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Sustainalytics Second Party Opinion
Westpac Green Bond Framework

13 January 2026

Framework owner and location:
Westpac Banking Corporation
Sydney, Australia
Sector:
Banks

Overall Assessment

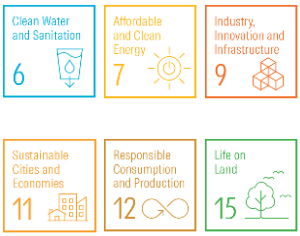
Sustainability Contribution

Principles Alignment

Aligned

Green Bond Principles 2025

Contribution to SDGs



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Assessment Summary[1]

Westpac has developed the Westpac Green Bond Framework dated January 2026, under which it intends to issue green funding instruments such as senior or subordinated bonds, covered bonds, asset-backed or residential mortgage-backed securities, commercial paper and other liabilities.[2] Westpac may use the proceeds to fund assets in Australia and its other operating regions, including New Zealand, the Asia-Pacific, the UK and the Americas, in six environmental categories.

We have assessed the overall Sustainability Contribution of the Framework as **Strong**, based on the average Sustainability Contribution of the Framework's six use of proceeds categories. As per our methodology, we have applied equal weighting across categories.

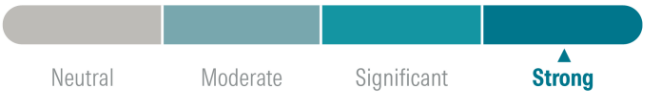
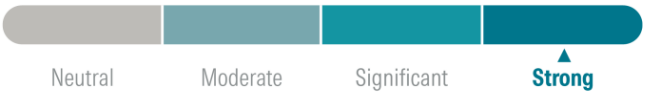
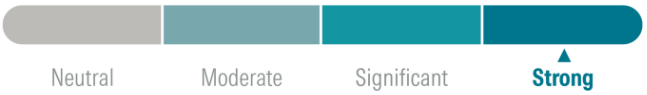
Under Renewable Energy, Energy Efficiency and Clean Transportation, Westpac may finance assets in renewable energy generation, green hydrogen production, transmission and distribution, zero emission vehicles and related infrastructure. Financing may include waste-to-energy facilities, a short-term interim solution to landfilling in regions where full recycling is not feasible. In Australia, which has robust waste management systems, this delivers modest benefits. Overall, expenditures in these categories are expected to substantially support a low carbon energy and mobility transition. Green Buildings projects will have certifications that place them among the most energy efficient. Despite the potential use of on-site fossil fuels for some new buildings, these are still expected to strongly support sectoral decarbonization. Environmentally Sustainable Management of Living Natural Resources and Land Use projects are expected to strongly contribute to sustainable forestry. Sustainable Water and Wastewater Management may finance water treatment and climate resiliency projects, incorporating measures to mitigate environmental risks. Wastewater facilities may not treat sewage sludge, and desalination projects may meet either low energy use or low carbon electricity standards, but not both, which are important for decarbonization of such energy-intensive processes. Still, together with flood protection and drought resilience efforts, these investments are expected to strongly enhance sustainable water management and climate resilience.

We have assessed the Framework as **Aligned** with the Green Bond Principles 2025.

[1] This Second Party Opinion applies only to the expenditures and criteria expressly described in the Framework or those communicated by Westpac to Sustainalytics before the Evaluation Date.
[2] This Second Party Opinion is valid only for the instruments explicitly listed in the Framework.

Breakdown per Use of Proceeds Category

We have assessed the overall Sustainability Contribution of the Framework as **Strong**, based on the average Sustainability Contribution of the Framework's use of proceeds categories. As per our methodology, we have distributed weight equally across categories, as shown below.

Category	Sustainability Contribution Level	Weight
Renewable Energy		16.7%
Energy Efficiency		s16.7%
Clean Transportation		16.7%
Green Buildings		16.7%
Environmentally Sustainable Management of Living Natural Resources and Land Use		16.7%
Sustainable Water and Wastewater Management		16.7%

Issuer Overview & Sustainability Strategy

Westpac Banking Corporation is an Australian multinational bank that provides banking and financial services, including transactional banking, financial markets, corporate and structured finance and trade and supply chain finance. Headquartered in Sydney, Australia, the Bank serves more than 13 million customers and has 35,240 employees as of 30 September 2025.[3]

The Bank integrates environmental and social factors into its sustainability strategy, which covers: i) climate transition to decarbonize its customers and operations; ii) housing affordability for underserved communities; and iii) regional prosperity to promote business growth, local employment and communities.[4] To support its climate transition goals, Westpac has published its Climate Transition Plan focusing on: i) net zero climate operations; ii) supporting customers' transition to net zero; and iii) supporting customers' physical resilience.[5]

To reduce its financed emissions, Westpac has committed to achieving net zero emissions for its lending portfolio by 2050. The Bank has also set interim 2030 financed emissions targets in nine priority carbon-intensive sectors, including oil and gas, coal, power, cement, iron and steel, aluminium, transport – aviation, agriculture and real estate. Additionally, Westpac has set sustainable finance targets to provide AUD 55 billion (USD 36.2 billion) in lending and AUD 40 billion (USD 26.3 billion) in bond facilitation activities by 2030.[6]

To manage the environmental impact of its own operations, Westpac has set targets to reduce its: i) scope 1 and 2 emissions by 76% by 2030, with an interim target of 64% by 2025; and ii) upstream scope 3 emissions by 50% by 2030, from a 2021 baseline. As of 2025, scope 1 and 2 emissions are 89% lower and upstream scope 3 emissions are 42% lower, from a 2021 baseline. Westpac also aims to: i) achieve 100% sourcing of renewable electricity; and ii) transition the Bank's Australian and New Zealand fleet vehicles to 100% electric or plug-in hybrids by 2030.[7]

