARGETS

Westpac has established targets for a selection of our downstream scope 3 financed emissions. These targets focus on emissions-intensive sectors. A summary of our financed emissions sector targets is provided as an appendix to the CTP. Progress towards our targets is provided in our annual sustainability disclosures.

## TARGET

### $55 BILLION IN SUSTAINABLE LENDING AT 30 SEPTEMBER 2030[a]

### $40 BILLION IN SUSTAINABLE BOND FACILITATION BETWEEN 1 OCTOBER 2021 AND 30 SEPTEMBER 2030[b]

a. Target is based on Total Committed Exposure (or outstanding) at a point in time
b. Target is based on our share of the cumulative value of bonds facilitated between 1 October 2021 and 30 September 2030

Our Sustainable Finance Targets track progress towards financing green, transition, social and sustainability activities[1], as guided by our Sustainable Finance Framework (SFF).

## ASPIRATION

### TRANSITION OUR LENDING PORTFOLIOS TO SUPPORT THE GOALS OF THE PARIS AGREEMENT

Over time, we aspire to transition our lending at a portfolio level to support the goals of Article 2 of the Paris Agreement, to hold global temperature rise this century to well below 2°C above pre-industrial levels, while pursuing efforts for 1.5°C[2]. Westpac's approach to customer engagement and financing seeks to support emissions reduction initiatives and indirect activities which enable economy-wide decarbonisation.

## Related metrics

We continue to report progress against our financed emissions sector targets and Sustainable Finance Targets within our annual sustainability disclosures.

| Targets | Metrics |
| --- | --- |
| Achieve our scope 3 financed emissions sector targets | • Percentage reduction in emissions relative to target baselines |
| Achieve our 2030 Sustainable Finance Targets | • $TCE or balance of sustainable lending<br>• Cumulative amount of sustainable bond facilitation |

1 Our approach to defining sustainable finance activities is set out in our Sustainable Finance Framework.
2 Article 2(a) of the Paris Agreement to the United Nations Framework Convention on Climate Change.

# PARTNERING WITH CUSTOMERS TO DECARBONISE

## Westpac's customer engagement approach

**CUSTOMER ENGAGEMENT**
We recognise each customer's transition pathway is different and will require varied support to contribute to an orderly transition to a net-zero economy. We are engaging with customers across segments of our portfolio to understand their approach to decarbonisation and identify opportunities where Westpac can provide support. Insights from this engagement inform our sustainability priorities for different sectors, such as sustainable finance solutions, products and services.

Our customers are also at different stages of their decarbonisation journey. Understanding customer progress informs our engagement approach and the insights we provide. Ad hoc climate-related discussions with customers can identify product or service solutions that meet customer needs, while more structured customer engagement on some institutional customers' CTPs lets us share insights and better understand customer decarbonisation strategies.

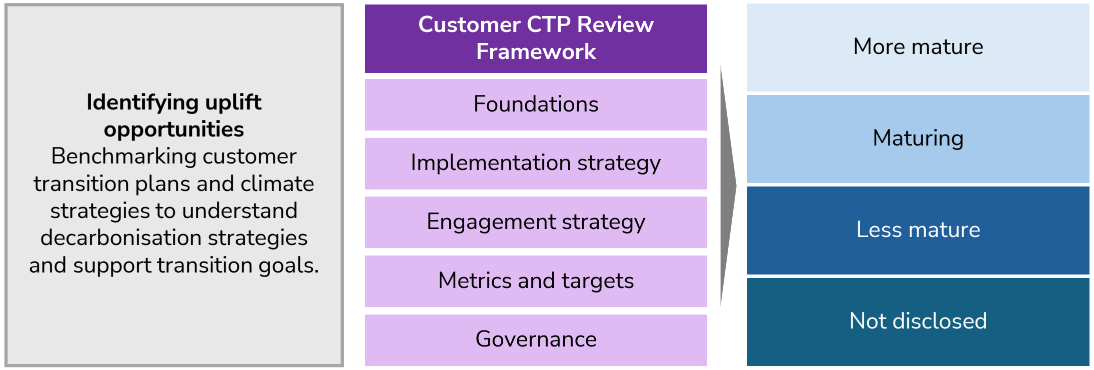
The breadth of our customer base across the economy enables us to bring cross-sector insights to conversations with customers, further supporting the co-ordination required to achieve an orderly transition. For example, customers in the consumer goods sector are increasingly interested in low-emission transport options for their supply chains but may lack visibility of when solutions will become available. By engaging with transport sector clients, we have gained and shared valuable insights into the timeframe for adoption of electric vehicles and the use of low-emission fuels in freight operations.

Our engagement with customers also seeks to understand how we can support progress towards a just transition for our most impacted customers and regions, as outlined in Westpac's just transition approach in the Interconnection section of our CTP.

