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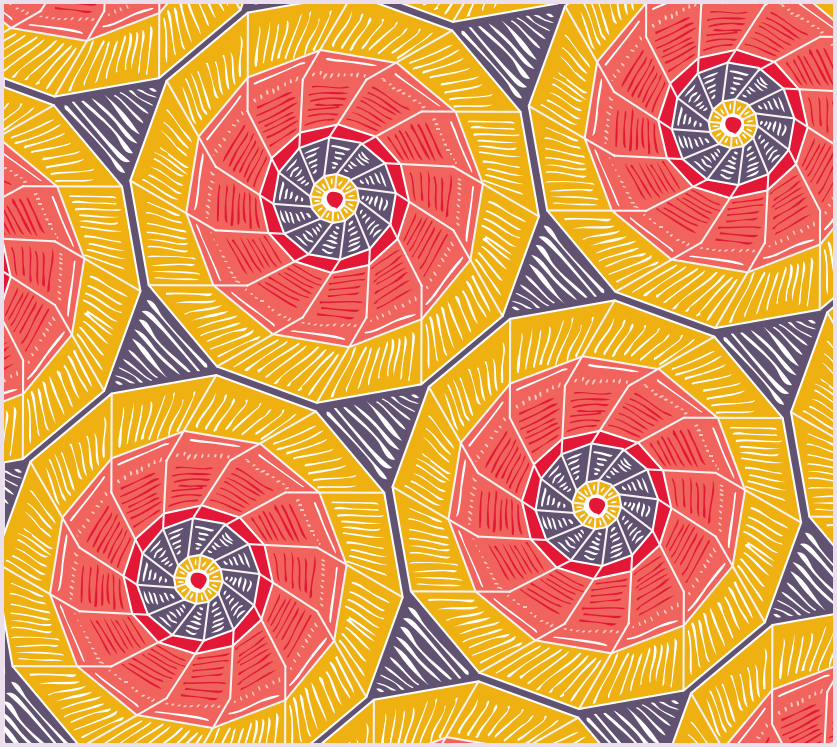
WESTPAC BANKING CORPORATION
ABN 33 007 457 141

SUSTAINABLE FINANCE FRAMEWORK



CONTENTS

OVERVIEW	2
A. OUR AIM	3
B. OUR SUSTAINABLE FINANCE TARGETS	4
C. FRAMEWORK PRINCIPLES	5
D. KEY REFERENCED NATIONAL TAXONOMIES, INDUSTRY STANDARDS, PRINCIPLES AND GUIDANCE	6
E. HOW WE ASSESS WHAT IS COUNTED AS SUSTAINABLE FINANCE	7
F. GOVERNANCE, MONITORING, REPORTING AND UPDATING THE FRAMEWORK	8
APPENDIX A – PROCESS FOR ASSESSING ELIGIBILITY	9
APPENDIX B – SUMMARY – TAXONOMY CRITERIA	17
APPENDIX C – KEY REFERENCED NATIONAL TAXONOMIES, INDUSTRY STANDARDS, PRINCIPLES AND GUIDANCE	27
DISCLAIMER	28



ACKNOWLEDGMENT OF INDIGENOUS PEOPLES

Westpac acknowledges the First Peoples of Australia and recognises their ongoing role as Traditional Owners of the land and waters of this country, and we pay respect to Elders past and present. We extend that respect to Westpac's Aboriginal and Torres Strait Islander employees, partners and stakeholders, and to the Indigenous Peoples in the other locations where we operate.

In Aotearoa (New Zealand) we also acknowledge tangata whenua and the unique relationship that Indigenous Peoples share with all New Zealanders as partners and custodians of their natural ecosystems under Te Tiriti o Waitangi.

OVERVIEW

Significant investment is required for the economy to deliver on the climate, environmental and social goals set out in the Paris Agreement, and the UN Sustainable Development Goals (UN SDGs)[1].

Westpac is committed to financing activities that contribute to positive sustainability outcomes across climate, environmental and social objectives.

Our Sustainable Finance Framework (Framework) sets out how we assess, monitor, measure and report on sustainable lending and bond facilitation, along with the targets we are aiming to achieve. The Framework aims to give us clarity on what is considered sustainable, to support our people and customers as they target sustainable finance. In so doing, we can better support customers in their transition to net-zero and be their transition partner of choice.

Westpac Sustainable Finance Framework: what is it?

