



# ASX RELEASE

2 December 2025

## WESTPAC SUSTAINABILITY UPDATE

Following is Westpac's Sustainability Update.

### For further information:

**Hayden Cooper**  
Group Head of Media Relations  
0402 393 619

**Justin McCarthy**  
General Manager, Investor Relations  
0422 800 321

This document has been authorised for release by Tim Hartin, Company Secretary.

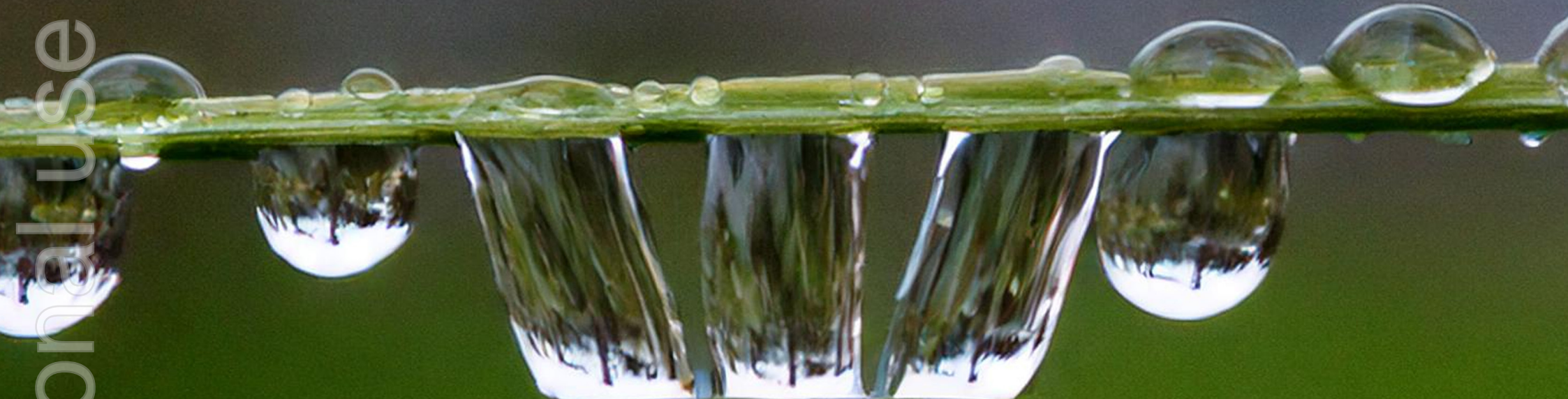
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# SUSTAINABILITY MARKET UPDATE

WESTPAC

2 DECEMBER 2025

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# DR FIONA WILD

Chief Sustainability Officer



# SUSTAINABILITY STRATEGY: FOCUS AREAS



## CLIMATE TRANSITION

Decarbonisation and resilience for customers and our operations



## HOUSING AFFORDABILITY

New housing supply, alternative pathways to ownership for customers and housing availability for underserved communities



## REGIONAL PROSPERITY

Regional business growth, local employment, community and environmental outcomes

# HIGHLIGHTS



Released new  
Climate Transition  
Plan in Nov-25

#1

Remained largest  
financier to renewable  
projects in Australia<sup>1</sup>

ZERO

exposure to  
thermal coal mining<sup>2</sup>

>70%

of our finance  
emissions sector  
targets showed a  
lower emissions  
profile<sup>3</sup>

130+

engagements with  
Institutional  
customers in  
Australia and New  
Zealand in FY25



Released new  
Sustainability Strategy  
in Nov-25

37%

increase in  
sustainable finance  
lending<sup>4</sup>

40%

increase in  
sustainable finance  
bond facilitation<sup>5</sup>

<sup>1</sup> Based on IJGlobal and Westpac Research Data for the period from 1 October 2024 to 30 September 2025. <sup>2</sup> At 30 September 2025. In line with our Sustainability Customer Requirements, we have zero corporate lending and will no longer provide bond facilitation for institutional customers with  $\geq 15\%$  of their three-year rolling average revenue coming directly from thermal coal mining. <sup>3</sup> In FY24, our latest year of reporting. <sup>4</sup> Sustainable Finance includes both labelled lending, and unlabelled lending for our customers and activities in-scope of our SFF categories. % change in the TCE (or balance) at 30 September 2025 to 30 September 2024. <sup>5</sup> % change in the total value of bond facilitation (\$bn) cumulative from 1 October 2021 to 30 September 2025 and to 30 September 2024.



