



4 DECEMBER 2024

SUSTAINABILITY MARKET UPDATE

Westpac Banking Corporation ABN 33 007 457 141

SUSTAINABILITY MARKET UPDATE - AGENDA

1 SUSTAINABILITY STRATEGY PROGRESS

MICHAEL CHEN
Acting Chief Sustainability Officer

2 CUSTOMER TRANSITION

ALASTAIR WELSH
Managing Director, Corporate & Institutional Bank

3 CUSTOMER VULNERABILITY

LISA POGONOSKI
General Manager, Customer Solutions

4 SUSTAINABILITY REPORTING

ANDREW BOWDEN
ESG Disclosure and Reporting Officer



MICHAEL CHEN

ACTING CHIEF SUSTAINABILITY OFFICER

FY24 HIGHLIGHTS



92% of shareholder votes cast were in favour of our Climate Change Position Statement



13 targets set for all **9** emissions-intensive sectors required under our NZBA commitment¹



Engaged more than **150** institutional customers on their climate transition plans



Released our **2nd** Climate Report



\$28.7bn in sustainable finance lending
\$13.7bn in bond facilitation since the start of FY22



75% of customer hardship support packages required just 3 months support

¹ Westpac joined the Net-Zero Banking Alliance (NZBA) in 2022.



SUSTAINABILITY STRATEGY 1,2

OUR PURPOSE

Creating better futures together

PILLAR

Customer

Easy

Expert

Advocate

THEMES

Support in good times and bad

Simpler, safer bank

Action on climate and nature

Equitable and inclusive society

OBJECTIVES

1

Enhance financial inclusion and equality

2

Strengthen data security and protection

3

Become a net-zero, climate resilient bank

4

Become a nature positive bank

5

Respect and advance human rights

6

Enable diversity and inclusion

FOUNDATIONS

Robust environment and social risk management

Reliable data and reporting

Integration and organisational capability build

¹ This presentation contains 'forward-looking statements' and statements of expectation reflecting Westpac's current views on future events. They are subject to change without notice and certain risks, uncertainties and assumptions which are, in many instances, beyond its control. Please refer to the disclaimer at the back of this presentation. Further details on our commitments, targets and other supporting information is contained in our 2024 Annual Report, Climate Report and Sustainability Index and Datasheet. ² See our website for more information on our sustainability strategy: www.westpac.com.au/about-westpac/sustainability/our-strategy/



UNDERSTANDING OUR CARBON FOOTPRINT

% of TOTAL

SCOPE 1:

Direct emissions from controlled facilities, including fleet fuels, refrigerants, gas, diesel, LPG.

<0.1

SCOPE 2:

Indirect emissions (market-based) from the generation of energy we have purchased, including purchased electricity.

<0.1

SCOPE 3 UPSTREAM EMISSIONS:

Indirect emissions related to selected sources from our operations and supply chain.

<0.5

SCOPE 3 FINANCED EMISSIONS:

Indirect emissions related to our lending. Share of customers' scope 1 & 2 emissions.

>99

Refer to the Climate Methodologies Supplement on our website for information about the methodologies used to estimate our operational and Group-financed emissions.



BECOMING A NET-ZERO, CLIMATE RESILIENT BANK

Delivering on the three elements of our Climate Action Plan

OUR ACTION AREAS

**OUR AMBITION:
TO BECOME
A NET-ZERO,
CLIMATE
RESILIENT BANK**



**NET-ZERO, CLIMATE RESILIENT
OPERATIONS**



FY24 Scope 1 and 2
emissions down **86%**
from 2021 baseline



**SUPPORTING CUSTOMERS'
TRANSITION TO NET-ZERO AND TO
BUILD THEIR CLIMATE RESILIENCE**



Made progress
against our
2030 NZBA targets



**COLLABORATE FOR IMPACT ON
INITIATIVES TOWARDS NET-ZERO
AND CLIMATE RESILIENCE**



This page contains 'forward-looking statements' and statements of expectation. Please refer to the disclaimer on page 30.

APPROACH TO NATURE

BUILDING OUR UNDERSTANDING OF DEPENDENCIES, IMPACTS, RISKS AND OPPORTUNITIES

Conducting portfolio-level assessments
Identifying customer asset location to establish a baseline of our nature footprint

Assessing physical risks
Better understanding the interactions between our customers' operations and nature

Targeted engagement with customers
Engaging customers on their approach to nature-related risks and opportunities

CASE STUDY – GEOSPATIAL CAPABILITIES



RESPECTING AND ADVANCING HUMAN RIGHTS

OUR ROLE AS A BANK



As a lender to
businesses



As a lender to
individuals



As a purchaser of
goods and services

BETTER UNDERSTANDING OUR HUMAN RIGHTS RISKS AND ENHANCING DUE DILIGENCE

Enhanced ESG tools led to
164 customer escalations
for further review on human rights
and modern slavery risks

Worked with suppliers to
close >100 priority action plans
addressing potential gaps in
their modern slavery approaches

Provided **\$77m** in funding to
child safeguarding organisations
since 2020



Funding for Wiradjuri
Condobolin
Corporation to hold
weekly workshops for
children to engage
with their community
and share their culture
through storytelling
and dance.