Westpac's Chief Sustainability Officer is responsible for overseeing Westpac's sustainability strategy and sustainability positions. The Chief Sustainability Officer reports directly to Westpac's Chief Executive Officer, with progress on the management, implementation and delivery of the Bank's strategy through Board and executive-level governance forums. Westpac publishes a sustainability report and an annual report as part of its integrated annual reporting suite. The sustainability report details the Bank's strategy, targets and approach for managing climate-related risks and opportunities. The annual report contains other sustainability-related disclosures for key topics such as human rights, natural capital and support for Indigenous people.[8]

[3] Westpac, "Annual Report 2025", (2025), at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/wbc-annual-report-2025.pdf.
[4] Westpac, "Our Strategy", at: https://www.westpac.com.au/about-westpac/sustainability/our-strategy/.
[5] Westpac, "Westpac's Climate Transition Plan", at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/wbc-climate-transition-plan.pdf.
[6] Westpac, "Sustainability Report 2025", (2025), at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/wbc-sustainability-report-2025.pdf.
[7] Ibid.
[8] Westpac, "Annual Report 2025", (2025), at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/wbc-annual-report-2025.pdf.

Principles Alignment

We have assessed the Westpac Green Bond Framework as follows:

Green Bond Principles 2025 – **Aligned**[9]

Westpac intends to issue green funding instruments, including senior or subordinated unsecured bonds, covered bonds, asset-backed or residential mortgage-backed securities, commercial paper and other liabilities under the Framework.[10]

The covered bonds and asset-backed or residential mortgage-backed securities will be structured as Secured Green Standard Bonds or Secured Green Collateral Bonds, as defined by ICMA in the Green Bond Principles 2025. The net proceeds of the Secured Green Standard Bonds will be applied exclusively to finance or refinance eligible projects under the Framework. For Secured Green Collateral Bonds, the collateral underlying the securitization will align with the eligibility criteria outlined in the Framework. Westpac will ensure there is no double counting of eligible projects or assets under the covered bonds, asset-backed or residential mortgage-backed securities with any other outstanding labelled financing instruments.

Principles Alignment Detailed Evaluation

Use of Proceeds	**Aligned** *Alignment with core requirements* ► The Framework describes eligibility criteria appropriately. ► All expenditures are expected to provide clear environmental benefits.

Project Evaluation and Selection	**Aligned**
	
	Alignment with core requirements
	► The Framework describes a governance process for the evaluation and selection of eligible projects.
	► The Framework communicates the environmental sustainability objectives of eligible projects.
	► The Framework describes a process to identify and manage perceived environmental and social risks associated with eligible projects.
	
	Additional considerations
	► Westpac has committed to the following practices, which go beyond the core requirements:
	  ► The Bank describes how eligible projects support its overarching sustainability objectives and strategy.
	  ► The Bank indicates the SDGs to which it expects to contribute through eligible projects.

[9] This Second Party Opinion applies only to the expenditures and criteria expressly described in the Framework or those communicated by Westpac to Sustainalytics before the Evaluation Date.
[10] This Second Party Opinion is valid only for the instruments explicitly listed in the Framework.

- The proceeds under the Framework will not be allocated to assets whose primary purpose has been assessed to be financing or refinancing assets related to fossil fuels, tobacco, gambling and defence, including controversial and nuclear weapons.

Management of Proceeds	**Aligned**

Alignment with core requirements

- The Framework describes a governance structure for the management of proceeds.
- The Framework describes the processes and systems that will be used to track the proceeds.
- The Framework describes the intended temporary placement for the balance of unallocated proceeds.

Additional considerations

- Westpac will manage the proceeds from the financing using a portfolio approach.
- Westpac has committed to the following practices, which go beyond the core requirements:
  - The Framework disclosed allocation period to be 24 months from date of issuance.
  - The Framework disclosed that temporary proceeds will be held in cash or cash equivalent instruments.

Reporting	**Aligned**

Alignment with core requirements

- The Bank will provide full allocation of proceeds, published annually in its Impact Report, until the maturity of green funding instrument.

Additional considerations

- Westpac has committed to the following practices, which go beyond the core requirements:
  - The Bank will have at least category-level allocation in its Impact Report.
  - The Bank will, where possible, report on the relevant expected or actual environmental impact metrics of projects.
  - The Bank shares at least one impact metric for each category.
  - The Bank intends to align its impact reporting with the standards set out in the ICMA Harmonized Framework for Impact Reporting.[11]
  - The Bank will share Impact Reports on its website.

[11] ICMA, "Handbook Harmonised Framework for Impact Reporting", (2023) at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf.

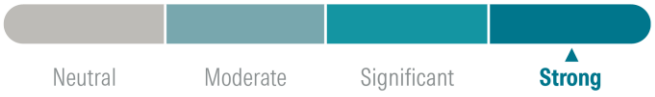
Sustainability Contribution

Westpac intends to use the proceeds from instruments issued under the Framework to finance and refinance projects and assets expected to lead to environmental benefits in Australia and its other operating regions, including New Zealand, the Asia-Pacific, the UK and the Americas.