# CARBON-INTENSIVE SECTOR REQUIREMENTS<sup>1</sup>

Provision of new or renewed corporate lending and bond facilitation requires in-scope customers to have interim scope 1 & 2 decarbonisation target/s, aligned to the well below 2-degrees goal of the Paris Agreement<sup>2</sup>

CTP Evaluation Criteria

EMISSIONS TARGETS

STRATEGY

CAPITAL ALLOCATION

CLIMATE GOVERNANCE

Rating

**A**  
Accept and monitor CTP execution

**B**  
Accept and proactively engage to encourage further development of CTP content

**C**  
Escalate to appropriate governance committee and new or renewed finance may be declined

**D**  
Decline new or renewed finance<sup>3</sup>

% of Customers assessed (Preliminary Customer Assessment<sup>4</sup>)

55%

36%

0%

9%

<sup>1</sup> Applies to customers within the oil and gas, metallurgical coal mining, and coal-fired power generation sectors. Our [Sustainability Customer Requirements](#) outline lending restrictions and exclusions for larger business customers. <sup>2</sup> Refers to Article 2.1 of the Paris Agreement on Climate Change adopted within the United Nations Framework Convention on Climate Change in December 2015. Targets are on an absolute or intensity basis and are assessed by Westpac. <sup>3</sup> Where a customer achieves a rating of 'D', but new or renewed finance supports National or Energy Security, we may escalate to the appropriate governance committee. <sup>4</sup> Percentage of in-scope customers assessed before 30 September 2025, in advance of any request for new or renewed corporate lending or bond facilitation.



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# PHILIPPA SJOQUIST

Head of Sustainability  
Institutional Bank



# SUPPORTING INSTITUTIONAL CUSTOMERS

In FY25 we had 130+ in-depth engagements with institutional customers on their climate transition plans (CTPs)

## FY25 KEY FINDING

**~64%**

of customers re-engaged from FY24<sup>1</sup>

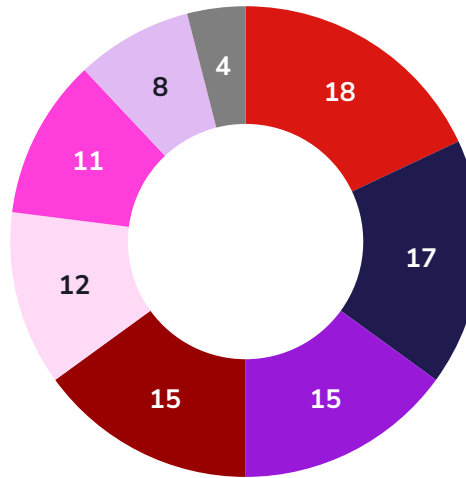
**83%**

had a public report outlining their climate transition strategy

**~80%**

are Group 1 entities under the AASB S2

## CUSTOMERS ENGAGED BY SECTOR<sup>1</sup> (%)



- Energy
- Manufacturing
- Property, Construction and Health
- Transport
- Mining and Metals
- Consumer and Retail
- Utilities and Infrastructure
- Agriculture

## KEY DEPENDENCIES CITED TO DELIVERING CTPS



**TECHNOLOGY FEASIBILITY**



**NEW INFRASTRUCTURE**



**SUPPORTIVE POLICIES**

<sup>1</sup> Approximately 64% of the customers engaged were re-engagements from FY24, meaning that data is not strictly comparable with previous years.



