

A photograph of a wind farm on a rolling hill at sunset. The sky is filled with soft, colorful clouds in shades of orange, pink, and purple. Several wind turbines are visible, with the largest one in the foreground on the left. The ground is dark and appears to be a field or pasture.

2023 Green Tailored Deposit Update Report

 **W** GROUP

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Westpac Banking Corporation.

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1. DNV Code of Conduct is available from DNV website [dnv.com](https://www.dnv.com)

Accessibility support.

At any time, you can inform us how you would prefer to be contacted. If you are deaf and/or find it hard hearing or speaking with people who use a phone, you can reach us through the National Relay Service (NRS).

To use the NRS you can register by visiting infrastructure.gov.au/national-relay-service

Visit westpac.com.au/web-accessibility for further information on our accessible products and services for people with disability.

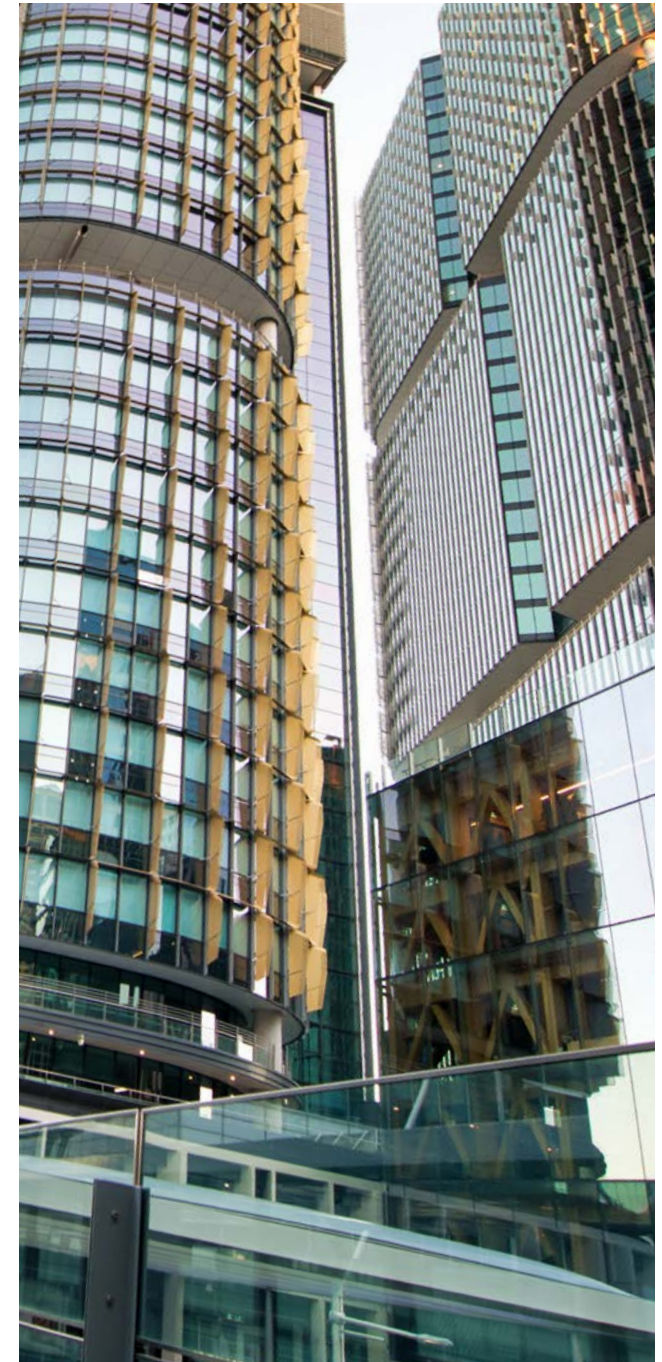
Westpac Climate Solutions.

Westpac recognises that climate change is a significant issue impacting the long-term prosperity of the global economy and our way of life. Westpac is committed to managing its business in alignment with the goals of the Paris Agreement and the need to transition to a net-zero emissions economy by 2050. This includes how the bank provides financial services, supports communities, operates facilities, engages on matters of policy, and contributes to industry initiatives.

Westpac acknowledges that its commitments to operate its business in line with the goals of the Paris Agreement mean that the bank must clearly set out expectations for its customers, recognising that Westpac's financing activity must align with activities that support efforts to keep a global temperature rise this century to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius.

Westpac recognises the important role the bank can play by supporting and participating in industry-based initiatives to progress collective action on climate change. Westpac was one of the core group of 30 'Founding Banks' that developed The Principles for Responsible Banking in 2019. These principles align the purpose of banking with society's goals as expressed in the United Nations (UN) Sustainable Development Goals (SDGs) and the Paris Agreement as part of a United Nations Environment Programme Finance Initiative (UNEP FI).