Under the Framework, Westpac intends to allocate proceeds to pure play businesses, defined as those deriving at least 90% of their revenue from eligible activities. Where such data is unavailable or less appropriate, businesses will be alternatively qualified as pure play if they meet the 90% threshold based on other relevant alternative metrics related to eligible green activities outlined in the Framework. The use of alternative metrics in place of revenue will be considered by Westpac on a case-by-case basis.[12] While we note Westpac's intent to finance pure play businesses based on the underlying assets' alignment with the eligibility criteria in the Framework, we consider: i) project- and activity-based lending to result in more direct environmental benefit and enhance compliance with the eligibility criteria in the Framework; and ii) financing of pure play businesses using a 90% revenue-based threshold to be a commonly accepted approach and likely to generate positive environmental benefits.

We have assessed the overall Sustainability Contribution of the Framework as **Strong**[13] based on the average Sustainability Contribution of the Framework's use of proceeds categories. As per our methodology, we have distributed weight equally across categories.

Sustainability Contribution



Sustainability Contribution per Use of Proceeds Category

Renewable Energy

We have assessed the Sustainability Contribution of the Renewable Energy category as **Strong**.

Expenditures in this category include electricity generation and green hydrogen production from solar, wind, ocean, biomass, hydropower and geothermal energy sources. Funding will also be directed to waste-to-energy, which in the short-term provides an interim solution to landfilling, in regions where full recycling is not yet feasible. In Australia, where robust waste management systems are already in place, such expenditures are expected to deliver moderate environmental benefits. Nevertheless, considered together, expenditures under this category are expected to strongly contribute to reducing emissions from the energy sector and supporting its decarbonization.

Category Expenditures

Expenditure	Description

[12] For example, Westpac considers the following proxies appropriate for defining pure plays: i) electricity generation companies where at least 90% of energy supplied is from renewables aligned with the Renewable Energy category of the Framework; and ii) real estate companies where at least 90% of the gross leasable area in their office (base buildings) and shopping centre portfolios achieve a NABERS rating of 5.5 stars or higher.
[13] This Second Party Opinion applies only to the expenditures and criteria expressly described in the Framework or those communicated by Westpac to Sustainalytics before the Evaluation Date.

Solar energy generation	► Construction, operation and maintenance of solar photovoltaic and concentrated solar power (CSP) facilities. ► Fossil fuel back-up for CSP projects will be limited to 15%.
Wind and ocean energy generation	► Construction, operation and maintenance of onshore and offshore wind power facilities and offshore ocean energy facilities. ► Fossil fuel back-up for offshore facilities will be limited to that required for operational continuity.
Green hydrogen production	► Production of green hydrogen using renewable electricity sources as per the Framework.

Bioenergy energy generation	► Construction, operation and maintenance of bioenergy facilities achieving at least 80% GHG emissions savings compared to a fossil fuel baseline.
	► Eligible feedstock includes both waste and non-waste biomass, which will meet the following:
	  ► Does not grow on land with high biodiversity.
	  ► Does not compete with food sources.
	  ► Will be certified by one of the following sustainability certifications: RSB,[14] RTRS,[15] FSC,[16] ISCC PLUS,[17] ISCC EU,[18] RSPO,[19] 2BSvs,[20] SQC,[21] REDcert-EU,[22] NTA 8080,[23] PEFC,[24] Proterra[25] and SBP.[26]
	► Excludes animal manure from industrial scale livestock operations, animal fats, oil and other animal processing by-products.

Hydropower energy generation and pumped storage	► Construction, operation and maintenance of run-of-river or impoundment hydropower plants with scope 1 and 2 emissions meeting a lifecycle emissions threshold of 100 gCO_2e/kWh or lower and that meet one of the following criteria:
	  ► For facilities operational before 2020: i) power density greater than 5 W/m^2 for large hydropower (>25 MW); or ii) small run of the river hydropower plants with power generation capacity of less than 25 MW.
	  ► For facilities operational in 2020 or after: power density greater than 10 W/m^2.
	► Construction, operation and maintenance of pumped storage facilities connected to hydropower or a grid where less than 10% of electricity transmitted is fossil fuel generated.
	► All new projects will undergo an environmental and social impact assessment by a credible body to ensure that there are no material negative environmental or social impact or associated controversies.

Waste-to-energy	► Construction, operation and maintenance of waste-to-energy facilities in Australia with an emissions intensity below 100 gCO_2e/kWh. ► Majority of recyclables will be segregated before incineration. ► Waste streams will exclude the use of plastics, rubber or tire-derived fuels for energy or fuel conversion.

[14] RSB: https://rsb.org/certification/.
[15] RTRS: https://responsiblesoy.org/?lang=en.
[16] FSC: https://us.fsc.org/en-us/certification.
[17] ISCC PLUS: https://www.iscc-system.org/certification/iscc-certification-schemes/iscc-plus/.
[18] ISCC EU: https://www.iscc-system.org/certification/iscc-certification-schemes/iscc-eu/.
[19] RSPO: https://rspo.org/.
[20] 2BSvs: https://www.2bsvs.org/.
[21] SQC: https://www.sqcrops.co.uk/.
[22] REDcert-EU: https://www.redcert.org/images/REDcert_EU_210525/SP_EU_Basic_Vers07.pdf.
[23] NTA 8080: https://betterbiomass.nl/en/certification/certification-roadmap/.
[24] PEFC: https://www.pefc.org/.
[25] Proterra: https://www.proterrafoundation.org/wp-content/uploads/2020/10/ProTerra-Standard-V4.1_EN.pdf.
[26] SBP: https://sbp-cert.org/

Geothermal energy generation	► Construction, operation and maintenance of geothermal facilities with direct emissions intensity below 100 gCO_2e/kWh.