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# NICK WANDKE

Head of Sustainability  
Business & Wealth



# SUPPORTING BUSINESS & WEALTH CUSTOMERS

## ESG RISK ASSESSMENT

Sustainability positions  
ESG & climate policy

## DIGITAL BANKER

Embedded digital solution  
within strategic tech stack

## FIJI & PAPUA NEW GUINEA

Extended ESG engagement  
to our pacific banking  
business customers

## PATHWAYS TO SUSTAINABILITY

Launched a suite of new  
sustainability learning  
content for our people

## SPECIALIST TEAM

Deep industry  
expertise

## CUSTOMER ENGAGEMENT

Driving practice  
and performance improvement

## Sustainability Engagement

**>9,000**

Customer level ESG risk  
assessments completed for  
Business & Wealth customers<sup>1</sup>

**400+**

Transactions reviewed by the  
specialist ESG advisory team<sup>1</sup>

**150+**

Commercial customer  
engagements on climate and  
transition readiness

<sup>1</sup> Since launch of ESG Risk Assessment process for commercial customers in FY24.





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# APPENDIX

# SUSTAINABILITY STRATEGY

## TAKING ACTION NOW TO CREATE A BETTER FUTURE

### WHAT

To be our customers' #1 bank and partner through life

### HOW

#### Customer

##### CUSTOMER OBSESSED

Proactively support customers' sustainability goals through finance, expertise and advocacy

#### People

##### BEST TEAM, TRUSTED EXPERTS

Strengthen sustainability learning so our people bring expertise and balance into every decision and interaction

#### Change

##### BRILLIANT AT DELIVERY

Partner with customers to help deliver our positions on key sustainability topics, including climate, natural capital, human rights and equitable Indigenous participation

#### Risk

##### SAFE AND STRONG

Actively manage material sustainability risks and impacts to customers, our business and community

#### Performance

##### EXECUTION EXCELLENCE

Create Sustainability outcomes for our customers, communities and shareholders

### FOCUS AREAS

#### Climate Transition

Decarbonisation and resilience for customers and our operations

#### Housing Affordability

New housing supply, alternative pathways to ownership for customers and housing availability for underserved communities

#### Regional Prosperity

Regional business growth, local employment, community and environmental outcomes

### SUSTAINABILITY OUTCOMES

- Support the goals of the Paris Agreement by achieving our Scope 1, 2 and 3 greenhouse gas emissions targets by 2030
- Partner with customers to implement green, transition, social (including housing affordability) or sustainability activities by providing \$55bn sustainable lending and \$40bn sustainable bond facilitation activities by 2030<sup>1</sup>
- Support customers' economic resilience and prosperity by increasing our footprint and growing lending to regional businesses and communities faster than in metro Australia

### WE COMMIT TO

**ALWAYS DELIVER, SAFELY**

**MAKE AN IMPACT**

**OWN IT**

These Sustainability pages contain forward-looking statements and statements of expectation. Refer to the disclaimer at the back of this pack. Details on our sustainability commitments, targets and other supporting information is in our 2025 Annual Report, 2025 Sustainability Report and 2025 Sustainability Index and Datasheet. See website for more information on our sustainability strategy.

<sup>1</sup> Refer to our [Sustainable Finance Framework](#) for definitions on sustainable lending and bond facilitation. Refer to the [Climate Transition Plan](#) for details on the sustainable finance targets.



# CLIMATE TRANSITION PLAN

## 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)  
50% reduction in upstream scope 3 absolute emissions by 2030 (2021 baseline)

2030 scope 3 financed emissions sector targets (see page x for details)

\$55 billion in sustainable finance lending at 30 Sep-30

\$40 billion in sustainable bond facilitation between 1 Oct-21 and 30 Sep-30

## 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.

## Key climate and sustainability disclosures

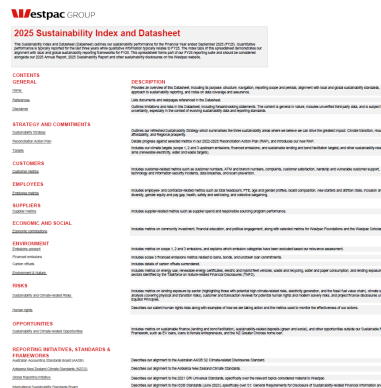
**2025 Annual Report:**  
*Details financial and non-financial performance*



**2025 Sustainability Report:** *Details our approach to managing climate-related risks and opportunities*



**2025 Sustainability Index and Datasheet:** *Details key sustainability performance metrics in one place*



### Other sustainability disclosures include

- Modern Slavery Statement
- Human Rights Position Statement and Action Plan
- Natural Capital Position Statement
- Sustainable Finance Framework
- Climate Transition Plan
- New Zealand – 2025 Sustainability Update and Climate Report