Our Framework:

- Details how we consider sustainable finance transactions and classify them as Green, Transition, Social or Sustainability, using our Sustainable Finance Taxonomy (Taxonomy) or industry standards, principles and guidance to guide this classification.
- Is accompanied by Westpac's Sustainable Finance Targets (Targets) – the amount of sustainable lending and bond facilitation we are seeking to achieve.

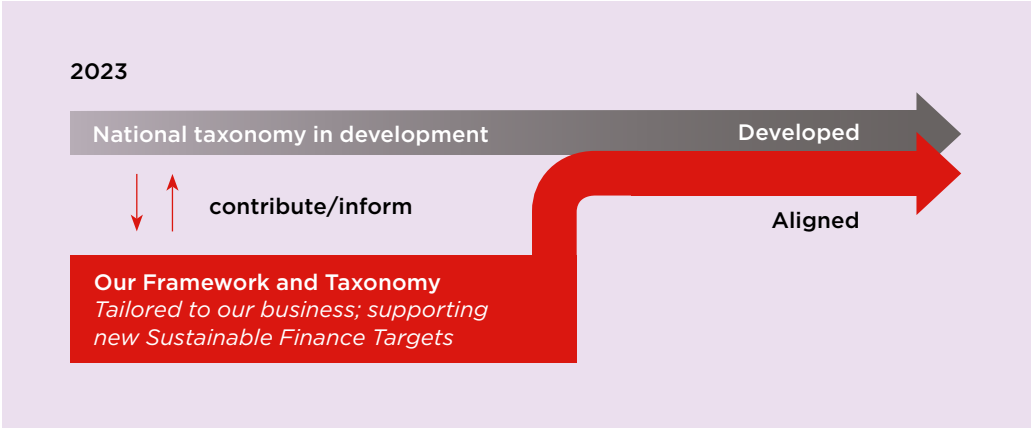
How do we assess what is counted as Sustainable Finance?

Assessing what is in our Targets includes, at a high level:

- Assessing Environmental, Social and Governance (ESG) risks for the company and/or transaction.
- Assessing transactions against industry standards, principles and guidance or Taxonomy, depending on the type of finance.
- Once the transactions have been assessed and classified as Green, Transition, Social or Sustainability, we then determine the amount to be included in our Targets.

Why are we developing the Framework and Taxonomy now?

- Urgent action is required to address climate change. To facilitate this action, clarity is needed for customers, our people and other stakeholders over what is determined as sustainable. Our Framework helps to create this clarity which not only better supports customers in their net-zero ambitions, but also supports product development and better directs capital flows to where they can best be used.
- The Australian Sustainable Finance Institute (ASFI) is currently coordinating development of a national taxonomy, although this is expected to take some time. We believe it is important to act now in developing our Framework and Taxonomy to support our **Sustainability Strategy**.
- We have and will continue to contribute to the national process and will seek to ensure harmonisation between our Taxonomy and the national taxonomies as they develop, and transparency where there are different approaches. We aim to review and update the Framework, Taxonomy and Targets and will ultimately seek to align with the Australian and New Zealand taxonomies.



1 Refer for example, International Energy Agency, World Energy Investment 2023. Available at **https://iea.blob.core.windows.net/assets/8834d3af-af60-4df0-9643-72e2684f7221/WorldEnergyInvestment2023.pdf**

A. OUR AIM

Westpac's[2] **purpose** is ***Creating better futures together.*** Our **Sustainability Strategy** shows how we will put our purpose into action and where we plan to deliver meaningful change by 2030.

The aim of our Framework is to help us provide lending and bond facilitation activities that contribute to positive climate, environmental and social outcomes.

This includes providing products and services that help customers transition and adapt to a low carbon economy, and mobilising capital to incentivise development of transition technologies and climate adaptation measures. We also aim to finance activities that support sustainable land use, natural resources and biodiversity, improved living standards and inclusive and sustainable communities.

The Framework sets out how we assess, monitor, measure and report on financing and facilitation of sustainable activities. An important element is our Taxonomy which includes the technical screening criteria (Taxonomy Criteria) that classify the Green, Transition and Social activities that comprise our approach to sustainable finance. These help to provide transparent, credible and comparable standards that together support action that aims to align capital allocation with sustainability objectives. We have sought to make the Taxonomy Criteria science- and principle-based (refer to **Section C – Framework principles**).