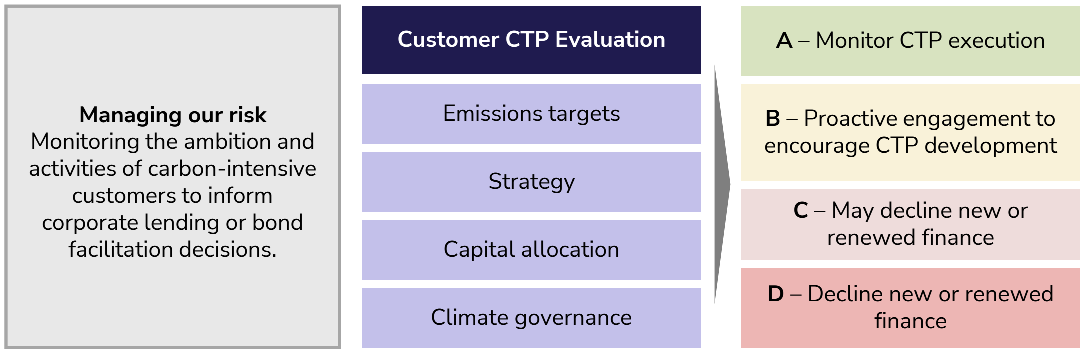
**ENGAGING ON CUSTOMER TRANSITION PLANS AND CLIMATE STRATEGIES**
We have two complementary approaches to customer transition plan and climate strategy engagement. Our first is targeted engagement with select customers on their transition plans and climate strategies to share insights. Our second is engaging to inform lending and bond facilitation decisions as part of our Sustainability Customer Requirements for customers in carbon-intensive sectors.

The topics covered when we engage on customer transition plans and climate strategies are tailored based on where a customer is in their decarbonisation journey. We are increasingly focusing on the detail within our customers' decarbonisation strategies, in addition to continued consideration of their targets.

**Targeted Engagement**: We proactively engage with some institutional customers on their transition plans and climate strategies, providing insights on industry best practice and broader sustainability trends, and benchmarking customer disclosures against our Customer CTP Review Framework.




**Carbon-Intensive Sector Requirements**: For some customers in carbon-intensive sectors we undertake Customer CTP Evaluations to inform lending decisions and manage our sustainability risks. The carbon-intensive sectors section of our Sustainability Customer Requirements details when we undertake these evaluations and the actions we will take when we identify that a customer's practices are inconsistent with our expectations.



# PARTNERING WITH CUSTOMERS TO DECARBONISE

### INDUSTRY-LEVEL ENGAGEMENT

Westpac is engaging with some customers via industry bodies, facilitating and participating in industry events to provide decarbonisation insights and capabilities to customers. We are identifying opportunities to work with industry organisations to understand the challenges that our customers face and develop opportunities to help them respond.

Industry engagement is particularly helpful to enable development of common knowledge, skills and capability to address industry-wide decarbonisation challenges.

## Supporting customer decarbonisation through industry-level engagement

**Work to date:** Our ongoing industry-level engagement has identified that some segments of our lending portfolio face challenges in calculating their carbon footprint. To help resolve this, we have sought to connect customers with resources and tools to help them prepare emissions reporting while decarbonising their business.

**Future action:** We aim to work with customers where they face challenges in developing their own decarbonisation goals, including identifying resources which utilise common data, methodologies and emissions factors for sectors. This may assist customers to prepare their emissions data estimates to meet stakeholder requirements more efficiently, allowing our customers to focus on undertaking actions that will accelerate the decarbonisation of their business.

### FINANCING THE TRANSITION

Significant investment is needed to help transform all sectors of the economy. We are focused on providing the products and services that best meet customers' needs to decarbonise and contribute to the broader transition. Where appropriate, we partner with customers to finance feasible emissions reductions initiatives which support their decarbonisation goals.

Our SFF underpins our Sustainable Finance Targets and helps us play our part in financing and facilitation of sustainable activities that contribute to climate, environmental and social outcomes.

Our SFF sets out how we assess, monitor and report on financing and facilitation of green, transition, social and sustainability activities[1] which support the goals of the Paris Agreement. This includes our classification of sustainable finance transactions using our Sustainable Finance Taxonomy. The SFF helps to provide transparent, credible and comparable standards that together support action that aims to align capital allocation with sustainability objectives.

We are also a member of the Australian Sustainable Finance Institute (ASFI) and continue to collaborate with Government to harmonise our Sustainable Finance Taxonomy and national taxonomies as they continue to develop. We expect the SFF to be reviewed periodically and expanded with additional sectors and/or Sustainable Finance Taxonomy criteria as required over time.

We will also consider how we can support research, development and early adoption of emissions reduction technology.