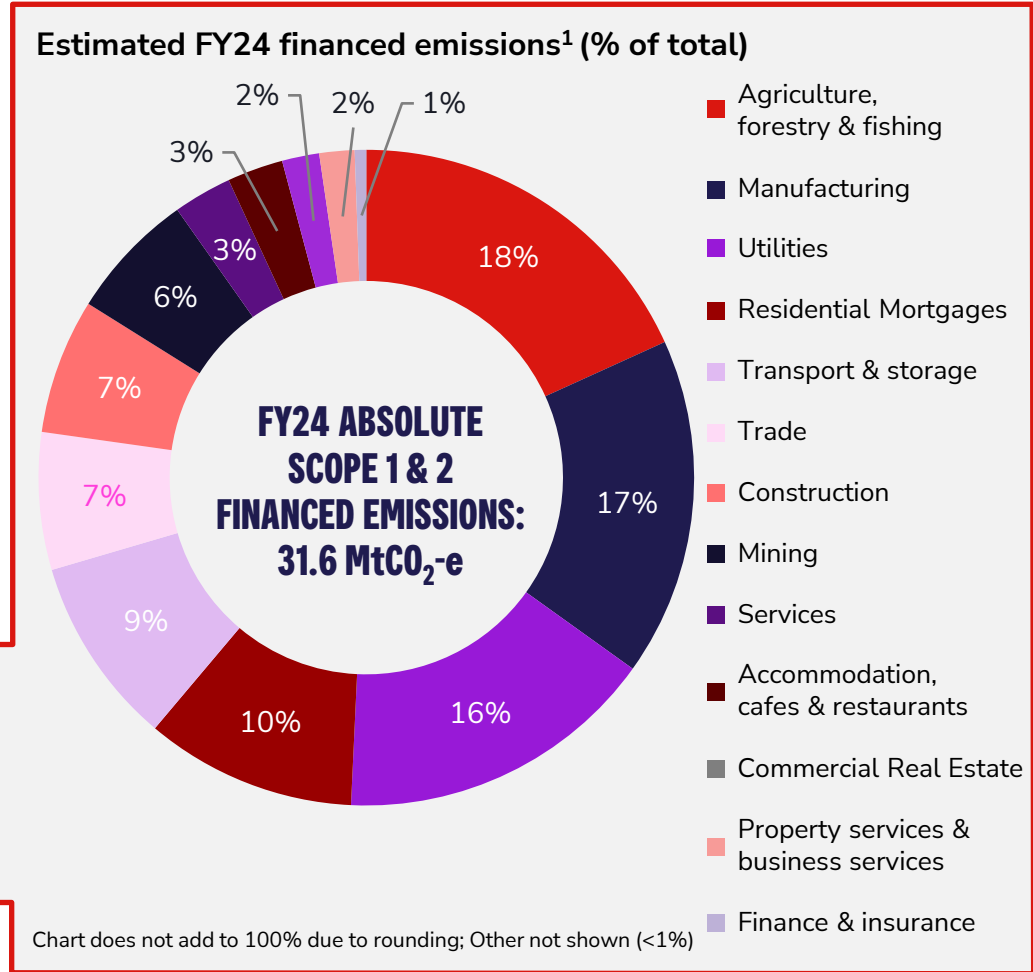
 **Reports available at [westpac.com.au/sustainability](https://westpac.com.au/sustainability)**



# UNDERSTANDING OUR CARBON ACCOUNT TO TAKE ACTION NOW

## Greenhouse gas (GHG) emissions by source (tco<sub>2</sub>-e)

|   | FY24                      | FY25                      | % of total |
|---|---------------------------|---------------------------|------------|
| <b>Scope 1:</b> Direct emissions from controlled facilities, including fleet fuels, refrigerants, gas, diesel, LPG.                 | 6,262                     | 4,714                     | <0.1       |
| <b>Scope 2:</b> Indirect emissions (market-based) from the generation of energy we have purchased, including purchased electricity. | 2,303                     | 1,963                     | <0.1       |
| <b>Scope 3 upstream emissions:</b> Indirect emissions related to selected sources from our operations and supply chain.             | 57,655                    | 56,469                    | <0.5       |
| <b>Scope 3 financed emissions:</b> Indirect emissions related to our lending. Share of customers' scope 1 & 2 emissions.            | 31.6 MtCO <sub>2</sub> -e | Not Reported <sup>2</sup> | >99        |





Refer to Appendix of our 2025 Sustainability Report for details of the methodologies for estimating our emissions.