Two categories of sustainable finance are covered in our Framework:

1) lending; and

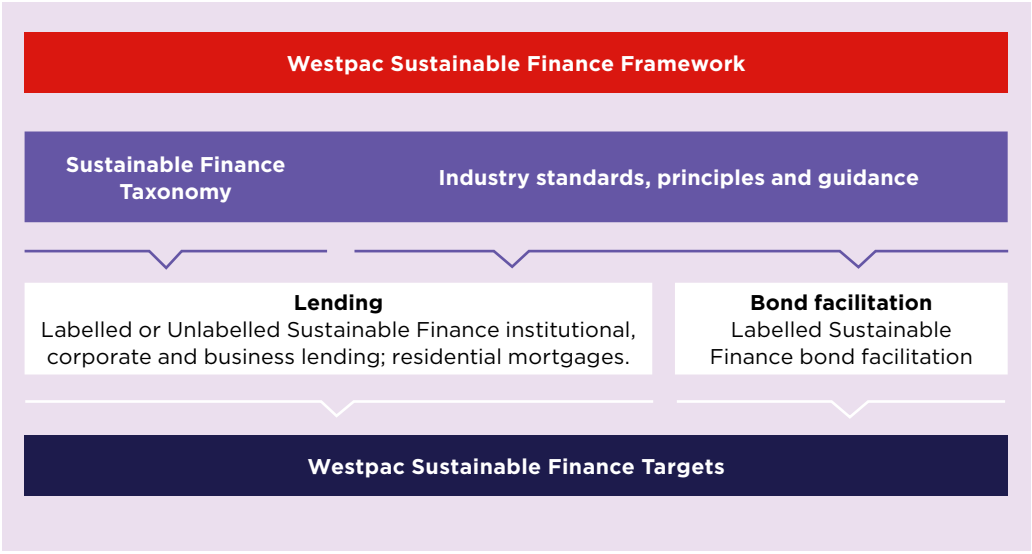
2) bond facilitation.

Lending may be labelled or unlabelled, while bond facilitation is labelled only. We explain what these terms mean in **Box 1** under **Section D – Key referenced national taxonomies, industry standards, principles and guidance.** Industry standards, principles and guidance are relevant to labelled lending and bond facilitation and our Taxonomy is relevant to lending only.

The Framework also defines our Targets for lending and bond facilitation and how we will measure and monitor our progress.

Figure 1 shows the interaction of the Taxonomy, industry standards, principles and guidance and Targets within this Framework.

FIGURE 1 – WESTPAC SUSTAINABLE FINANCE FRAMEWORK



2 In this document a reference to 'Westpac', 'we', and 'our' is to Westpac Institutional Bank (WIB), Consumer Division, Group Sustainability, and Westpac New Zealand (WNZL) Institutional and Business bank. Unless otherwise stated, the Framework applies globally, incorporating all Westpac Group brands (including Westpac, St.George, BankSA, Bank of Melbourne and RAMS) and locations across Australia, New Zealand, Asia, the United Kingdom, Germany and the United States, but excludes Fiji and PNG. Unless otherwise stated, all dollar amounts are in Australian Dollars.

Any representations made in this document as to future actions, including forward-looking statements and commitments, are predictive in character. Whilst every effort has been made to ensure that the assumptions on which the relevant statements are based are reasonable, these statements and the implementation process and/or outcome(s) may be affected or impacted by incorrect assumptions and/or by known or unknown risks, uncertainties or events beyond the control of the Westpac Group. As a result, the ultimate outcome(s) may differ from the action(s) described in this Framework. Please refer to the full disclaimer at the back of this Framework.

B. OUR SUSTAINABLE FINANCE TARGETS

Our Targets are to provide by 2030 a set amount of:

— lending activities that qualify for inclusion in our Targets; and

— bond facilitation activities that qualify for inclusion in our Targets.

These Target amounts are set out in our **Climate Change Position Statement and Action Plan** and may be updated periodically. Progress against our Targets will be measured and reported based on:

— A point in time approach to using total committed exposures (TCE) or balance[3] for lending activities.

— A cumulative approach for qualifying bond facilitation activities[4].

— 2030 Targets to be achieved by 30 September 2030.

In developing our Taxonomy Criteria and Target for lending, the following have been prioritised based on sectors that are material to our portfolio, have significant financed emissions and/or where we see likely growth in sustainable finance activity:

— power generation*

— transport*

— commercial real estate*

— residential mortgages (Australia only)

— agriculture (New Zealand only)

— healthcare*

— education.*

* Westpac Institutional Bank (WIB), excluding WNZL Institutional bank.