Analytical Commentary

Investments in low carbon energy are critical for the global energy transition, as electricity and heat generation were responsible for approximately 44% of global CO_2 emissions from fuel combustion in 2022.[27] Meanwhile, unabated fossil fuels continue to account for more than 60% of global electricity generation. To limit global temperature, rise to 1.5°C, the share of renewable energy generation must increase to 90% by 2050, while the share of unabated fossil fuels needs to decrease to below 30% by 2030.[28,29]

Expenditures in wind, solar, ocean and hydropower projects contribute substantially to the goal of zero emissions energy systems, as these technologies have life cycle GHG emissions intensities below the technology-agnostic threshold of 100 gCO_2e/kWh.[30] Geothermal energy generation facilities are also limited to those that meet a direct emissions threshold of 100 gCO_2e/kWh. These are consistent with limiting the global temperature rise to 2°C.[31]

The Bank may also finance the production of green hydrogen powered by renewable energy. Green hydrogen can play a major role in decarbonizing hard-to-abate sectors, such as heavy industry, transport and power, by offering a clean energy carrier where other renewable alternatives may be unfeasible. Electricity generation from bioenergy financed under this category will also strongly support the energy transition, given their substantial GHG emissions reductions compared to fossil fuel baselines and the use of sustainably sourced feedstock.

Additionally, the Bank may finance waste-to-energy facilities in Australia with an emissions intensity below 100 gCO_2e/kWh. The composition of waste, especially its fossil carbon content, is critical to ensuring low emissions intensity for such projects. Waste streams used in eligible facilities will be segregated before incineration and will not include plastics, rubber or tire-derived fuels for energy. Although waste-to-energy can reduce landfill volumes and methane emissions, it may also divert materials that could otherwise be recycled, shifting focus from circular economy principles that prioritize minimizing waste. In regions lacking adequate recycling infrastructure, waste-to-energy can serve as an interim solution, offering a short-term alternative to landfilling. The Bank will finance facilities operating in Australia, where robust waste management systems and recycling infrastructure are already in place. In this context, the Bank's financing is expected to moderately contribute to improving waste management practices.

Collectively, expenditures in this category are expected to strongly contribute to the decarbonization of the energy sector.

[27] IEA, "Greenhouse Gas Emissions from Energy Data Explorer", (2024), at: https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energydata-explorer.
[28] IEA, "Electricity – Tracking", (2023), at: https://www.iea.org/energy-system/electricity.
[29] IEA, "Net Zero by 2050", (2021), at: https://www.iea.org/reports/net-zero-by-2050.
[30] Silva, M. et al., "Life cycle GHG emissions of renewable and non-renewable electricity generation technologies", RE-Invest Project, (2019), at: https://reinvestproject.eu/wp-content/uploads/2019/11/OR_RE-INVEST_Life-cycle-GHG-emissions-of-renewable-and-non-renewable-electricity.pdf.
[31] IEA, "Energy Technology Perspective", (2017), at: https://iea.blob.core.windows.net/assets/a6587f9f-e56c-4b1d-96e4-5a4da78f12fa/Energy_Technology_Perspectives_2017-PDF.pdf.

Energy Efficiency

We have assessed the Sustainability Contribution of the Energy Efficiency category as **Strong**.

Expenditures in this category include systems, equipment, storage and infrastructure linked to energy systems with over 90% renewable energy integration as well as energy systems with lower renewable energy integration that are on a decarbonization pathway. The emissions intensity remains below 100 gCO_2/kWh for infrastructure connected to energy systems with a high share of renewable energy, while investments linked to other energy systems may have a limited contribution to environmental objectives. Overall, such expenditures are expected to strongly contribute to the decarbonization of energy systems and accelerate the transition to a low carbon energy system.

Category Expenditures

Expenditure	Description
Construction, operation and maintenance of transmission and distribution infrastructure and energy storage	► Construction, operation and maintenance of systems, equipment, storage and infrastructure supporting the transmission and distribution of renewable energy, including: ► Transmission and distribution (T&D) infrastructure and battery energy storage systems (BESS) connected to a grid where less than 10% of electricity transmitted is fossil fuel generated. ► T&D infrastructure and battery energy storage systems (BESS) connected to an energy system where renewable energy integration is: i) more than 90% of electricity transmitted; or ii) less than 90% of the electricity transmitted, but the energy system is on a pathway towards decarbonization. ► Smart grid technologies such as advanced smart meters, monitoring and control automation devices, computing platforms, distributed generation and peak demand management, smart energy algorithms and green computing systems designed for energy-efficient use.

Analytical Commentary

Electricity accounts for 20% of the world's total energy consumption and is expected to grow by around 4% annually through 2027.[32] Achieving net zero emissions (NZE) by 2050 for the global energy sector requires an average annual improvement of 4% in global energy intensity until 2030, which could result in avoiding 10 gigatonnes of CO_2 emissions each year. This would be dependent on the integration of renewable energy into the electricity supply, requiring the adoption of energy-efficient technologies, such as smart grids and smart meters, the modernization of transmission and distribution infrastructure, and an increase in energy storage capacity. Projections indicate a need for 120 GW of additional energy storage capacity annually by 2030 and 80 million kilometres of new or upgraded grids by 2040.[33,34]

The development of T&D infrastructure connected to grids powered by over 90% renewable electricity ensures that emissions intensity remains below 100 gCO_2/kWh and facilitates the integration of renewable energy into electricity grids. In addition, Westpac may also finance BESS projects and technologies connected to T&D grid which may integrate less than 90% renewable

[32] IEA, "Electricity 2025", at: https://www.iea.org/reports/electricity-2025.
[33] IEA, "Grid-scale Storage", at: https://www.iea.org/energy-system/electricity/grid-scale-storage.
[34] IEA, "Electricity Grids and Secure Energy Transitions", (2023), at: https://iea.blob.core.windows.net/assets/ea2ff609-8180-4312-8de9-494bcf21696d/ElectricityGridsandSecureEnergyTransitions.pdf.

energy, but are on the path of decarbonization. While this may limit the potential for environmental impact due to the continued reliance on fossil-fuel based electricity generation, nonetheless, such investments contribute to grid stability and support the progressive integration of higher shares of renewable energy over time.