ALASTAIR WELSH

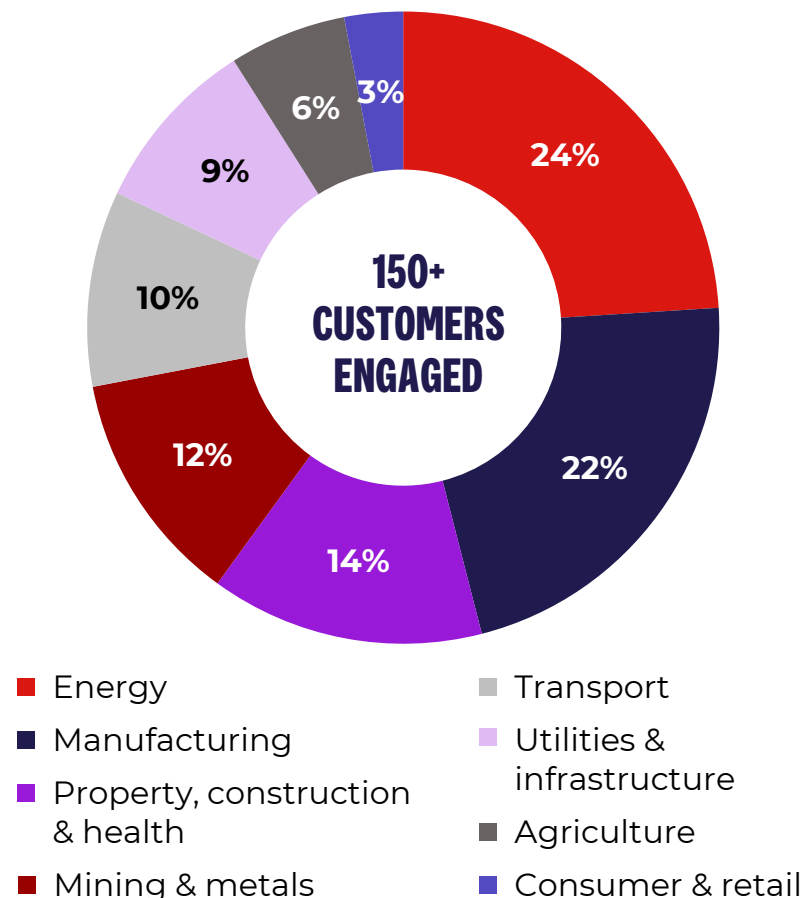
MANAGING DIRECTOR,
CORPORATE AND INSTITUTIONAL BANKING

SUPPORTING CUSTOMERS' TRANSITION TO A LOW-EMISSIONS ECONOMY

KEY COMPONENTS OF ASSESSMENT FRAMEWORK

ELEMENTS	AREAS OF DISCLOSURE
Foundations	Risks and opportunities arising from the transition to a low-emissions economy
Implementation strategy	Business strategy, commitments to emissions reduction initiatives and capital allocation
Engagement strategy	Engagement with value chain to target Scope 3 emissions reduction
Metrics	Emissions reduction targets, use of offsets and reporting
Governance	Board oversight of climate related issues including links to remuneration



TRANSITION PLANS ASSESSED BY SECTOR





Developing banker skills to provide insights on transition best practice, climate strategy and ESG trends.

CUSTOMER CLIMATE TRANSITION PLAN ASSESSMENTS

FINDINGS FROM 150 CUSTOMER ASSESSMENTS

-  84% have public climate transition plan
-  Majority without transition plans were private companies

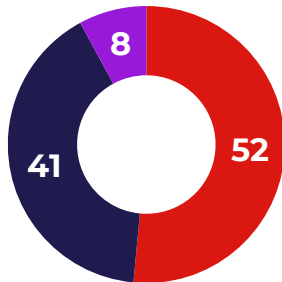
-  92% have interim scope 1 and 2 targets
-  66% have long term scope 1 and 2 targets

CHALLENGES CITED IN SETTING OR ACHIEVING TARGETS

- Grid decarbonisation uncertainties
- Electrification dependent on grid capacity
- Policy settings
- Supply of low carbon power purchasing agreement (PPA)
- Availability of low carbon fuels

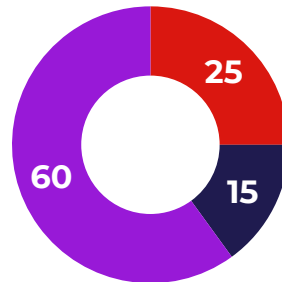
2030 INTERIM TARGETS

% of customer with interim scope 1 and 2 targets



- Temperature aligned¹
- No specified temperature alignment
- No targets

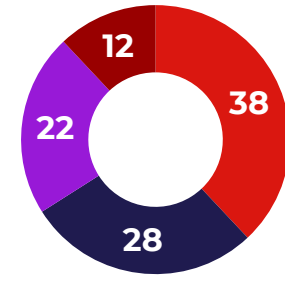
% of customer with interim scope 3 targets



- Temperature aligned¹
- No specified temperature alignment
- No targets

2050 LONG TERM TARGETS

% of customer with long term net zero targets



- Scope 1 & 2, by 2050
- Ambition, aim or support
- Scope 1, 2 & 3, by 2050 (or sooner)
- No disclosure or commitment

¹ Based on customer claim.