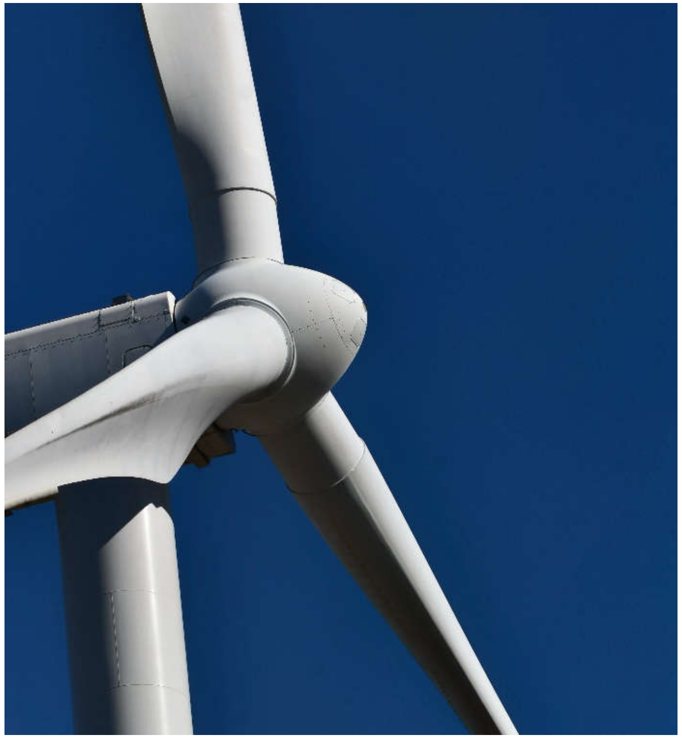
Where possible, we will continue to identify partners to support transition finance. This may include partnering with governments (for example the Clean Energy Finance Corporation) to offer lower-cost loans that support our customers' decarbonisation goals.

We also recognise the role that carbon credits will play in achieving net-zero. Where appropriate, we facilitate the purchase of quality carbon credits and certificates to support our customers' decarbonisation goals.

## Transitioning our lending portfolios to support the goals of the Paris Agreement

**Work to date:** Westpac has set financed emissions sector targets aligned with a 1.5°C or well below 2°C trajectory. Progress towards meeting these targets is helping parts of our lending portfolios support the goals of the Paris Agreement.

**Future action:** We aim to continue partnering with customers to achieve their sustainability goals, providing financing and facilitation of sustainable activities by applying our Sustainable Finance Framework. This includes labelled and unlabelled lending and bond facilitation activities across corporate, business and consumer portfolios, or access to capital markets.



1 Our approach to defining sustainable finance activities is set out in our Sustainable Finance Framework.

# SUPPORTING OUR CUSTOMERS' PHYSICAL RESILIENCE

**Becoming a climate resilient bank includes taking a risk-based approach to understanding our lending portfolio and customers' exposure and vulnerability to climate change. Worsening extreme weather events will have broader implications for asset values and economic productivity, which in turn makes it harder for communities and businesses to adapt and recover. To support customers to adapt, we engage and offer products and services that may reduce potential climate impact and improve resilience.**

## CLIMATE-RELATED RISKS AND OPPORTUNITIES

### RISK

- Acute and chronic physical risk impacts to our customers' facilities, properties, operations, or supply chains.
- Failure to recognise or address climate change risks or opportunities.

### OPPORTUNITY

- Improving customer relationships.
- Increase revenue streams by developing and providing climate-related products and services for customers.

## Understanding resilience in our portfolio

### ASPIRATION

#### ADOPT A PORTFOLIO-WIDE VIEW OF EXPOSURE AND VULNERABILITY TO PHYSICAL CLIMATE RISKS

We are strengthening our understanding of the physical risk exposure and vulnerability of our portfolio by undertaking risk analysis, informed by climate analytics data. We consider a range of climate hazards, such as floods, bushfires and cyclones, and contributory risk information such as building attributes and flood defences.

Metrics play an important role in informing our view of portfolio exposure, as well as providing an opportunity to share insights with customers which may help them manage risk and make their business more resilient. We monitor the proportion of our current Australian mortgage portfolio likely to be exposed to higher physical risks, and New Zealand residential mortgages, commercial property and agriculture lending exposed to rainfall flood risk.

We are developing additional metrics in parts of our Australian Agriculture and Retail portfolios. This analysis includes information on potential productivity implications for some customers through measures such as business outages and agricultural crop yields. Climate scenarios are embedded within this analysis, enhancing our ability to anticipate and respond to potential physical climate-related risks customers may experience.