Investments under the Framework will be directed to smart grid technologies designed to reduce energy consumption, increase energy efficiency and reduce network losses in transmission and distribution networks.

Collectively, investments under this category will strongly contribute to the decarbonization of electricity grids and accelerating the transition to a low carbon energy system.

Clean Transport

We have assessed the Sustainability Contribution of the Clean Transport category as **Strong**.

Expenditures include the financing of zero direct emissions vehicles, active mobility and associated infrastructure, which are critical to reducing emissions from the transportation sector. Although it is unclear whether financing includes active mobility intended solely for leisure, which offer relatively fewer environmental benefits, these expenditures are expected to strongly contribute to achieving the long-term goal of low carbon transportation.

Category Expenditures

Expenditure	Description
Construction, operation and maintenance of zero emission vehicles and assets	► Construction, operation and maintenance of zero direct emissions freight and passenger vehicles, including light passenger rail, freight rail, cars, buses, postal vehicles, motorcycles, taxis and freight trucks. ► Manufacturing of active mobility devices, such as bicycles, e-bicycles and e-scooters. ► Excludes freight vehicles dedicated to the transportation of fossil fuels.
Improvements, upgrades and expansion of clean transportation infrastructure	► Improvements, upgrades and expansion of infrastructure supporting: ► Zero direct emissions transport, including electric charging ports and electrification of transport network infrastructure, such as rail networks and tolling stations. ► Active mobility devices. ► Excludes: i) new construction and existing road infrastructure retrofits; ii) parking facilities; and iii) fossil fuel filling stations and other assets, which prolong the life or facilitate the use of fossil fuel powered transport.

Analytical Commentary

The transportation sector accounted for 37% of global CO_2 emissions from end-use sectors in 2022 and relied on oil products for nearly 91% of its final energy use. Land transportation was the largest contributor. To achieve net zero emissions by 2050, CO_2 emissions from this sector must decline by 25% by 2030, which will require scaling up the electrification of vehicles, the use of low-emission fuels and related clean transportation infrastructure.[35]

Expenditures under the category include the financing of zero direct emissions vehicles and associated infrastructure. Westpac also intends to finance active mobility to support a modal shift

[35] World Economic Forum, "7 Reasons Why Global Transport is so Hard to Decarbonize", 2021, at: https://www.weforum.org/agenda/2021/11/global-transport-carbon-emissions-decarbonise/.

from emission-intensive modes of transportation to low carbon transportation, such as bicycles and e-scooters. However, financing may also include those that may be used for leisure, which may provide reduced environmental benefits. Nevertheless, overall, the expenditures in this category are expected to strongly contribute to the decarbonization of the sector.

Green Buildings

We have assessed the Sustainability Contribution of the Green Buildings category as **Strong**.

The commercial and residential buildings financed under the category will meet energy performance standards or levels of credible green building certifications that are expected to position eligible buildings among the most energy-efficient in the region. Although most of the eligibility criteria in the category do not require buildings to be fossil fuel-free in relation to energy generation, which is particularly relevant for new buildings, these expenditures are expected to strongly contribute to the decarbonization of the buildings sector in Australia.

Category Expenditures

Expenditure	Description
Construction, operation, retrofit, renovation, fitout or ownership of green buildings	► Construction, operation, retrofit, fitout or ownership of residential and commercial buildings in Australia that meet the following: ► Assets or portfolios that: i) represent the top 15% of building performance in a city or typology; or ii) align with CBI's Buildings Criteria, including demonstrating that financed buildings will follow a zero-carbon trajectory and new buildings will be electrified. [36] ► Buildings that meet at least one of the following minimum certification levels: i) NABERS 5.5 stars or above for offices (base buildings) and shopping centres;[37] ii) NABERS 5 stars or above for hotels, apartments and data centres;[38] iii) BREEAM Excellent or above;[39] and iv) NatHERS thermal star rating 7 stars or above with a minimum whole of home rating of 60 for new houses and 50 for new apartments.[40] ► Excludes buildings designed for the purpose of storage, transportation and exploration of fossil fuels.

Analytical Commentary

In 2022, buildings operations accounted for 30% of global final energy consumption and 26% of energy-related GHG emissions.[41] Specifically for Australia, buildings accounted for around 19% of total energy use and 18% of direct carbon emissions in Australia as of 2024.[42] To reduce emissions in the buildings sector, many countries, including Australia, are strengthening building energy codes and promoting energy-efficient systems and renewable technologies in the built environment. However, decarbonization in the buildings sector must accelerate to achieve net zero emissions by

[36] Climate Bonds Initiative, "Buildings Criteria", (2023), at: https://www.climatebonds.net/files/documents/Climate-Bonds_Buildings-Criteria_Criteria-document_December-2023_2025-07-01-111616_hdmg.pdf.
[37] NABERS: https://www.nabers.gov.au/about/what-nabers.
[38] Ibid.
[39] BREAAM: https://bregroup.com/products/breeam/.
[40] NatHERS: https://www.nathers.gov.au/About-NatHERS.
[41] IEA, "Tracking Buildings", (2023), at: https://www.iea.org/energy-system/buildings.
[42] Australian Government, Department of Climate Change, Energy, the Environment and Water, "Buildings", (2024), at: https://www.dcceew.gov.au/energy/energy-efficiency/buildings.