More information can be found in Westpac's Climate Change Position Statement and Action Plan available at [westpac.com.au/sustainability](https://www.westpac.com.au/sustainability)



Green Tailored Deposit & Use of Proceeds.

In November 2018, Westpac launched the world's first Climate Bonds Initiative-certified deposit product: The Westpac Green Tailored Deposit. The Westpac Green Tailored Deposit is a term deposit product that provides flexibility on a number of product variables, with investment proceeds being allocated to the financing or refinancing of eligible projects and assets conforming to the Climate Bonds Standard. Further information regarding how the balances of Green Tailored Deposits are associated with eligible assets and projects is set out in the product information document which is available directly from Westpac Financial Markets.

The Green Tailored Deposit Framework outlines Westpac's use of proceeds approach, which is the process for selection of assets and projects, management of proceeds and reporting. The Framework can be found online [here](#).

As at 30 September 2023, there were \$820.82m in customer deposits in the Green Tailored Deposit product, against a total green asset pool of \$2,676.08m. The assets in the pool qualified under the Climate Bonds Initiatives' (CBI) criteria for the following taxonomies:

- Low carbon buildings – commercial
- Low carbon transport – public passenger transport
- Energy – wind
- Energy – solar

Eligibility methodologies utilised by Westpac for the selection of assets and the attribution to the Green Tailored Deposit product balances are verified by an independent and CBI-approved verifier, DNV Business Assurance Australia Pty Ltd (“DNV”). Westpac's annual verification of the Green Tailored Deposit for 2023 – also verified by DNV – is available on the Westpac website and confirms the Green Tailored Deposit complies with version 3.0 of the Climate Bonds Standard.

This information and more can be found here:

westpac.com.au/corporate-banking/financial-markets/green-tailored-deposit/

Due to the sensitivity of information related to the assets and customers – and to protect privacy – general descriptions have been applied in lieu of specific or identifiable names.

Impact Reporting (as defined in version 3.0 of the Climate Bonds Standard) at the individual asset level has not been prepared and is not available for Westpac's Green Tailored Deposit.

More information on Westpac Group's approach to sustainability can be found here:

westpac.com.au/about-westpac/sustainability/

Full Asset Summary.

	30 Sep 2023
Deposits on Issue	\$820.82m
Nominated Assets/Projects Exposure	\$2,676.08m

Low carbon buildings – commercial.

Background.

The built environment is responsible for approximately 42% of annual CO₂ emissions, of which building operations are responsible for approximately 27% annually². For the global economy to be successful in limiting global warming to 2 degrees Celsius, early and rapid investment in the building sector to reduce greenhouse gas emissions is critical.

Eligibility.

The commercial property assets detailed below remain compliant with the CBI sector-specific technical criteria for low carbon buildings. Each low carbon building is assessed for its greenhouse gas emissions intensity against the applicable region-specific Low Carbon Trajectory threshold. Aggregation methodologies approved against the Climate Bonds Standard and verified by DNV are applied to portfolios of buildings. All buildings are located within Australia.

	Geographic Location	Remaining Weighted Average Portfolio Lifetime (Months)*	Assessed CBI Compliant Asset Value (\$M)
Asset 1 – Commercial property portfolio	ACT, NSW, QLD, VIC, WA	36.24	270.79
Asset 2 – Commercial property portfolio	ACT, NSW, QLD, VIC, WA	14.16	240.45
Asset 3 – Commercial property portfolio	NSW, QLD, VIC	49.32	144.68
Asset 4 – Commercial property portfolio	WA	10.56	132.90
Asset 5 – Commercial property portfolio	NSW, QLD, VIC, WA	44.40	131.41
Asset 6 – Commercial property portfolio	NSW, QLD, VIC	47.40	127.89
Asset 7 – Commercial property portfolio	ACT, NSW, QLD, VIC, WA	40.92	118.33
Asset 8 – Commercial property portfolio	ACT, NSW, QLD, SA, VIC, WA	45.24	91.56
Asset 9 – Commercial property portfolio	ACT, NSW, QLD, SA, VIC, WA	28.08	87.98

2. architecture2030.org/why-the-building-sector/



	Geographic Location	Remaining Weighted Average Portfolio Lifetime (Months)*	Assessed CBI Compliant Asset Value (\$M)
Asset 10 - Commercial property portfolio	NSW, QLD, VIC	36.48	70.14
Asset 11 - Commercial property portfolio	NSW, VIC	26.88	63.24
Asset 12 - Commercial property portfolio	ACT, NSW, VIC	40.68	47.51
Asset 13 - Commercial property portfolio	QLD	12.00	44.00
Asset 14 - Commercial property portfolio	QLD, WA	42.00	36.63
Asset 15 - Commercial property portfolio	NSW	18.00	32.11
Asset 16 - Commercial property portfolio	NSW, VIC	13.56	31.92
Asset 17 - Commercial property portfolio	VIC	9.00	17.55
Total			1,689.09

* Most projects are refinanced on a 5 yearly cycle, regardless of project lifetime. The Low Carbon Buildings portfolio has 32.29 months weighted average lifetime as at FY2023.

