

Westpac Group Environment Policy

1. Context and purpose

Westpac Group provides consumer, business and institutional banking services along with wealth management, wealth administration and insurance services to customers across Australia, New Zealand and the region. We also maintain branches and offices in New York, London and throughout Asia.

As Australia's first bank and first company, we are focused on the future of this region. We believe that a successful future for our business depends on sustainability of the environments, communities and economies in which we operate, and we are recognised as a leader in sustainability nationally and internationally.

As a major financial institution, we can have an impact on the environment, both directly from our operations and indirectly through our value chain. We seek to manage our environmental impacts, risks and opportunities in order to reduce the cost of doing business, to enhance shareholder returns, and to protect and enhance the environment in which we operate.

We also recognise that as one of the largest companies in our region, we have the ability to influence others and have a broad role to play. In this regard, one of our priority areas designed to achieve more sustainable outcomes across our operating environment is to help find solutions to environmental challenges.

The purpose of this Environmental Policy is to create a framework for understanding and managing our direct and indirect environmental impacts, risks and opportunities, supporting and informing our broader leadership role.

2. Scope

This Environment Policy covers the Group's operations in all countries where we operate.

It includes, but is not limited to, our management of issues associated with climate change, pollution, water, biodiversity (also referred to as natural value) and resource scarcity.

3. Environmental compliance

We are committed to complying with, or exceeding, the requirements of environmental legislation relevant in all areas in which we operate.

4. Managing the direct environmental impacts of our operations

We are committed to managing our direct environmental impacts through the following activities:

- Monitoring, reducing and reporting on our energy use, greenhouse gas emissions, paper consumption, waste and water usage
- Certifying our business Carbon Neutral under the National Carbon Offset Standard
- Investing in energy efficient technologies and exploring opportunities to use recycled materials, where cost effective
- Considering our impacts on biodiversity in our investment and lending activities.

Where relevant we apply recognised local and international framework tools for environmental performance.

5. Managing the environmental impacts of our supply chain

We apply our Sustainable Supply Chain Management evaluation and supplier assessment policy which involves screening of suppliers for their standards of sustainable business practice and commitment to continuous improvement.

We aim to work with our suppliers to positively influence their environmental performance, and to ensure that:

- Our suppliers are aware of the specific environmental, social and ethical issues, risks and opportunities relevant to their operations and products
- Our suppliers operate to internationally recognised standards of practice
- Our higher spend and risk suppliers have management systems in place to address associated issues, risks and opportunities
- These systems deliver effective performance management and improvement.

We seek to use suppliers who share our commitment to best practice and continuous improvement. In addition we engage with suppliers within specific categories to reduce the environmental impacts of the items we use.

6. Managing environmental risks associated with lending and investment

We apply our Environmental, Social and Governance (ESG) Risk Management Framework which articulates our approach to managing ESG risks in all aspects of our operations, including lending and investment. This includes, (but is not limited to):

- Applying our ESG Credit Risk Policy throughout credit processes, from origination and risk assessment to monitoring and management
- Applying our Principles for Doing Business which set out how we aim to conduct ourselves, including with regards to care for the environment
- Developing and communicating position statements on sensitive issues or sectors, where appropriate
- Complying with external standards to which we have committed including the Equator Principles and the United Nations Principles for Responsible Investment.

7. Environmental solutions through products and services

We seek to develop products and services that help our customers to manage their own environmental impacts.

8. Awareness and advocacy

We seek to ensure that employees understand the importance of incorporating environmental considerations into their daily business activities through the following activities:

- Engaging our employees through regular communications and an internal champions network to increase their understanding of environmental issues
- Providing access to training, tools, and templates as appropriate, for measuring and managing environmental impacts
- Developing products and offers that help employees make environmental choices outside the office
- Creating and managing workplaces that reflect our commitment to caring for our environment and in particular, eco-efficiency.

We contribute, where appropriate, to the development of public policy that improves our natural environment whilst delivering economic benefits.

9. Governance and reporting

Ultimate responsibility for our environmental performance rests with our CEO and Board. Our management teams have responsibility for the day-to-day management of environmental impacts, risks and opportunities, with issues raised through the Environmental Management Committee for our operational footprint as well as through risk committees and our Sustainability Council where appropriate.

We commit to continual improvement of our environmental management system, which has been developed in line with ISO 14001 requirements and supports our implementation of this policy.

We regularly review our progress against targets and publicly report on our environmental performance on an annual basis and seek to have this information independently assured.

10. Review of this policy

This policy will be reviewed every two years.