Understanding vulnerability means identifying how people, assets and operations can be affected by climate-related hazards, their capacity to adjust, respond and recover, and the resulting impacts on customers and lending portfolios. We will further this understanding as part of our engagement with customers and broader community as outlined in our just transition approach in the Interconnection section of the CTP.

## Financing and engagement for customer resilience

We recognise that customer resilience can be strengthened through communities working together and building strong relationships. We use the disaster management cycle framework (next page) to outline our role in supporting customers to adapt and prepare for climate-related events, respond during an event, and recover afterwards.

## Related metrics

As our understanding of the physical resilience of our portfolio improves, we will seek to identify metrics which support our climate ambition to become a climate resilient bank. We will initially monitor and report against the following metrics in Westpac's annual sustainability disclosures.

| Aspiration | Metrics |
|---|---|
| Adopt a portfolio-wide view of exposure and vulnerability to physical climate risks | • Percentage of the current Australian retail mortgage portfolio likely to be exposed to higher physical risks<br>• Percentage of current New Zealand retail mortgage portfolio vulnerable to rainfall flood risk<br>• Percentage of current New Zealand commercial real estate lending portfolio vulnerable to rainfall flood risk<br>• Percentage of current New Zealand agricultural lending portfolio vulnerable to rainfall flood risk |

# SUPPORTING OUR CUSTOMERS' PHYSICAL RESILIENCE

## ACTIONS WE ARE TAKING TO SUPPORT CUSTOMER RESILIENCE ACROSS THE DISASTER MANAGEMENT CYCLE

### Provide customers with hazard risk insights

We are exploring how we can use physical risk information to support customers adapt and prepare for climate-related events, including understanding customer appetite for "opt-in" climate hazard exposure awareness information for homeowners, based on national data.

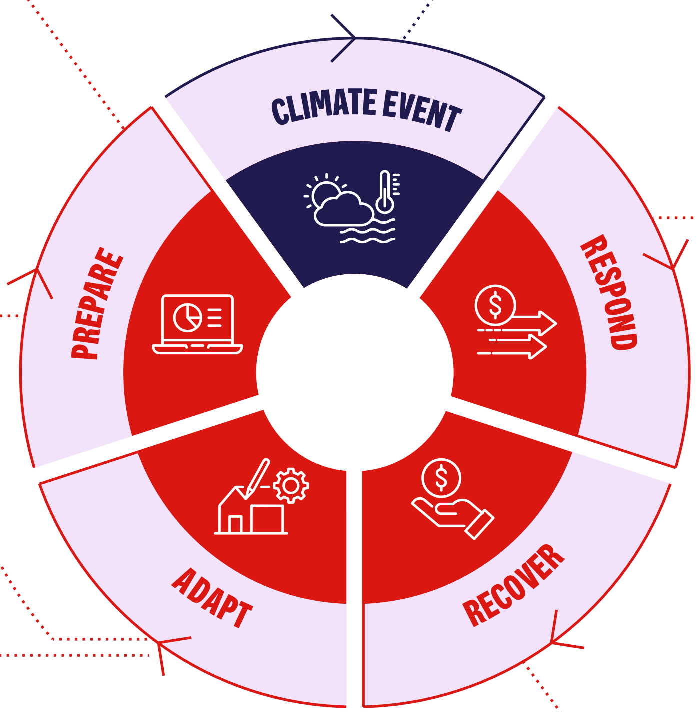
We will also work with Australian and New Zealand industry leaders and government to improve access to hazard risk information for customers across a range of our lending portfolios.

### Support customer and community awareness of climate-related insurance impacts

Insurance can help reduce the financial impact of extreme weather events. Rising premiums may place affordability stress on customers and could expose some customers to significant financial losses from under or lack of insurance. We seek to improve awareness of climate-related insurance impacts as outlined in the Advocacy section of this CTP.

### Explore expansion of resilience finance offerings

We aim to build an understanding of customers' adaptation needs and use these insights to explore opportunities to improve our resilience offerings. This includes expanding our Sustainable Upgrades Home Loan, NZ Sustainable Farm Loan, Sustainable Business Loan and other products in line with Westpac's Sustainable Finance Framework, where appropriate.




### During an event

We aim to be available to customers if they need us during extreme weather events. We outline the actions we take to remain available to customers in the Climate resilient operations section of this CTP.

### Financial hardship support

Disasters can place financial burdens on businesses and communities. We remain committed to providing financial support to customers who are experiencing climate-related hardship. This may include providing disaster relief packages and community grants for Australian customers. Our New Zealand customers are also supported through a range of financial support initiatives.

### Recovery

The recovery from impacts of climate-related events often extends months or years beyond the occurrence of an event. We seek to identify opportunities to financially support customers throughout this recovery.

# INTERCONNECTION

**The CTP takes a systems-level view that considers Westpac's positions on human rights and natural capital and the interconnected risks and opportunities related to climate, human rights and nature.**

### INCLUSIVE

Collaborate and partner with customers, industry and government to create opportunities.