OBSERVATIONS



**ENGAGEMENT AT
SENIOR LEVELS OF
BUSINESS**



**ENERGY TRANSITION
A STRATEGIC
IMPERATIVE**



**ENERGY EFFICIENCY
MAKES GOOD
BUSINESS SENSE**



**NEED A RELIABLE,
AFFORDABLE
ENERGY SUPPLY**



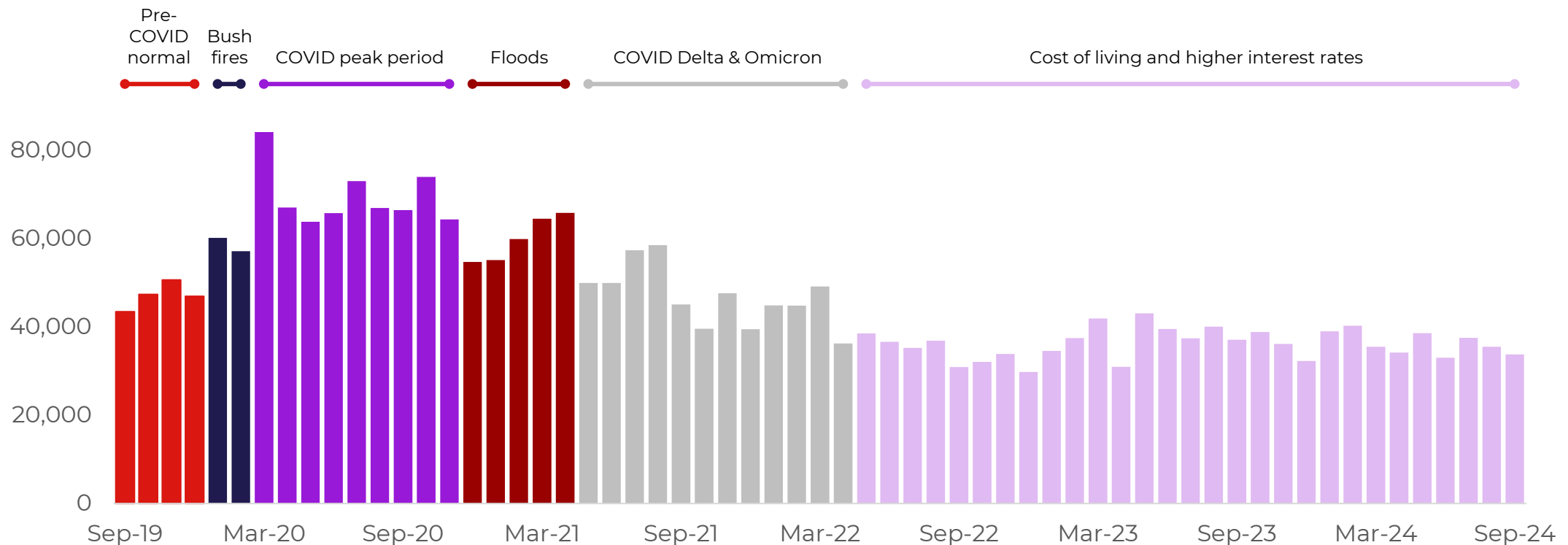
LISA POGONOSKI

GENERAL MANAGER,
CUSTOMER SOLUTIONS

SUPPORTING CUSTOMERS IN MOMENTS THAT MATTER

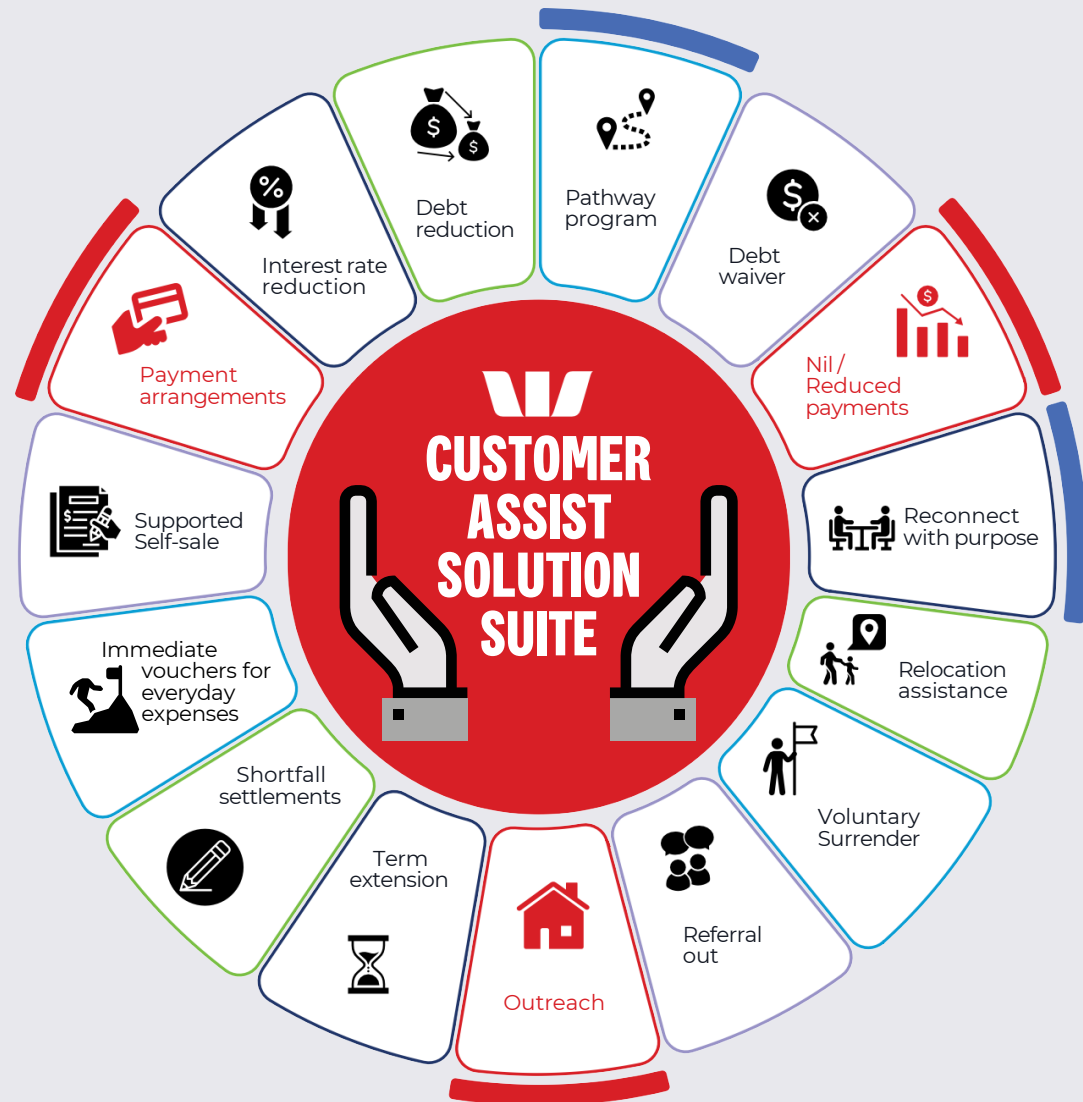
- Support provided through COVID, floods, bushfires, and cost of living pressures
- Current number of calls to Customer Assist is lower than pre-COVID