2050. As of 2020, only 5% of new buildings worldwide were zero-carbon-ready, while this share must increase to 100% by 2030 to keep pace with internationally agreed-upon climate goals.[43] Financing energy-efficient and zero-emission-ready buildings are critical to bridging this gap and decarbonizing the buildings sector.

Eligible buildings are required to fall within the top 15% of building stock in terms of energy performance, meet the CBI Buildings Criteria or obtain credible green building certifications at high performance levels. These are expected to place the eligible buildings among the most energy-efficient in their regions. However, only the CBI Buildings Criteria require financed new buildings to be fossil fuel-free in their energy use, which poses a risk of fossil fuel lock-in, and is particularly relevant to new builds constructed from 2024 onwards. Nevertheless, these expenditures are expected to strongly contribute to the decarbonization of the buildings sector in Australia.

Environmentally Sustainable Management of Living Natural Resources and Land Use

We have assessed the Sustainability Contribution of the Environmentally Sustainable Management of Living Natural Resources and Land Use category as **Strong**.

Expenditures under this category includes sustainable forest management projects certified by the Forest Stewardship Council (FSC), which will strongly contribute to sustainable forestry and ecosystem resilience.

Category Expenditures

Expenditure	Description
Management and operations of plantations and natural forests	► Management and operations of plantations and natural forests certified under FSC.[44]

Analytical Commentary

Global deforestation persisted at a rate of 10 million hectares annually, largely due to agricultural expansion and unsustainable logging. Between 1990 and 2020, around 420 million hectares of forest have been lost through conversion to other land uses.[45] Forests are home to more than 80% of the world's terrestrial biodiversity, support the livelihoods of 1.6 billion people and provide USD 75-100 billion per year in ecosystem services.[46] Achieving the Kunming-Montreal Global Biodiversity Framework's 2030 targets to protect 30% of land and restore 30% of degraded ecosystems will require increased financing directed towards sustainable forestry.[47]

Westpac will finance sustainable forest management projects that are certified by FSC, which will to ensure that forest resources are managed responsibly to maintain biodiversity, productivity and regeneration capacity. These expenditures are expected to strongly contribute to the development of sustainable forestry systems.

[43] IEA, "Technology and Innovation Pathways for Zero-carbon-ready Buildings by 2030", (2022), at: https://www.iea.org/reports/technology-and-innovation-pathways-for-zero-carbon-ready-buildings-by-2030.
[44] Forest Stewardship Council: https://fsc.org/en.
[45] FAO, "The state of the World's Forest", (2020), at: https://www.fao.org/state-of-forests/en/.
[46] International Union for Conservation of Nature, "Forests", at: https://iucn.org/our-work/topic/forests.
[47] Convention on Biological Diversity, "Kunming-Montreal Global Biodiversity Framework: 2030 Targets (with Guidance Notes), at: https://www.cbd.int/gbf/targets.

Sustainable Water and Wastewater Management

We have assessed the Sustainability Contribution of the Sustainable Water and Wastewater Management category as **Strong**.

Expenditures under this category include infrastructure related to clean drinking water and wastewater treatment complemented by leakage and discharge management address environmental risks. Although sewage sludge from wastewater treatment may not be required to undergo further processing, the facilities are still expected to meaningfully improve water quality and reduce pollution. Desalination infrastructure will be energy-efficient or powered by low-carbon sources, supported by measures to minimize environmental harm; however, such facilities deliver relatively lesser environmental gains compared to those that achieve both. Overall, these investments, along with those in flood protection and drought resilience, are expected to strongly contribute to enhancing sustainable water management and strengthening climate resilience.

Category Expenditures

Expenditure	Description
Construction, operation and maintenance of water infrastructure	► Construction, operation and maintenance of sustainable water treatment infrastructure, including clean drinking water such as desalination plants and wastewater treatment facilities. ► These facilities will be financed in line with Westpac's internal due diligence, and application of the Equator Principles[48] for project finance transactions ensuring: i) effective water leakage management; ii) exclusion of facilities dedicated to emissions-intensive or controversial activities; and iii) discharge management in accordance with local or national laws and regulations on pollutant levels. ► Desalination facilities either meet: i) an energy consumption requirement of below 4 kWh/m;^{3} or ii) are powered by renewable energy or grid electricity from a grid with an average carbon intensity below 100 gCO_2e/kWh. Additionally, the Bank's internal due diligence requirements ensure such facilities are not directly connected to or sourced by fossil fuel power and that appropriate brine management measures are implemented to minimize harm to marine ecosystems at the time of discharge. ► Activities that enhance water quality, optimize distribution efficiency and promote conservation, including infrastructure designed for flood protection and drought resilience. These projects are subject to the Equator Principles and Westpac's ESG risk management criteria, which integrates physical climate risk hazards into Bank's risk management framework. This includes periodic reviews throughout the life of the loan, climate vulnerability assessments, adaptation measures and exclusion of activities that obstruct other environmental objectives.

[48] Equator Principles, "About Equator Principles", at: https://equator-principles.com/about-the-equator-principles/.