### ORDERLY

Address the demand for investment in green, transition and social transactions[1] and limit unintended impacts.

### FAIR

Consider fairness and social equity in business practices and engagement.

### PLACE-BASED

Tailor approaches to the needs of communities and regions to respect human rights.

### ENABLE AN ORDERLY AND JUST TRANSITION

Understand how we can engage and support institutional and business customers' progress towards a just transition, including considerations for First Nations peoples.

### SUPPORT HIGHLY IMPACTED REGIONS

Contribute to the continued prosperity of regional communities. Provide insights and identify products to support economic stability and assistance to our more impacted customers.

### BUILD GREATER RESILIENCE

Advocate for impacted customers to prepare for and respond to the physical impacts of climate change.

1 Westpac's approach to defining sustainable finance activities is set out in our Sustainable Finance Framework

2 New Zealand Government, Ministry for the Environment. (2024). Managed retreat.

## Actively shaping a just transition through meaningful customer and community engagement

The cost of extreme weather events disproportionately impacts those most vulnerable. The broader transition to a net-zero economy also brings structural economic shifts with the potential to deepen existing social inequalities.

At Westpac, we seek to support those more impacted by both extreme weather events and transitioning to a net-zero economy. Achieving our climate ambition requires meaningful engagement with customers and communities who are highly impacted, to gain insight into their needs and challenges and how we can actively shape a just transition.

The approach on the left outlines how we are considering the principles of inclusive, orderly, fair and place-based in the way we do business, across three action areas: enable an orderly and just transition, support highly impacted regions and build greater resilience.

Some of Westpac's divisions may only focus on certain actions within our approach to supporting a just transition. Each division prioritises the areas where they can make the greatest impact for their customers and the regions in which they operate.

## Westpac New Zealand's Adaptation Planning Program

**Work to date**: Westpac New Zealand is proactively advocating for robust and durable legislation and has commenced an Adaptation Program that seeks to enhance its ability to proactively manage associated risks.

With climate impacts intensifying, the New Zealand Government estimates that $145 billion in New Zealand assets are already exposed to extreme flooding[2]. In response, the New Zealand Government is developing adaptation legislation which seeks to regulate risk identification, adaptation planning and funding processes.

This legislation could have significant financial implications for Westpac New Zealand and its customers, including managed retreat strategies to relocate homes, businesses, and culturally significant sites out of harm's way.

**Future work:** As part of the Program, Westpac New Zealand plans to enhance frontline banker risk awareness and improve data capabilities for risk management. We will continue to proactively advocate for adaptation policy that provides sufficient certainty for the financial sector to continue supporting areas of heightened risks. We will also provide insights that improve stakeholder understanding of the social and financial implications of adaptation.

# INTERCONNECTION

## Nature-based solutions

Ecosystem and biodiversity deterioration is reducing the planet's capacity to remove carbon dioxide from the atmosphere, while also making communities and organisations more vulnerable[1]. This has the potential to impact more than half of the world's economy which is moderately or highly dependent on nature and its services[2].

It is increasingly clear that achieving our climate and nature ambitions requires us to consider how related risks and opportunities interact. By understanding these connections, we can respond more effectively. Nature-based solutions offer broader benefits to mitigate climate change through increasing greenhouse gas sinks in land, ocean, and freshwater sources, and supporting adaptation through flood defences or respite during heat waves[3].

As a major bank, Westpac can play a role in partnering with customers to finance efforts to conserve nature and reduce natural capital loss, while enhancing decarbonisation and resilience efforts.

We aim to work with select customer groups to better understand the impact that nature-based solutions can have in reducing their GHG emissions and improving climate resilience. To enable this, common industry-accepted methodologies will be required to quantify nature-based GHG emission removals.

As part of our SFF, we also aim to finance activities that support sustainable land use, natural resources and biodiversity, improved living standards and inclusive and sustainable communities.

We continue to monitor developments and evolve our approach in line with emerging methodologies, market expectations and regulatory guidance.


1 IPCC. (2022). Special report on climate change and land.
2 World Economic Forum. (2020). The New Nature Economy Report.
3 Finance for Biodiversity Initiative. (2024). Climate Nature Nexus Implications for Financial Sector

# ADVOCACY

**Many of our customers face complex challenges in reducing GHG emissions and building climate resilience. Addressing these issues requires broader, system-wide action. Westpac supports a coordinated policy approach and is committed to advocating for an orderly, economy-wide transition to net-zero and increased investment in climate adaptation measures.**


### ADVOCATING FOR POLICY WHICH SUPPORTS AN ORDERLY TRANSITION

We are working with Australian finance industry bodies and policymakers to define the financial sector's role in scaling lower-carbon technologies for an orderly transition to a net-zero economy. Our areas of focus are:

- Energy policy that delivers an affordable, reliable and lower-carbon transition.
- A policy environment which supports the transition of hard-to-abate industries and recognises the importance of those industries to the Australian economy.
- Transition and sustainable financing solutions and policies through industry forums.
- Promotion of a fair and just transition, with a focus on highly impacted regions.
- Support for the development of finance initiatives for nature-based solutions.