CALLS TO CUSTOMER ASSIST SINCE SEPT 2019 (# MONTHLY)



CUSTOMER ASSIST SOLUTIONS

No matter the circumstances, Customer Assist has a solution to help customers navigate life's challenges and regain financial stability.



EMBEDDING SAFETY BY DESIGN

Industry-first toolkit launched and shared with peers to help prevent financial abuse and build a safer online environment

2022

Customer research undertaken

2023

Staff training implemented

Terms and Conditions updated

2024

Shared with industry for free use



Videos of vulnerable customers' lived-experience

Comprehensive customer vulnerability personas

eLearning Module

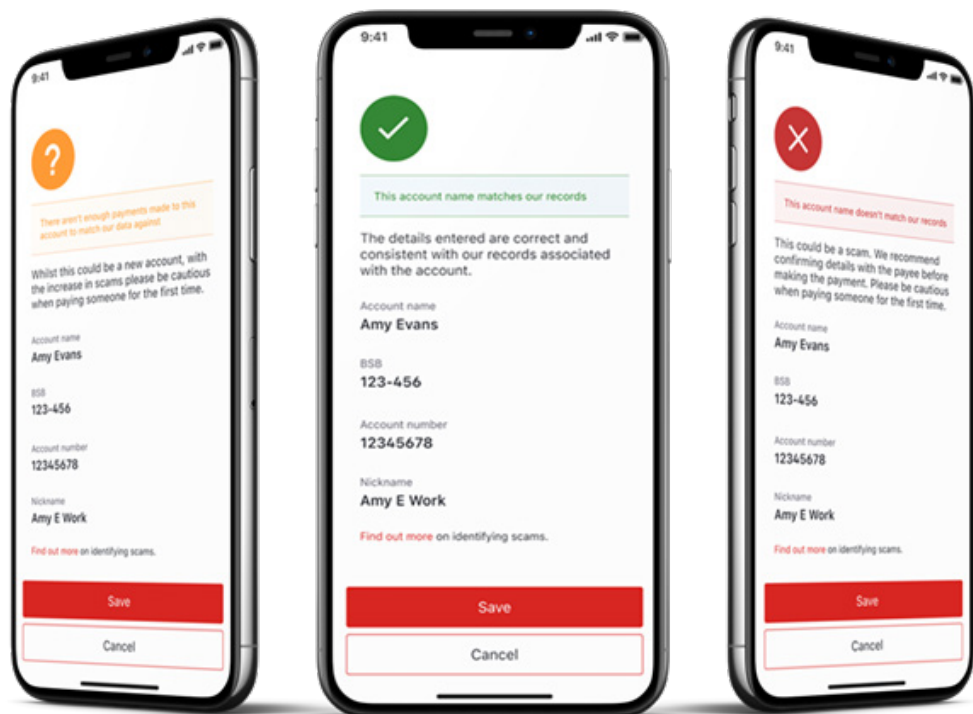
PUTTING SAFETY BY DESIGN INTO PRACTICE

- **Stopping abuse in transactions:** preventing inappropriate language in payment descriptions. Proactively contacting perpetrators, sometimes reporting them to law enforcement.
- **Parental controls and child education:** adding push notifications, online payment restrictions and daily payment limits for under 14 year olds on youth accounts.
- **Power of attorney account monitoring:** flagging unusual transactions from accounts so our specialist teams can step in and support

SCAM VOLUMES REMAIN A CONCERN, OUR PRIORITY IS PROTECTING CUSTOMERS

WESTPAC VERIFY

Alerts customers when there is a potential account name mismatch when they're adding a new payee using a BSB and account number



IN ACTION – EMAIL HACK SCAM STOPPED

House deposit payment details received in email from real estate agent

Logged into online banking to make the payment

Verify name mismatch notification

Didn't make payment

Real estate agent email had been hacked

\$1.7M

in customer scam losses¹
averted via Verify checks

Westpac's systems and processes may not always be 100% effective and are subject to risks and other factors including those described in 'Risk Management' in the 2024 Annual Report and 2024 Risk Factors.