<sup>1</sup> Sectors in our financed emissions analysis are based on ANZSIC codes. These sector definitions differ from those used for: (i) our financed emissions sector targets and, (ii) our reporting of Group Exposure by Sector included in our Sustainability Report and Sustainability Index and Datasheet. <sup>2</sup> Financed emissions are reported one year in arrears due to data availability. Data will be reported in FY26.



# OUR EMISSIONS REDUCTION TARGETS

## Progress on operational emissions targets<sup>1</sup>

| Reduction in market-based emissions from 2021 baseline (%) | FY24 | FY25 | 2025 Target | 2030 Target | Target Progress   |
|--|------|------|-------------|-------------|---|
| Scope 1 and 2 emissions                                    | (86) | (89) | (64)        | (76)        |  Surpassed |
| Scope 3 upstream emissions                                 | (41) | (42) | NA          | (50)        |  On track  |

## Progress on our financed emissions targets<sup>1</sup>

### Change in emissions from baseline year<sup>2</sup> (%)

| Westpac sector                          | FY23  | FY24 | 2030 Target Implied % change |
|---|---|------|------------------------------|
| Power generation                        | (23)  | (38) | (62)                         |
| Upstream Oil and Gas                    | (45)  | (55) | (23)                         |
| Thermal coal mining                     | (81)  | (94) | (100)                        |
| Aviation (passenger aircraft operators) | (45)  | (47) | (60)                         |
| Steel production                        | Not reported (NR) - As at 30 Sep 24, we are on track to achieve our 2030 target and progress is below our emissions pathway. Given the small number of customers, this information is not publicly disclosed. |      |                              |
| Aluminium                               |   |      |                              |
| Cement production                       | (5)   | NR   | (14)                         |
| Commercial Real Estate (Offices)        | (18)  | (27) | (59)                         |
| Residential Real Estate (Australia)     | (11)  | (14) | (56)                         |
| Australia Beef and Sheep <sup>3</sup>   | 2   | 2    | (9)                          |
| Australia Dairy <sup>3</sup>            | (7)   | (7)  | (10)                         |
| New Zealand Beef and Sheep <sup>3</sup> | 2   | (4)  | (9)                          |
| New Zealand Dairy <sup>3</sup>          | (2)   | (6)  | (10)                         |

## Carbon-intensive sector requirements

- From 30 Sep-25, new or renewed corporate lending and bond facilitation for in-scope customers<sup>4</sup> are subject to Customer CTP Evaluation.
- The evaluation assesses emissions targets, strategy, capital allocation, and climate governance, and rates customers from A to D.
- Customers must have interim Scope 1 and 2 decarbonisation target/s aligned to the well below 2°C goal of the Paris Agreement to qualify for financing.
- Customers rated D would not be eligible for financing. If the finance supports National or Energy Security<sup>4</sup>, we may escalate to the appropriate governance committee for review.

## Preliminary CTP assessment of new or renewed lending or bond facilitation (facilities)

| Rating | Action if new / renewed facilities are requested                                 | % of customers assessed <sup>5</sup> |
|--------|--|--------------------------------------|
| A      | <b>Accept</b> & monitor customer CTP execution.                                  | 55                                   |
| B      | <b>Accept</b> & engage to encourage further development of CTP                   | 36                                   |
| C      | <b>Escalate</b> to governance committee. New/renewed facilities may be declined. | 0                                    |
| D      | <b>Decline</b> new/renewed facilities  | 9                                    |