Further, in New Zealand we engage with industry and government to shape the public policy response, including policy that incentivises decarbonisation and is stable and durable to provide investment confidence, both individually and as part of industry bodies e.g. New Zealand Banking Association.

### ADVOCATING FOR COORDINATED POLICY RESPONSES TO INCREASE CLIMATE ADAPTATION

We aim to engage with Australian and New Zealand governments and industry to encourage system-wide resilience that reduces physical climate risk to homes, businesses, and communities. Our areas of focus are:

- Engaging across the financial sector to share climate hazard risk information and improve insurance access and affordability.
- Improved quality of data related to localised and shorter-term climate scenarios, and a national peril data set.
- Improved consideration of physical climate risks in Australian land use planning and housing construction standards.
- Durable legislative frameworks to undertake and fund adaptation in New Zealand.
- Support for highly impacted and vulnerable communities most exposed to climate change to prepare, respond, and recover from climate-related events.

### REVIEW OF INDUSTRY ASSOCIATIONS

We undertake periodic reviews of our climate and energy positions as well as positions of key industry associations of which we are members.

Westpac's membership in industry associations does not prevent us from taking different policy positions, particularly where we believe our position better serves the interests of our customers, shareholders, employees and the broader economy.

When our position significantly diverges from that of an industry association, we seek to engage directly with its leadership to gain a deeper understanding of the rationale and nature of those differences.

Our approach is guided by our Principles of Engagement which are available on our website.

# ENABLERS

**Westpac's CTP is underpinned by three key enablers: expanding our people's climate capabilities, improving the capture and use of climate data, and managing climate-related risks.**

### Banker capability program

**Work to date:** We are equipping our people with the knowledge and capability to understand and respond to climate-related risks and opportunities. Our capability uplift program provides educational content on transition planning, sector-based insights and broader sustainability topics, using interactive learning pathways designed to meet diverse learning needs of our people.

The program aims to help employees and bankers have the confidence and clarity to support customers in decarbonising and building resilience.

**Future work**: We will continue implementing the capability uplift program and deliver climate masterclasses to help our people to integrate sustainability into everyday business practices.

## Climate Data

There are industry-wide challenges for the financial sector in accessing complete, comparable and high-quality data on operational and financed emissions, climate performance, and climate scenario data and modelling.

We utilise proxy data from third parties where upstream scope 3 and financed emissions data is not available. We are evolving our capabilities to capture climate-related data as our customers and supply chain improve the measurement of their climate impacts, risks and opportunities.

We expect mandatory climate-related financial disclosures in Australia and New Zealand to drive greater transparency in emissions reporting across the economy. As reporting standards evolve, we are refining our methodologies to enhance our data quality and governance.

## Climate Capability

Building and maintaining sustainability and climate knowledge across all levels of the organisation starts at Board level. We provide our Board with training to help understand climate risks and opportunities and how they relate to our strategy. This enhances the role sustainability and climate play in our overall business strategy and how we manage risk. Our Board capability is described in the Board Skills Matrix in our Annual Report and Board oversight is described in our Sustainability Report.

We support our employees to understand the importance of taking climate action now, equipping them with the skills to respond to customer needs and reduce their own emissions. Targeted training and practical tools assist in providing our people with the required knowledge to identify climate-related risks and opportunities, communicate insights and solutions to customers, and contribute to our broader climate ambition.

## Climate Risk

Effective climate risk management is a critical enabler of our CTP. Managing climate risks in coordination with other material financial and non-financial risks will enable Westpac to better support our customers' decarbonisation journey and their own climate risk management.

Using our climate analytics capability, we look at changes in the climate system and apply scenarios to model plausible future pathways. Recognising that interactions between the climate system and human behaviour are complex and uncertain, climate scenario analysis helps us navigate the uncertainty of climate risk and consider trade-offs.

We are applying climate scenario analysis for transition and physical risk within our Australian stress testing processes to understand the potential impacts of climate change on our financial position. We are also assessing our own climate resilience against climate scenarios.

We are monitoring high transition and physical risk sectors of our lending portfolios as a proportion of overall credit exposures, and in Australia will further develop bespoke scenarios that are aligned to portfolio exposures and provide more relevant outputs for decision making.

Further details on our progress in understanding climate risks are provided as part of our annual sustainability disclosures.