¹ Since launching in Jun-24 to Sep-24

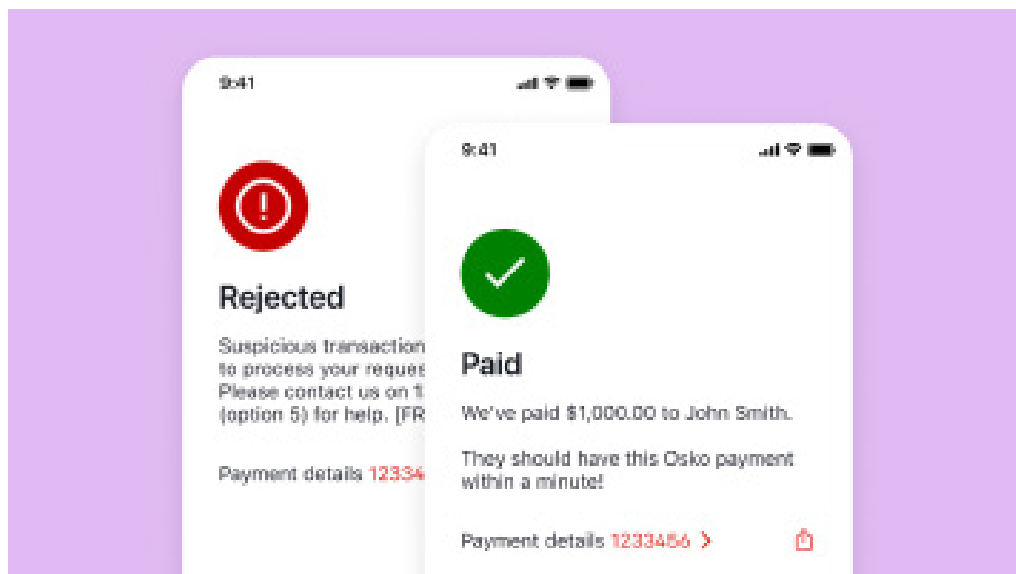


SCAM VOLUMES REMAIN A CONCERN, OUR PRIORITY IS PROTECTING CUSTOMERS

WESTPAC SAFERPAY

Presents customers with a series of questions in instances where a payment is considered a high risk of being a scam.

Places suspicious payments on hold for 24 hours while our team investigates.



IN ACTION – INVESTMENT SCAM STOPPED

Retired couple research investment opportunities and found an online investment company promoting 10% annual returns

Couple transfer \$350,000 to company

SaferPay put money on hold for 24 hours

Fraud team spoke with customer

Payment reversed and scam reported to Police

\$150M

in payments abandoned due to Saferpay alerts¹

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¹ Since launching in Mar-24 to Sep-24

SCAM VOLUMES REMAIN A CONCERN, OUR PRIORITY IS PROTECTING CUSTOMERS

WESTPAC SAFECALL

Provides customers with calls via the app that are Westpac branded, verified by Optus and displays a reason for the call



IN ACTION – STOPPING BANK IMPERSONATION SCAMS

Call to customer from an unknown number

Caller was a scammer

Customer tricked into downloading remote access software

Scammer withdrew nearly \$5,000 from the customer's account

Safecall will allow customer to trust that calls from the banking app are from Westpac

SUCCESSFUL PILOT COMPLETED

Roll out commences Jan-25

Westpac's systems and processes may not always be 100% effective and are subject to risks and other factors including those described in 'Risk Management' in the 2024 Annual Report and 2024 Risk Factors.