Analytical Commentary

Approximately 26% of the global population lack access to safe drinking water and around one quarter experience extremely high levels of water stress, consuming more than 80% of the annual renewable freshwater supply in their region.[49] Additionally, around 20% to 50% of distributed water is lost due to leakages and ageing infrastructure.[50] In 2022, an estimated 268 billion m^3 of household wastewater was generated globally, of which only 58% was safely collected, treated and discharged.[51,52] Furthermore, between the 1970s and 2010s, the annual economic losses from climate-related extreme events increased from USD 198 billion to USD 1.6 trillion globally.[53] Extreme events such as flooding and droughts are expected to become more frequent, intense and longer.[54] Financing sustainable water infrastructure and enhancing climate-resilient systems highlight the urgent need for comprehensive water management strategies to tackle both water scarcity and flooding in a changing climate.

Westpac will finance clean drinking water facilities, wastewater treatment and desalination facilities that either maintain low energy usage or rely on low-carbon electricity. The Bank's due diligence measures are expected to identify, assess and manage environmental risks, while also integrating broader environmental management practices into financed projects, including water leakage assessments, discharge management and marine ecosystems protection through appropriate brine management safeguards. However, wastewater treatment facilities may not be required to further treat sewage sludge (a byproduct of the treatment process). Additionally, given desalination is an energy-intensive process, ensuring both energy efficiency and reliance on low-carbon sources is essential to supporting the decarbonization of such infrastructure. Nevertheless, these facilities are still expected to deliver notable environmental benefits by improving water quality and reducing pollution in waterways.

Combined with investments in infrastructure for flood protection and drought resilience, the expenditures under this category are expected to strongly contribute to improving water supply efficiency and wastewater management.

[49] UNESCO, "Imminent risk of a global water crisis, warns the UN World Water Development Report 2023", (2023), at: https://www.unesco.org/en/articles/imminent-risk-global-water-crisis-warns-un-world-water-development-report-2023.
[50] AbuEltayef H. et al., "Addressing non-revenue water as a global problem and its interlinkages with sustainable development goals", The International Water Association, (2024), at: https://iwaponline.com/wpt/article/18/12/3175/98008/Addressing-non-revenue-water-as-a-global-problem.
[51] UN Water, "Progress on the proportion of domestic and industrial wastewater flows safely treated", (2024), at: https://www.unwater.org/sites/default/files/2024-08/SDG6_Indicator_Report_631_Progress-on-Wastewater-Treatment_2024_EN_0.pdf.
[52] UNESCO, "The United Nations World Water Development Report 2024: water for prosperity and peace", (2024), at: https://www.unesco.org/reports/wwdr/en/2024/s.
[53] OECD, "Infrastructure for a Climate-Resilient Future", (2024), at: https://www.oecd.org/en/publications/infrastructure-for-a-climate-resilient-future_a74a45b0-en.html.
[54] UN, "Water – at the center of the climate crisis", at: https://www.un.org/en/climatechange/science/climate-issues/water.

Environmental and Social Risk Management

We have identified the following areas of environmental and social risks associated with the expenditures eligible under the Framework: land use change and biodiversity; emissions, effluents and waste; community relations; and business ethics. Westpac has the following policies and processes in place to identify and mitigate such risks.

E&S risk identified	Applicable policies, procedures and measures
Due diligence and risk management measures	► Westpac's Sustainability Risk Management Framework outlines the Bank's approach to address ESG risks associated with borrowers, transactions and supported activities. Internal ESG risk assessment tools are used by business teams to evaluate, manage and mitigate ESG risks, as well as further due diligence and escalation processes upon identification of significant ESG risks.[55] ► Westpac is a signatory to the Equator Principles and, as a result, its due diligence process involves a structured approach to identify, assess and manage environmental and social risks when financing projects.[56,57]
Land use change and biodiversity; emissions, effluents and waste	► Westpac incorporates environmental considerations into its decision-making by assessing environmental and climate-related risks in its ESG risk assessments, with a focus on areas such as GHG emissions, land use and deforestation in relevant sectors.[58] ► Westpac's Natural Capital Position Statement outlines how it aims to: i) prioritize engagement with customers in material sectors that have a high impact and/or dependence on nature; and ii) further understand its focus areas, including deforestation, restoration and regeneration, loss of critical habitats and natural capital finance.[59] Agribusiness customers are also required to avoid impact to areas with critical habitats and UNESCO World Heritage sites.[60]
Community relations	► Westpac engages its stakeholders, including Indigenous communities, through a range of channels, such as stakeholder feedback and grievance mechanisms, consultations with community partners or partnerships with community organizations. These insights are used to inform its approach to ESG risk management.[61,62]
Business ethics	► Westpac's Code of Conduct and Anti-Money Laundering and Counter-Terrorism Financing Policy establish ethical principles and sets expectations for its employees, contractors and partners on issues such as bribery, corruption, money laundering, terrorism financing, data risk management and information security.[63,64] The Code of Conduct also outlines a Speaking Up