# APPENDIX

## CONTENTS

# FINANCED EMISSIONS SECTOR TARGETS

| WESTPAC SECTOR | 2030 INTERIM TARGET AND MEASURE[a] | BASE-LINE (YEAR) | TYPE OF TARGET | TEMPERATURE ALIGNMENT[a] |
|---|---|---|---|---|
| **Power generation** | Reduce scope 1 and 2 emissions intensity by 62% to 0.10 $tCO_2$-e/MWh | 0.26 $tCO_2$-e/MWh (2021) | Intensity | 1.5°C |
| **Upstream Oil and Gas** | Reduce absolute scope 1, 2 and 3 financed emissions by 23% to 7.1 $MtCO_2$-e | 9.2 $MtCO_2$-e (2021) | Absolute | 1.5°C |
| **Thermal coal mining** | Reduce absolute scope 1, 2, and 3 financed emissions by 100% to zero[b] | 2.46 $MtCO_2$-e (2021) | Absolute | 1.5°C |
| **Aviation (passenger aircraft operators)** | Reduce scope 1 emissions intensity by 60% to 76.4 $gCO_2$-e/passenger km | 190.6 $gCO_2$-e/passenger km (2021) | Intensity | 1.5°C |
| **Cement production** | Reduce scope 1 and 2 emissions intensity by 14% to 0.57 $tCO_2$-e/tonne of cement produced from in-house produced clinker | 0.66 $tCO_2$-e/tonne (2021) | Intensity | 1.5°C |
| **Steel Production** | Reduce scope 1 and 2 emissions intensity to 1.42 $tCO_2$-e/tonne of crude steel produced | Not Reported (2021) | Intensity | Well below 2°C |
| **Aluminium** | Reduce scope 1 and 2 emissions intensity to 10.35 $tCO_2$-e/tonne of primary aluminium produced | Not Reported (2023) | Intensity | 1.5°C |
| **Commercial Real Estate (Offices)** | Reduce scope 1 and 2 emissions intensity for Australian and New Zealand offices by 59% to 25 $kgCO_2$-e/$m^2$ net lettable area | 60 $kgCO_2$-e/$m^2$ net lettable area (2022) | Intensity | 1.5°C |
| **Residential Real Estate (Australia)** | Reduce scope 1 and 2 emissions intensity by 56% to 15.2 $kgCO_2$-e/$m^2$ attributed floor area | 34.6 $kgCO_2$-e/$m^2$ attributed floor area (2022)[c] | Intensity | 1.5°C |
| **Australia Beef and Sheep** | Reduce scope 1 land management emissions intensity by 9% to 20.66 $tCO_2$-e/tonne of Fresh Weight (FW) | 22.62 $tCO_2$-e/tonne of FW (2021) | Intensity | 1.5°C |
| **Australia Dairy** | Reduce scope 1 land management emissions intensity by 10% to 0.85 $tCO_2$-e/tonne of Fat Protein Corrected Milk (FPCM) | 0.95 $tCO_2$-e/tonne of FPCM (2021) | Intensity | 1.5°C |
| **New Zealand Beef and Sheep** | Reduce scope 1 land management emissions intensity by 9% to 18.0 $tCO_2$-e/tonne of FW | 19.8 $tCO_2$-e/tonne of FW (2021) | Intensity | 1.5°C |
| **New Zealand Dairy** | Reduce scope 1 land management emissions intensity by 10% to 0.77 $tCO_2$-e/tonne of FPCM | 0.86 $tCO_2$-e/tonne of FPCM (2021) | Intensity | 1.5°C |

a. Additional detail on targets, including calculation methodologies, scope, boundary, and other assumptions are provided in the Appendix to the Westpac 2025 Sustainability Report.
b. In FY24, we updated the Thermal Coal Mining target boundary to align with Version 2 of the NZBA Guidelines for Climate Target Setting for Banks, released April 2024. The boundary has been updated for the following: excludes dominant metallurgical coal mines that produce a thermal coal by-product; excludes diversified miners that produce a thermal coal product where their dominant activity is not thermal coal.
c. For the Residential Real Estate target, baseline and FY23 progress metrics are as at 31 August. FY24 progress metric is as at 30 September.

# GLOSSARY

**Carbon credit –** An emissions unit that is issued by a carbon crediting programme and represents an emission reduction or removal of greenhouse gases. Carbon credits are uniquely serialised, issued, tracked and cancelled by means of an electronic registry.

**Climate resilient bank** – As defined by the Australian Accounting Standards Board S2 Climate-related Disclosures Standard: A climate resilient entity has the capacity to adjust to climate-related changes, developments or uncertainties. It involves the capacity to manage climate-related risks and benefit from climate-related opportunities, including the ability to respond and adapt to climate-related transition risks and climate-related physical risks. The bank's climate resilience includes both its strategic resilience and its operational resilience to climate-related changes, developments and uncertainties.