3 The balance represents the balance outstanding at a point in time and is applicable for residential mortgages.
4 A cumulative approach to measure bond facilitation towards a 2030 Target best represents the flow nature of the bond facilitation activity, as well as the characteristics of the bond market and customer issuances dynamics, which can fluctuate year on year depending on market conditions.

C. FRAMEWORK PRINCIPLES

We have applied the following principles in developing our Framework:

— **Credible:** science-based performance thresholds and consideration of leading industry practice.

— **Transparent:** clear Taxonomy that supports the accounting basis for measuring and reporting against Targets.

— **Useable:** can be practically applied to customers.

— **Interoperable:** considers the profile of Australia and New Zealand's economies as a starting point and leverages national taxonomies, industry standards, principles, and guidance where appropriate, but flexible to evolve and change as national taxonomies and emerging standards develop. This supports comparability and use across different markets (particularly Australia and New Zealand).

— **Prioritised:** climate, environmental and social objectives, including climate mitigation and transition towards a 1.5°C economy; climate adaptation; sustainable land use, natural resources and biodiversity; improved living standards and wellbeing and inclusive and sustainable society and communities.



D. KEY REFERENCED NATIONAL TAXONOMIES, INDUSTRY STANDARDS, PRINCIPLES AND GUIDANCE

National taxonomies, industry standards, principles and guidance have informed the development of this Framework and Taxonomy. These include the European Union (EU) Taxonomy, Australian Sustainable Finance Taxonomy Project and Climate Bonds Initiative Taxonomy. The full list is detailed in **Appendix C – Key referenced national taxonomies, industry standards, principles and guidance.**

Although we have referred to these resources in developing our approach where appropriate and available, their application to our products and services will be on a transaction-by-transaction basis and in compliance with local requirements of any specific standard, principle or guidance, including any particular version (refer to **Appendix A – Process for assessing eligibility**). We developed the Taxonomy Criteria with the support of EY.

BOX 1 - TERMS USED IN THIS FRAMEWORK

Sustainable Finance means transactions assessed pursuant to this Framework as qualifying for inclusion in our Targets.

Labelled Sustainable Finance (including labelled lending or bond facilitation) refers to finance that is explicitly designated as supporting environmentally and socially sustainable activities through specific sustainability labels or certifications, as defined in industry standards, principles and guidance. Examples include principles issued by the International Capital Markets Association (ICMA) and Loan Market Association (LMA)/Asia Pacific Loan Market Association (APLMA)/Loan Syndication Trading Association (LSTA).

Labelled sustainable lending also includes Westpac labelled products, whereby the programmes[5] have been assured or verified by an independent, external review provider as aligning with relevant industry standards, principles and guidance, and/or aligns with our Taxonomy Criteria, with any updates assured or verified within a reasonable timeframe.

Unlabelled Sustainable Finance (including unlabelled lending) refers to finance that may not have a specific sustainability label or certification. In the context of this Framework, such finance may still be considered as 'sustainable' as defined by our Framework and Taxonomy Criteria.

Westpac Sustainable Finance Taxonomy includes the Taxonomy Criteria for classifying Green, Transition and Social economic activities **(Appendix B - Summary – Taxonomy Criteria).**

Industry standards, principles and guidance refers to those listed in **Appendix C – Key referenced national taxonomies, industry standards, principles and guidance.**

Specific Use of Proceeds refers to where proceeds are dedicated to fund specific assets, projects, activities, technologies and practices. This includes project or asset finance.

General Corporate Purpose refers to where the use of proceeds are not specified or are not dedicated to finance or facilitate specific assets, projects, activities, technologies and practices. This could be financing for operational needs or working capital.

5 For example, Westpac's Sustainable Farm Standard. This defines the activity level criteria that a farm entity meets (or is on track to meet) in accordance with the Westpac New Zealand Limited **Sustainable Farm Loan**.

E. HOW WE ASSESS WHAT IS COUNTED AS SUSTAINABLE FINANCE

Determining whether a transaction is sustainable, and included in our Targets involves the following high-level steps **(Figure 2** and described in more detail in **Appendix A – Process for assessing eligibility).**

It is important to note that all transactions must pass our usual credit risk assessment process to determine whether it can proceed.