ANDREW BOWDEN

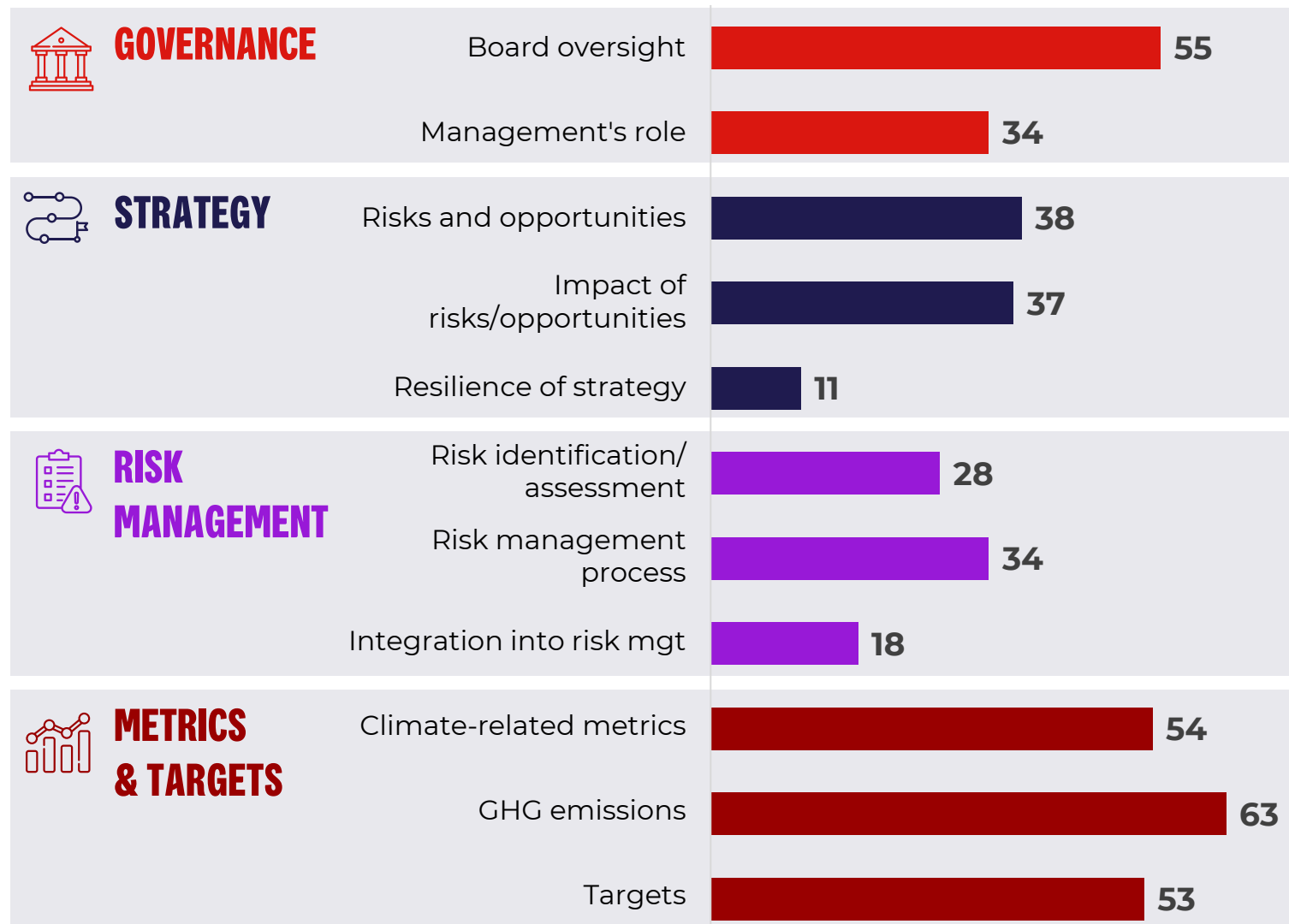
ESG DISCLOSURE & REPORTING OFFICER

CLIMATE-RELATED REPORTING – FOR WESTPAC



PROGRESS ON CLIMATE-RELATED REPORTING

ALIGNMENT TO TCFD THEMES FOR >3000 COMPANIES GLOBALLY¹ (2023 %)



2023 ALIGNMENT

Average for all companies

38%



50%

(self assessed)

1. Progress on Corporate Climate-related Disclosures-2024 Report, IFRS Foundation, November 2024



AASB S2 EXPANDS ON THE TCFD RECOMMENDATIONS

AASB S2 ADDITIONS



GOVERNANCE

- Flow of climate-related information to management and board



STRATEGY

- Climate resilience
- Scenario analysis
- Company circumstances
- Transition plan details



RISK MANAGEMENT

- Explain how risks and opportunities are identified and managed



METRICS & TARGETS

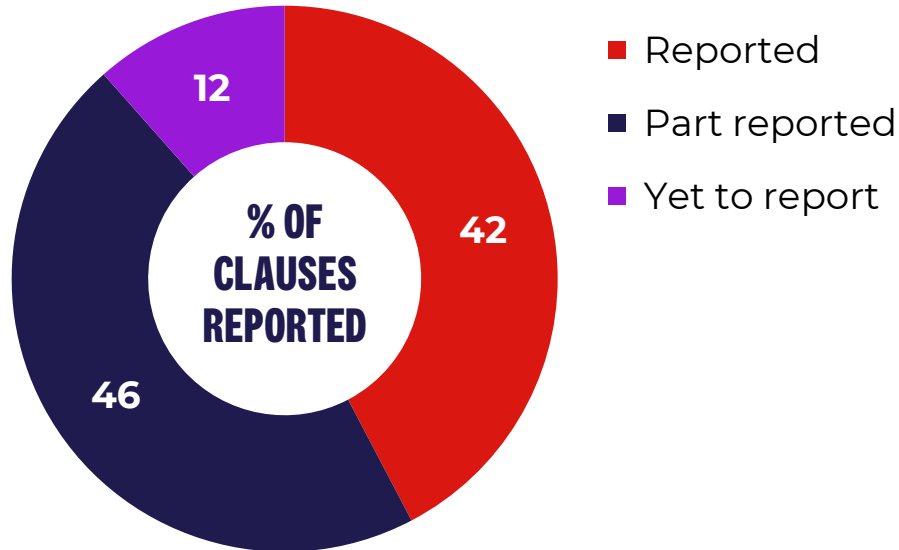
- Detail on emissions and carbon credits
- Basis for setting targets
- Mandatory financed emissions

OTHER FEATURES

- Useful for primary users of general purpose financial reports
- Climate-related risks/opportunities reasonably affecting prospects
- Strategic and financial impacts over time horizons
- Requires a new Sustainability Report
- Disclosing forward-looking information
- Not sector specific
- Mandatory assurance requirements