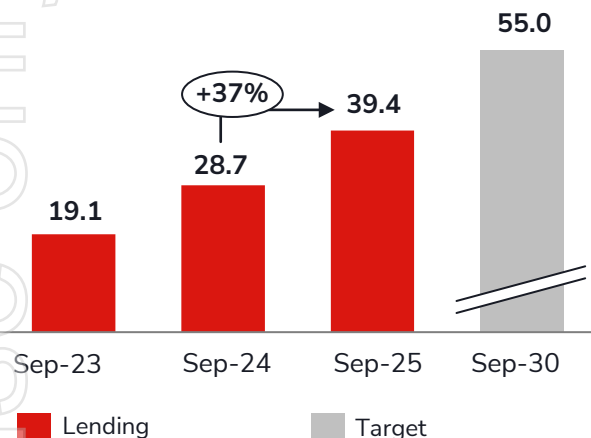
<sup>1</sup> Refer to the Appendix of our 2025 Sustainability Report for details of the methodologies for estimating our emissions. <sup>2</sup> Prior year baseline and progress for Residential Real Estate target are as at 31 August, and as at 30 September for FY24. Baselines: Commercial and Residential Real Estate – 2022; Aluminium – 2023; all other financed emissions – 2021. <sup>3</sup> Prior year numbers restated for Australia and New Zealand Agriculture targets, refer to our 2025 Sustainability Report for details. <sup>4</sup> Customers within the oil and gas, metallurgical coal mining, and coal-fired power generation sectors. See our Sustainability Customer Requirements for more information including definitions for National or Energy Security. <sup>5</sup> Percentage of customers assessed in advance of their request for new/renewed corporate lending or bond facilitation.



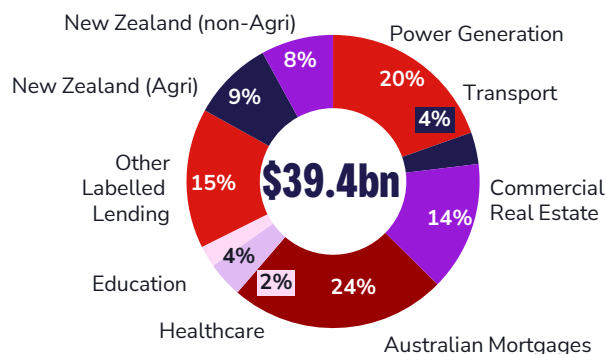
# CLIMATE-RELATED OPPORTUNITIES AND TARGETS

Our **Sustainable Finance Framework** defines how we classify sustainable finance transactions as Green, Transition, Social or Sustainability. We also have 2030 targets for lending and bond facilitation.

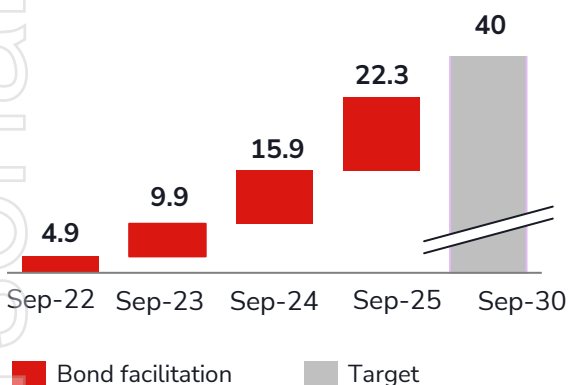
## LENDING (TCE<sup>1</sup> \$BN)



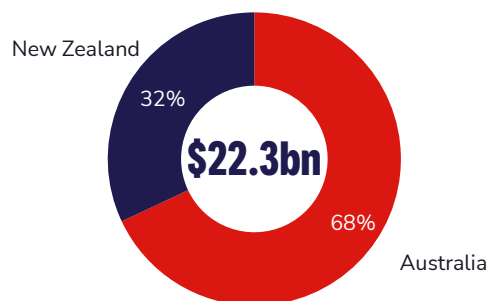
## LENDING BY SECTOR (SEP-25 %)



## BOND FACILITATION<sup>2</sup> (CUMULATIVE \$BN)



## BOND FACILITATION BY COUNTRY (%)



## Sustainable finance highlights

- 89.2% of our electricity sector lending to renewables.
- Coordinating Arranger and Bookrunner for AirTrunk's SYD1 and SYD2 term loan financing, supporting biodiversity, conservation and disaster relief, delivered through its social impact program.
- Joint Sustainability Coordinator for Bluecurrent's NZ\$2.5bn Green Loan supporting smart electricity and water metering across Australasia.
- Sustainability Coordinator and Lead Manager for Auckland Council's first Sustainability-Linked Bond. Auckland Council is targeting to plant one million native forest stems by 2027.
- Ranked #1 in the 2025 NZ Sustainable Bond League Table<sup>4</sup>.