1 Assess ESG risks

An ESG risk assessment is the initial requirement to confirm that the company and/or transaction does not have unacceptable ESG risks or negative ESG impacts. For lending, we assess against the Group ESG Credit Risk Policy along with the requirements of our various **Position Statements**. We seek to consider the interrelationships between climate, environmental and social sustainability risks and impacts, where material. If relevant potential negative ESG impacts at a customer and/or transaction level do not meet the expectations in our Position Statements where applicable and/or our ESG risk appetite, then we may consider whether applying conditions will sufficiently manage risks of negative ESG impacts. If any ESG risks or negative ESG impacts cannot be sufficiently managed, we may not participate in the transaction and the transaction will not qualify for the Targets. Bond facilitation is subject to a high-level ESG risk assessment and escalation where required.

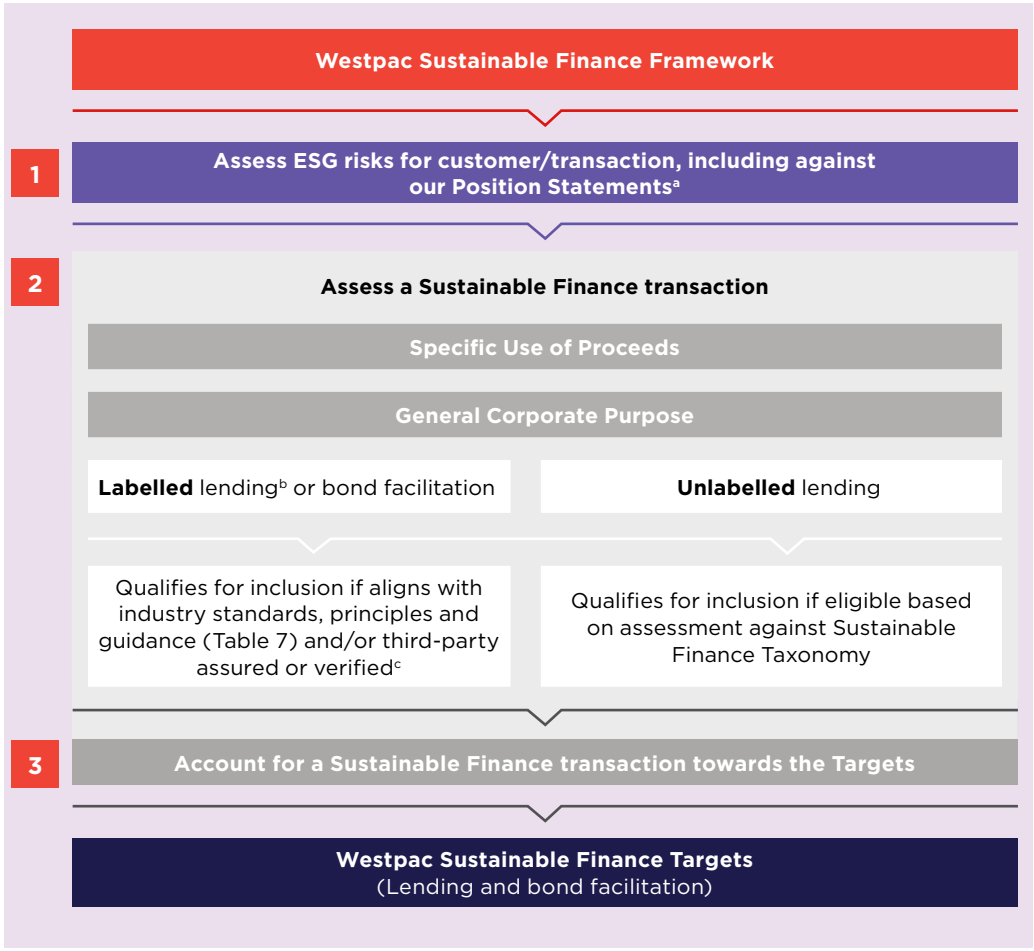
2 Assess a Sustainable Finance transaction

- Assess unlabelled transactions using our Taxonomy, considering whether the proceeds will be used either for General Corporate Purpose or Specific Use of Proceeds.
- Assess labelled transactions against industry standards, principles and guidance and/or for third party assurance or verification.
- Determine if classified as Green, Transition, Social or Sustainability.

3 Account for a Sustainable Finance transaction in the Targets

Once a transaction has been assessed and classified as Green, Transition, Social or Sustainability, we then determine the amount to be included in our Targets.