THE WORK AHEAD

ASSESSED ALIGNMENT WITH AASB S2 (%)¹



MAJOR AREAS FOR COMPLIANCE BY FY26

- Integrating scenario analysis into strategy, financial and resilience assessments
- Expanding reporting over the short, medium and long-term time horizons
- Refining reporting of all scope 3 emissions
- Lifting governance and processes around disclosure

IMPLICATIONS FOR INVESTORS























- Outcomes of scenario analysis will create new insights in understanding climate impacts
- Ability to incorporate financial and strategic impacts into valuation models
- Lack of precedents will see variability across companies, and over time

¹ Alignment estimated by Westpac by disaggregating each standard and its component parts. Estimate does not consider clauses requiring no action (such as objectives) requirements in the Appendix.

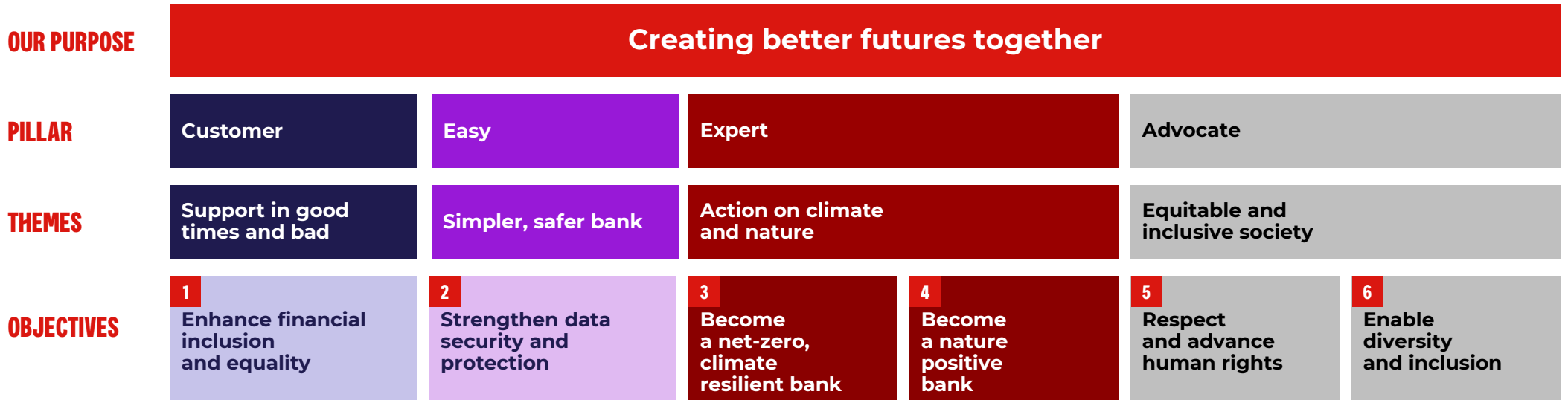


APPENDIX

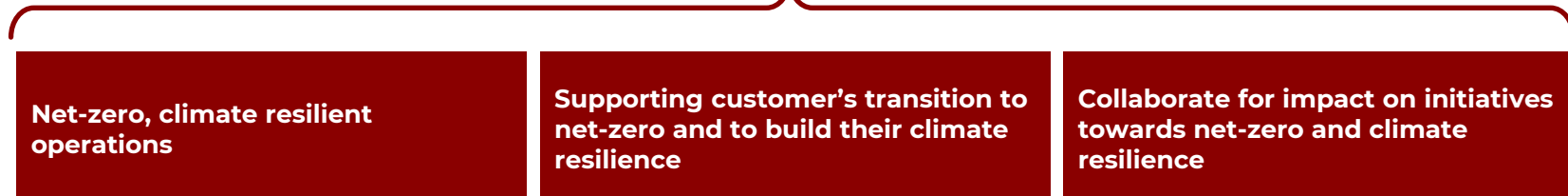
MAJOR POSITIONS AND PARTNERSHIPS

 <p>Principles for Responsible Banking Signatory</p>	 <p>Industry-led UN- convened Net-Zero Banking Alliance Member, principals and steering groups (NZBA governance bodies)</p>	 <p>UN Sustainable Development Goals CEO Statement of Commitment</p>	 <p>Paris Climate Agreement Supporter</p>	 <p>The Valuable 500 Signatory</p>	 <p>The Equator Principles Founding Adopter, First Australian Bank</p>
 <p>UN Environment Programme Finance Initiative Founding Member (1991) Banking Board Co-Chair</p>	 <p>IFRS S2 Sustainability Disclosure Standard (Climate-related Disclosures) Alignment</p>	 <p>Taskforce on Nature-related Financial Disclosures Forum member</p>	 <p>Green Building Council of Australia Member</p>	 <p>Supply Nation (for Indigenous owned businesses) Founding Member</p>	 <p>RE100, an initiative of The Climate Group in partnership with CDP Member</p>
 <p>UN Global Compact Signatory (2002), Global Compact Network Australia Founding Member</p>	 <p>WeConnect International (for women owned businesses) Member</p>	 <p>Global Reporting Initiative Alignment</p>	 <p>Toitū net carbonzero certified (New Zealand)</p>	 <p>Climate Bonds Initiative Partner</p>	 <p>Carbon Markets Institute Corporate Member</p>
 <p>Social Traders (for certified social enterprises) Member</p>	 <p>Australian Sustainable Finance Institute Founding Member</p>	 <p>Sustainability Accounting Standards Board Alignment</p>	 <p>Climate Active Certification (Australia) (previously NCOS)</p>		