[55] Westpac, "2025 Sustainability Report", (2025), at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/wbc-sustainability-report-2025.pdf.
[56] Westpac, "Climate Report", (2024), at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/wbc-climate-report-2024.pdf.
[57] Information shared by Westpac.
[58] Westpac, "2025 Sustainability Report", (2025), at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/wbc-sustainability-report-2025.pdf.
[59] Westpac, "Natural Capital Position Statement", (2025), at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/wbc-natural-capital-position-statement.pdf.
[60] Westpac, "Sustainability Customer Requirements", at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/wbc-sustainability-customer-requirements.pdf.
[61] Westpac, "Listening to our stakeholders", at: https://www.westpac.com.au/about-westpac/sustainability/governance-and-accountability/listening-to-stakeholders/.
[62] Westpac, "2025 Sustainability Report", (2025), at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/wbc-sustainability-report-2025.pdf.
[63] Westpac, "AML/CTF policy", at: https://www.westpac.com.au/about-westpac/westpac-group/corporate-governance/aml-counter-terrorism/aml-group-policy/.
[64] Westpac, "Code of Conduct", (2025), at: https://www.westpac.com.au/docs/pdf/aw/code-of-conduct.pdf.

policy, which provides mechanisms for whistleblowers to report fraud, complaints and health and safety issues with anonymity and legal safeguards.[65]

- The Bank's Human Rights Position Statement and Action Plan and Modern Slavery Statement outline its commitments to incorporating human rights and modern slavery considerations related to forced labour, child labour, slavery, human trafficking and other exploitative practices.[66,67]

[65] Ibid.
[66] Westpac, "Westpac Human Rights Position Statement and Action Plan", (2024), at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/WBC-human-rights-position-statement.pdf.
[67] Westpac, "Modern Slavery Statement 2024", (2024), at: https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/wbc-2024-modern-slavery-statement.pdf.

Annex 1: Assessment Framework Overview

The following is a brief overview of the Assessment Framework that we use to assess debt instruments and the frameworks that support them. Using this Assessment Framework, we provide two key signals in our Second Party Opinions: **Principles Alignment** and **Sustainability Contribution**.

Principles Alignment indicates a framework's alignment with the requirements of applicable sustainable debt market Principles.[68] This assessment is structured according to the four components of the Principles: Use of Proceeds, Project Evaluation and Selection, Management of Proceeds and Reporting. Principles Alignment is expressed at one of following levels:

- **Aligned:** Meets all requirements across the four components.
- **Partially Aligned:** Meets requirements on two or three of the four components.
- **Not Aligned:** Does not meet requirements on most or all of the four components.

In addition, we provide commentary on any shortcomings as well as best practices.

Sustainability Contribution provides a clear and comparable signal of the expected contribution of the use of proceeds to one or more environmental or social objectives. We assess each expenditure defined in a framework by looking at the activities, assets and projects that they finance. This assessment is carried out using a set of factors that we have identified as driving the expenditure's contribution to a primary objective as well as its avoidance of harm to other objectives. The assessment results in one of the four levels of Sustainability Contribution described in the table below.

We determine the average contribution of the expenditures within each use of proceeds category (as defined by the issuer) to produce an expected Sustainability Contribution for each category. We then aggregate across categories to determine the Sustainability Contribution of a framework overall. In most cases, weight is distributed equally across use of proceeds categories. However, we adjust the weighting if information regarding percentage allocation is provided by the issuer.

Level of Sustainability Contribution	Description
	The expenditure finances an activity that makes a strong contribution to an environmental or social objective. The activity is well aligned with credible standards; there are no significant lock-in risks; and the risk of negative impact to other sustainability objectives is low.
	The expenditure finances an activity that makes a significant positive contribution to an environmental or social objective while having minor shortcomings compared to a strong contribution. This is either because the activity falls somewhat short of credible standards; there is some risk of lock-in (in the case of some environmental activities); there is a risk of negative impact to other sustainability objectives; or there is some ambiguity in the criteria for the expenditure.
	The expenditure finances an activity that represents a step towards an environmental or social objective but has substantial shortcomings compared to expenditures that make a strong contribution. Although the activity will result in benefit over a relevant baseline, either it falls substantially short of credible standards; there is significant risk of lock-in; there is significant ambiguity in the criteria; or there is a risk of significant negative impact to other sustainability objectives.
	The expenditure finances an activity that entails no net positive contribution to environmental or social objectives. Even in cases where there is some positive contribution to an objective, this is offset by shortcomings in other areas. Alternatively, the eligibility criteria may be unclear to the extent that contribution cannot be determined.

[68] These primarily include the Green Bond Principles and the Social Bond Principles, published by the International Capital Market Association (ICMA); and the Green Loan Principles and the Social Loan Principles, published by the Loan Syndications and Trading Association, the Loan Market Association, the Asia Pacific Loan Market Association (LSTA-LMA-APLMA), and the Association of Southeast Asian Nations (ASEAN).

Scope of Work and Limitations

This Second Party Opinion provides a point-in-time independent opinion of the Framework as of the Evaluation Date. Our opinion may consider additional documentation and information that the Framework owner may have provided during the engagement, in addition to public and non-public information. The owner refers to the entity featuring as an issuer, borrower, special-purpose vehicle or any other entity as described in the Framework.

As part of this engagement, we communicated with representatives of the Framework owner, who acknowledge that: i) it is the sole responsibility of the Framework owner to ensure that the information provided is complete, accurate and up to date; ii) they have provided us with all of the relevant information; and iii) that all of the information has been provided in a timely manner.

This Second Party Opinion provides our opinion of the Framework and should be read in conjunction with that Framework. Any update of this Second Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and the Framework owner.

Our Second Party Opinion provides our opinion on the alignment of the Framework with current market standards and practice but provides no guarantee of alignment nor warrants alignment with future versions of any such standards. In addition, it does not guarantee the realized allocation of proceeds towards eligible activities.

No information provided in this Second Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that the Framework owner may have made available to Sustainalytics for the purpose of this Second Party Opinion.

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