FIGURE 2 – OVERVIEW OF THE PROCESS FOR ASSESSING ELIGIBLE SUSTAINABLE FINANCE



a Undertaken when lending to and/or facilitating institutional, corporate and business transactions in WIB and WNZL.

b Labelled sustainable lending also includes Westpac labelled products whereby the programmes have been assured or verified by an independent, external review provider as aligning with relevant industry standards, principles and guidance and aligns to our Taxonomy Criteria, with any updates assured or verified within a reasonable timeframe.

c Refer to Appendix A – Process for assessing eligibility. The market and products are continuing to evolve. Where a labelled transaction does not fully align with industry standards, principles and guidance or if there is no third-party assurance or verification by an independent, external review provider, classification and inclusion in the Targets will be assessed on a case-by-case basis, taking into account the credibility of the sustainability objectives.

F. GOVERNANCE, MONITORING, REPORTING AND UPDATING THE FRAMEWORK

Governance and oversight[6]

Our Framework, including the Targets will be governed and managed in line with our sustainability governance and oversight structure. Refer to the sustainability governance and risk management section in **Westpac Group Annual Report**.

Business divisions are responsible for operationalising and applying this Framework, including establishing a process to monitor adherence to the Framework. Business divisions will determine which entities and transactions are eligible, based on the Framework, Taxonomy or industry standards, principles and guidance.

Reporting

We expect to begin annual reporting on progress towards our Targets in November 2024 in line with our FY24 disclosures, which will be subject to external third-party assurance.

Updating the Framework

This Framework became effective on 1st October 2023, with last reviewed date as at August 2024.

We expect this Framework and/or Targets to continue to be reviewed periodically and expanded with additional sectors, new products and/or Taxonomy Criteria as required over time. We will aim to monitor and assess relevant legal, policy, regulatory, economic, technological and stakeholder developments, and any other material changes to Westpac's financing portfolio. Industry standards, principles and guidance will also evolve. As a result, our Taxonomy Criteria and what is eligible for inclusion toward the Targets may change.

We also aim to review the Framework Taxonomy for alignment with national taxonomies in Australia and New Zealand as they develop.

6 Reflects our Group-wide governance structure. In certain regions, additional regional governance structures may be in place. Refer also to footnote 2.

APPENDIX A – PROCESS FOR ASSESSING ELIGIBILITY

Figure 2 provides a high-level overview of how we identify and assess transactions that qualify for the Targets and apply relevant industry standards, principles and guidance, and our Taxonomy.

1 Assess ESG risks

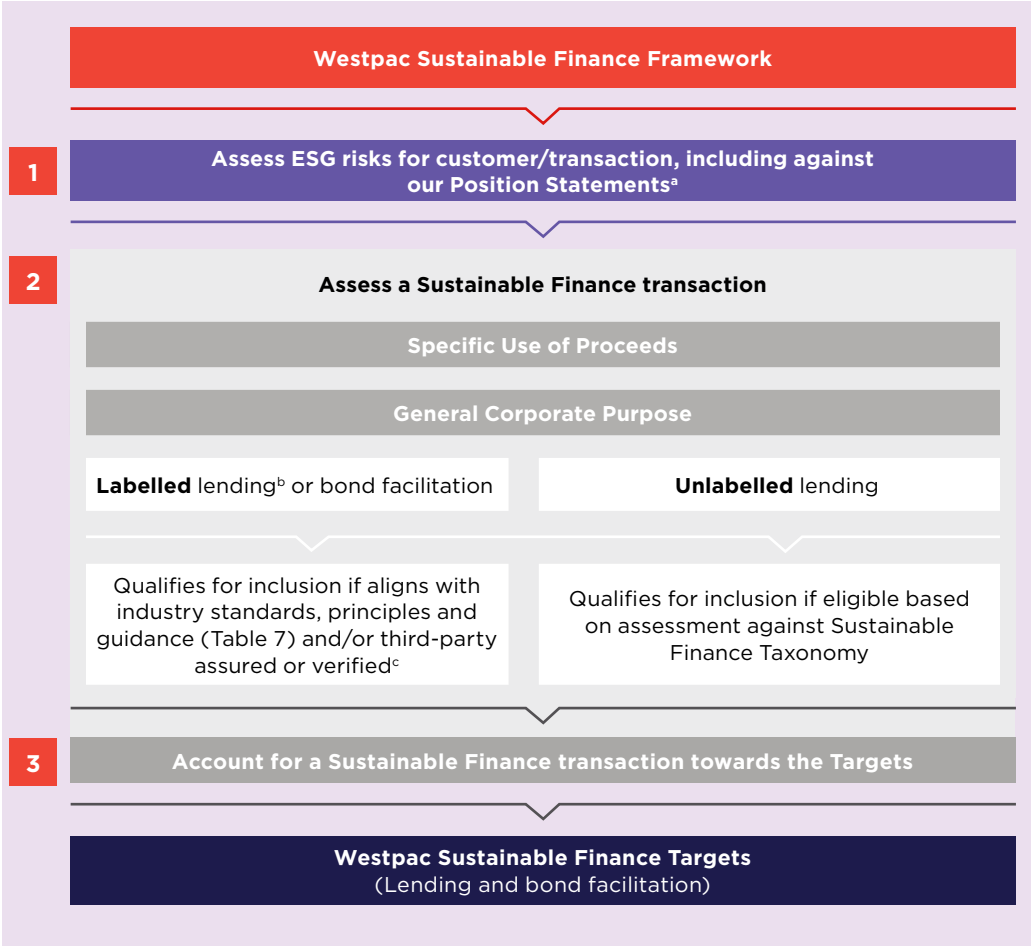
We recognise that it is important that achievement of one objective is not assessed in isolation from the potential impact on other environmental, social or governance considerations. Our approach in seeking to manage these intersectional risks is set out below, although we aim to continue to improve our processes.