## Other climate-related opportunities (Sep-25)<sup>3</sup>

- \$63.4m for EV/Hybrid vehicles loans in Australia.
- \$182.4m for the Greater Choices home loan and EV loan in New Zealand.

<sup>1</sup> Total committed exposure (TCE) or balance (for residential mortgages) at 30 Sept. TCE is the sum of loan balance and other committed facilities. For this purpose, TCE must meet the requirements of our Sustainable Finance Framework, and so excludes pre settlement risk, secondary market trading and the underwriting of facilities. <sup>2</sup> Bond facilitation target and progress is measured as the cumulative sum of our proportionate share of qualifying bonds facilitated from 1 Oct-21. Prior years are restated following data quality reviews which identified additional bonds not previously included. <sup>3</sup> Includes loans that have not been assessed under our SFF. <sup>4</sup> KangaNews, 2025 NZ Sustainable Bond – All Issuers – Incl Self-led Deals League Table at 30 Sep-25.



# INVESTOR RELATIONS TEAM – CONTACT US

CONTACT US

## Justin McCarthy

General Manager, Investor Relations

## Jacqueline Boddy

Head of Debt Investor Relations

## James Wibberley

Manager, Investor Relations

## Nathan Fontyne

Senior Analyst, Investor Relations

## Catherine Garcia

Head of Investor Relations, Institutional

## Lucy Wilson

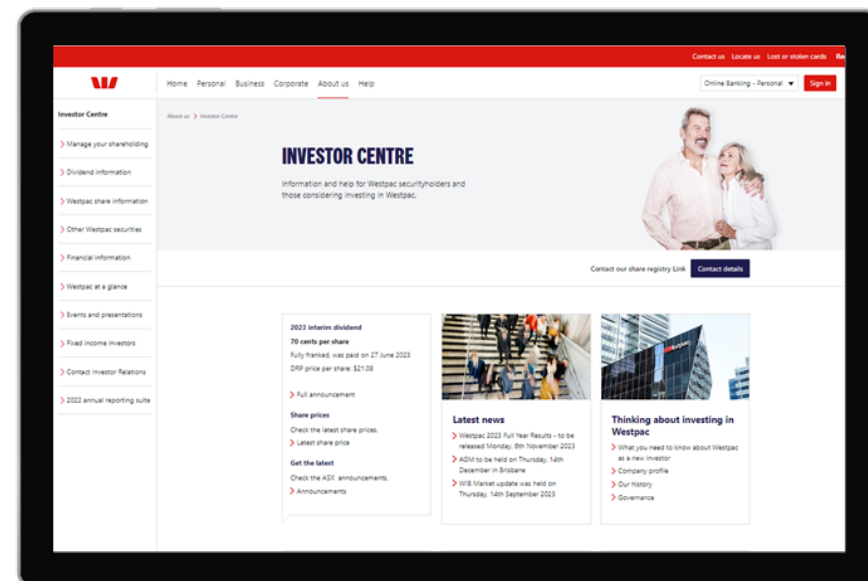
Head of Corporate Reporting and ESG

## Arthur Petratos

Manager, Shareholder Services

## Laura Babaic

Graduate, Investor Relations



## INVESTOR RELATIONS CONTACT

For all matters relating to Westpac's **strategy, performance and results**

+61 2 9178 2977

investorrelations@westpac.com.au

westpac.com.au/investorcentre

## SHARE REGISTRY CONTACT

For all shareholding enquiries relating to:

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

1800 804 255

westpac@cm.mpmas.mufg.com

au.investorcentre.mpmas.mufg.com



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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 and/or the board's current expectations or beliefs concerning future developments and their potential effect upon us.

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