Low carbon transport – public passenger transport.

Background.

Motorised transport on land, sea and air remains dependent on internal combustion engines that generally run on fossil fuels. Transport generates more than one third of CO₂ emissions from all end-use sectors. Transport is one of the fastest growing end-use sectors in the world, growing at 1.7% annually from 1990 to 2022. Considerable investment in infrastructure to enable low and zero-emission vehicle operations will be needed to achieve these emission reductions³.

Eligibility.

Automatic eligibility under the CBI Low Carbon Transport Criteria financing a fully electrified metropolitan train fleet.

	Geographic Location	Remaining Weighted Average Portfolio Lifetime (Months)*	Assessed CBI Compliant Asset Value (\$M)
Asset 1 - Fully electrified rail fleet	NSW	72.12	217.34
Asset 2 - Fully electrified rail fleet	NSW	234.12	116.32
Total			333.66

* Most projects are refinanced on a 5 yearly cycle, regardless of project lifetime. The Low Carbon Transport portfolio has 128.59 months weighted average lifetime as at FY2023.

3. [iea.org/topics/transport](https://www.iea.org/topics/transport)



Energy - wind.

Background.

Renewable energy sources are at the centre of the transition to a less carbon-intensive and more sustainable energy system. Wind energy generation is currently the cheapest source of large-scale renewable energy⁴ and is one of the leading sources of clean energy generation in Australia⁵.

Eligibility.

The wind generation assets below remain compliant with the CBI Wind Sector Eligibility Criteria, specifically related to onshore wind energy generation facilities and dedicated transmission infrastructure and support facilities.

	Geographic Location	Remaining Weighted Average Portfolio Lifetime (Months)*	Assessed CBI Compliant Asset Value (\$M)
Asset 1 - Wind energy generation facilities	NSW, QLD, VIC	52.44	288.84
Asset 2 - Wind energy generation facilities	WA	24.00	46.92
Asset 3 - Wind energy transmission infrastructure	VIC	26.76	29.27
Total			365.03

* Most projects are refinanced on a 5 yearly cycle, regardless of project lifetime. The Energy - wind portfolio has 46.73 months weighted average lifetime as at FY2023.



4. cleanenergycouncil.org.au/resources/technologies/wind

5. cleanenergycouncil.org.au/resources/resources-hub/clean-energy-australia-report

Energy – solar.

Background.

In 2022, Solar Photovoltaic (Solar PV) energy generation demonstrated the largest generation growth of all renewable technologies worldwide, surpassing wind for the first time in history. Despite current higher investment costs due to elevated commodity prices, utility-scale solar PV is the least costly option for new electricity generation in a significant majority of countries worldwide⁶. Continued acceleration in solar PV uptake and development is crucial to limiting global warming to 2 degrees Celsius.

Eligibility.

Eligibility is assessed under the CBI Sector Criteria for Solar, specifically related to onshore solar electricity generation facilities.

	Geographic Location	Remaining Weighted Average Portfolio Lifetime (Months)*	Assessed CBI Compliant Asset Value (\$M)
Asset 1 – Solar energy generation facilities	NSW, QLD, SA	26.64	69.59
Total			69.59

* Most projects are refinanced on a 5 yearly cycle, regardless of project lifetime. The Energy - solar portfolio has 26.64 months weighted average lifetime as at FY2023.



6. [iea.org/reports/solar-pv](https://www.iea.org/reports/solar-pv)

Energy – wind and solar.

Background and Eligibility as per *Energy – wind* and *Energy – solar* pages.

	Geographic Location	Remaining Weighted Average Portfolio Lifetime (Months)*	Assessed CBI Compliant Asset Value (\$M)
Asset 1 – Solar energy generation facilities & Wind energy generation facilities	QLD, SA, TAS, VIC	57.84	218.71
Total			218.71

* Most projects are refinanced on a 5 yearly cycle, regardless of project lifetime. The Energy – wind and solar portfolio has 57.84 months weighted average lifetime as at FY2023.



Westpac acknowledges the traditional owners as the custodians of this land, recognising their connection to land, waters and community. We pay our respects to Australia's First Peoples, and to their Elders, past and present.

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