Our current approach is that lending to and/or facilitating institutional, corporate and business transactions in WIB and WNZL must pass through our assessment processes. For lending, this includes credit risk assessments and assessment against the Group ESG Credit Risk Policy and corresponding divisional policy/standard.

Where applicable, we also assess against our various **Position Statements**, including our Climate Change Position Statement and Action Plan and Human Rights Position Statement and Action Plan.

We seek to identify and assess relevant potential negative ESG impacts at a customer and/or transaction level. If these do not meet the expectations set out in our Position Statements where applicable and/or our ESG risk appetite, then we may consider whether applying conditions will sufficiently manage risks of negative ESG impacts. If any ESG risks or negative ESG impacts cannot be sufficiently managed, we may not participate in the transaction and the transaction will not qualify for the Targets.

FIGURE 2 – OVERVIEW OF THE PROCESS FOR ASSESSING ELIGIBLE SUSTAINABLE FINANCE



a Undertaken when lending to and/or facilitating institutional, corporate and business transactions in WIB and WNZL.

b Labelled sustainable lending also includes Westpac labelled products whereby the programmes have been assured or verified by an independent, external review provider as aligning with relevant industry standards, principles and guidance and aligns to our Taxonomy Criteria, with any updates assured or verified within a reasonable timeframe.

c Refer to section 2 – Assess a sustainable finance transaction. The market and products are continuing to evolve. Where a labelled transaction does not fully align with industry standards, principles and guidance or if there is no third-party assurance or verification by an independent, external review provider, classification and inclusion in the Targets will be assessed on a case-by-case basis, taking into account the credibility of the sustainability objectives.

1 Assess ESG risks (continued)

We also escalate transactions where there are higher potential risks of negative ESG impacts. For example, our WIB Customer and Transaction Risk Escalation Committee is dedicated to reviewing escalated customers and transactions. If a transaction does not align with our Position Statements and/or risk appetite, it may be declined, having regard to any contractual arrangements in place at the time. The transaction will also not qualify for the Targets.

As part of the assessment process, we seek to consider interrelationships between climate, environmental and social sustainability risks and impacts, where material. As set out in the **Human Rights Position Statement and Action Plan**, we seek to address our most 'salient human rights issues' such as understanding the interrelationship between human rights and climate change and other environmental topics.

As part of our **2022–2025 Reconciliation Action Plan**, we are also seeking to improve our understanding of Free, Prior and Informed Consent (FPIC) as it relates to lending[7].

Bond facilitation is subject to a high-level ESG risk assessment and escalation where required. We are working to implement the same process as described above.

We intend to review our alignment with national taxonomies in Australia and New Zealand as they are developed, including in relation to any further qualifying criteria as they evolve and mature, such as assessment of "do no significant harm".



7 Our FPIC leadership project focus relates to understanding free, prior and informed consent.

2 Assess a Sustainable Finance transaction

The Framework applies to a range of transactions including Labelled and Unlabelled Sustainable Finance lending (for General Corporate Purpose or for Specific Use of Proceeds) and facilitation of Labelled Sustainable Finance bonds.

Labelled Sustainable Finance

The global sustainable finance market has developed industry standards, principles and guidance that are commonly used to label or categorise loans and bonds as green, social, sustainability or sustainability-linked. Labelled sustainable lending includes Westpac labelled products under programmes that have been assured or verified as aligning with relevant industry standards, principles and guidance, and aligns with our Taxonomy Criteria, with any updates assured or verified within a reasonable timeframe.