SUSTAINABILITY AND CLIMATE STRATEGY



THREE AREAS OF CLIMATE ACTION



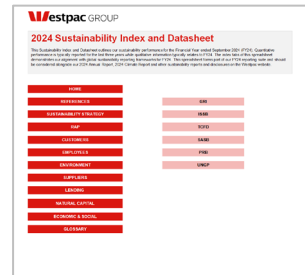
2024 Annual Report



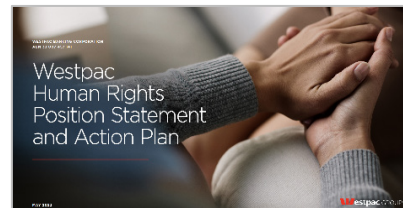
2024 Climate Report



2024 Sustainability Index and Datasheet



Human Rights Position Statement and Action Plan



Other sustainability positions and disclosures include

- Modern Slavery Statement
- 2023 Natural Capital Position Statement
- New Zealand – Sustainability and Climate Reports
- Sustainable Finance Framework
- 2024 Climate Methodologies Supplement

These sustainability pages contain 'forward-looking statements' and statements of expectation reflecting Westpac's current views on future events. They are subject to change without notice and certain risks, uncertainties and assumptions which are, in many instances, beyond its control. Please refer to the disclaimer at the back of this pack. Details on our commitments, targets and other supporting information is in our 2024 Annual Report, Climate Report and Sustainability Index and Datasheet. See website for more information on our sustainability strategy



INVESTOR RELATIONS TEAM – CONTACT US

CONTACT US

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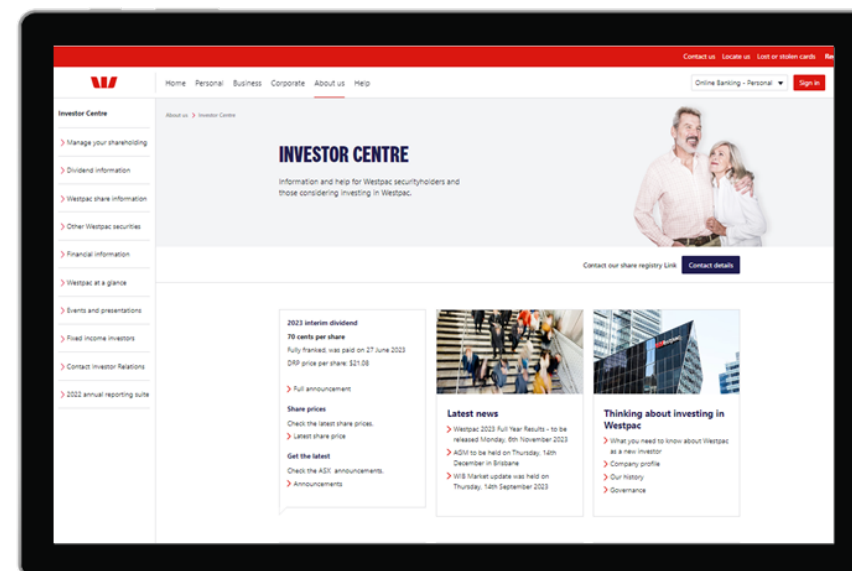
Manager, Shareholder Services

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- Updating bank account details, and participation in the dividend reinvestment plan

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We use words such as ‘will’, ‘may’, ‘expect’, ‘intend’, ‘seek’, ‘would’, ‘should’, ‘could’, ‘continue’, ‘plan’, ‘estimate’, ‘anticipate’, ‘believe’, ‘probability’, ‘indicative’, ‘risk’, ‘aim’, ‘outlook’, ‘forecast’, ‘f’cast’, ‘f’, ‘assumption’, ‘projection’, ‘target’, ‘goal’, ‘guidance’, ‘ambition’, ‘objective’ or other similar words to identify forward-looking statements, or otherwise identify forward-looking statements. These forward-looking statements reflect our current views on future events and are subject to change, certain known and unknown risks, uncertainties and assumptions and other factors which are, in many instances, beyond our control (and the control of our officers, employees, agents and advisors), and have been made based on management’s expectations or beliefs concerning future developments and their potential effect upon us.

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This presentation contains forward-looking statements and other representations relating to environment, social and governance (ESG) topics, including but not limited to climate change, net-zero, climate resilience, natural capital, emissions intensity, human rights and other sustainability related statements, commitments, targets, projections, scenarios, risk and opportunity assessments, pathways, forecasts, estimated projections 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. Some material contained in this presentation may include information including, without limitation, methodologies, modelling, scenarios, reports, benchmarks, tools 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 such information. There is a risk that the estimates, judgements, assumptions, views, models, scenarios or projections used by Westpac may turn out to be incorrect. These risks may cause actual outcomes, including the ability to meet commitments and targets, to differ materially from those expressed or implied in this presentation. The climate and sustainability related forward-looking statements made in this presentation 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 these statements), nor guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Westpac will continue to review and develop its approach to ESG as this subject area matures