**Climate system –** Encompasses the atmosphere, hydrosphere, cryosphere, lithosphere, and biosphere, and how they interact to influence Earth's climate.

**$CO_2$-e –** Carbon dioxide equivalent. The amount of $CO_2$ emissions that would cause the same integrated radiative forcing or temperature change, over a given time horizon, as an emitted amount of a GHG or mixture of GHGs.

**Decarbonise –** The act of reducing GHG emissions compared to current state. It does not necessarily imply achieving zero GHG emissions.

**Energy attribute certificates (EACs) –** Standardised, tradable instruments issued to a unit of generation (generally, one MWh) which are used to aggregate and track energy attributes. Depending on the system that issues them and the market where they are used, corporate buyers may purchase them bundled with or unbundled from the underlying generation to secure the property rights to energy attributes. EACs are often interchangeably referred to as Renewable Energy Certificates (RECs).

**Financed Emissions –** The portion of gross greenhouse gas emissions of an investee or counterparty attributed to the loans and investments made by an entity to the investee or counterparty. These emissions are part of Scope 3 Category 15 (investments) as defined in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).

**Greenhouse gas (GHG) emissions –** For Westpac's purposes, this includes the seven greenhouse gases listed in the Kyoto Protocol aggregated as $CO_2$-equivalent, unless stated otherwise.

**GHG removals –** Activities with GHG emission mitigation potential, including natural and engineered solutions.

**Lower carbon fuels –** Energy sources that produce significantly less GHG emissions compared to traditional fossil fuels like petrol and diesel.

**MWh –** Megawatt-hour.

**Nature-based solutions –** Actions that address societal challenges, including climate change, through the protection, sustainable management and restoration of ecosystems.

**Net-zero –** A state in which GHG emissions released into the atmosphere are balanced by an equivalent amount of GHG emissions removed from the atmosphere.

**Renewable electricity –** Electricity derived from natural energy sources (for example, hydro, wind, solar) that are replenished at a higher rate than they are consumed.

**Scope 1 GHG emissions –** Our direct GHG emissions from owned or controlled facilities (such as refrigerants, stationary energy (natural gas, diesel, LPG), transport energy, and fleet fuels).

**Scope 2 GHG emissions** – Our indirect GHG emissions associated with the generation of electricity we have purchased.

**Scope 3 financed emissions –** Indirect GHG emissions (not included in scope 2) associated with our financing activities. For Westpac, these are our share of the GHG emissions of our lending customers.

**Scope 3 upstream GHG emissions –** Indirect GHG emissions (not included in scope 2) that occur in Westpac's upstream value chain.

**Sustainable finance –** Transactions assessed pursuant to Westpac's Sustainable Finance Framework as qualifying for inclusion in our Sustainable Finance Targets.

**Total committed exposure (TCE)** – For financial reporting purposes, TCE represents the sum of the committed portion of direct lending (including funds placement overall and deposits placed), contingent and pre-settlement risk plus the committed portion of secondary market trading and underwriting risk.

# DISCLAIMER

The information in this document is general information about the Group and its activities as at the date of this Climate Transition Plan unless otherwise stated herein. 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 document 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 document contains climate-related statements and 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 document 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 document. Such statements are subject to the same limitations, uncertainties, assumptions and disclaimers in this document. 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 convey the prospective nature of events or outcomes and generally indicate forward-looking statements. These forward-looking statements reflect our current best estimates, judgements, assumptions and views as at the date of this document with respect to future events and are subject to change, certain known and unknown 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 and/or the Board’s current expectations, understandings or beliefs concerning future developments and their potential effect upon us.

Although management and/or the Board 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. There is a risk that the best estimates, judgements, assumptions, views, models, scenarios, projections used may subsequently turn out to be incorrect. 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 (noting that climate and sustainability science, standards, methodologies and reporting are subject to rapid change and development). 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 document, our 2025 Sustainability Report and in the section titled 'Risk Management' in our 2025 Annual Report, as well as the 2025 Risk Factors document 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. These statements are not guarantees or predictions of future performance and Westpac gives no representation, warranty or assurance (including as to the quality, accuracy or completeness of this document), nor guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur. When relying on forward-looking statements to make decisions with respect to us, investors and others should carefully consider such factors and other uncertainties and events, and the judgments and data presented in this document are not a substitute for investors and other readers’ own independent judgements and analysis. Investors and others should also exercise independent judgement, with the advice of professional advisers as necessary, regarding the risks and consequences of any matter contained in this document. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements, whether as a result of new information, future events or results or otherwise, is disclaimed. Except as required by law, we assume no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, after the date of this document.

## CONTACT

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