In the absence of Australian and New Zealand national sustainable finance taxonomies, we will include Labelled Sustainable Finance transactions in our Targets if they:

— align with industry standards, principles and guidance and/or

— are third-party assured or verified by an independent, external review provider.

The continuing evolution of the market and products may give rise to instances where a transaction is accepted as labelled by the market but our assessment indicates it may not fully align with existing industry standards, principles and guidance. In such circumstances, a decision on whether it is included in our Targets will be assessed on a case-by-case basis. Assessment escalation will take the credibility of the sustainability objectives into account.

Refer to **Table 1** for more detail.

TABLE 1 – APPLICATION TO LABELLED SUSTAINABLE FINANCE

CLASSIFICATION	GREEN	SOCIAL	SUSTAINABILITY SPECIFIC USE OF PROCEEDS	SUSTAINABILITY-LINKED GENERAL CORPORATE PURPOSE
Requirement for activity alignment	Checked for alignment with industry standards, principles and guidance and for third-party verification by an independent, external review provider. Refer to **Appendix C – Key referenced national taxonomies, industry standards, principles and guidance.** Where a labelled transaction does not fully align with industry standards, principles and guidance or is not third-party assured or verified, a decision on whether to include it in our Targets will be assessed on a case-by-case basis, taking into account the credibility of the sustainability objectives. These are not required to be assessed against the Green, Transition or Social Taxonomy Criteria[8], save for transactions that are Westpac-labelled products.			
Requirement for overall entity alignment	None required, however subject to an ESG risk assessment.			
Sustainable Finance Targets accounting basis	The accounting basis determines what transactions are classified as labelled Green, Social and Sustainability for lending and bond facilitation (includes Sustainability Specific Use of Proceeds and Sustainability-linked General Corporate Purpose).			

8 The Taxonomy Criteria can be used as guidance for setting the criteria for a labelled Sustainable Finance Specific Use of Proceeds transaction, under the core component of "Process for Project evaluation and selection" within the LMA/APLMA and LSTA Green and Social Loan Principles and ICMA Green and Social Bond Principles, and Sustainability Bond Guidance.

2 Assess a Sustainable Finance transaction (continued)

Unlabelled Sustainable Finance

Where the transaction is Unlabelled Sustainable Finance lending[9], the Taxonomy Criteria apply. Assessment will be based on the purpose of the transaction and/or the customer's primary business activities as assessed and determined by Westpac at the time of the transaction.

Table 2 – Green, Transition and Social definitions sets out these definitions at the entity and activity level. Refer to **Table 3 – Classifying Unlabelled General Corporate Purpose Sustainable Finance transactions** and **Table 4 – Classifying Unlabelled Specific Use of Proceeds Sustainable Finance transactions** for more detail on how these definitions are applied.



9 The Taxonomy Criteria apply to lending activities and not to bond facilitation activities.

TABLE 2 – GREEN, TRANSITION AND SOCIAL DEFINITIONS

CLASSIFICATION	OBJECTIVE	DEFINITION
Green	Climate change mitigation	**An entity is considered to be Green** where it meets the requirements in **Table 3 – Classifying Unlabelled General Corporate Purpose Sustainable Finance transactions**. **An activity is considered a Green activity where:** — The level of emissions from the activity is at or below the Taxonomy Criteria performance threshold[10] that is aligned with performance to 1.5°C[11]. This is based on information available at the time of assessment. — It meets Taxonomy Criteria developed using a principle-based approach. A principle-based approach is adopted where: — Any enabling activity that supports the adoption of Green technologies or practices is 1.5°C aligned. — Data to establish a 1.5°C aligned science-based performance threshold is currently unavailable[12].
	Climate change adaptation	**An activity is considered a Green activity** where it builds resilience to the chronic and acute impacts of climate change.
	Sustainable land use, natural resources and biodiversity	**An activity is considered a Green activity** where it is undertaken on land that uses natural resources responsibly and/or protects or enhances the preservation of natural ecosystems in the long term, while also contributing to human wellbeing.
Transition	Transition towards a 1.5°C economy	**An entity is considered to be in Transition** where it meets the requirements in **Table 3 – Classifying Unlabelled General Corporate Purpose Sustainable Finance transactions** including the existence of an enterprise-wide commitment to reduce emissions in line with a 1.5°C trajectory and interim targets by 2030 have been set which align with a 1.5°C emissions reduction trajectory. **An activity is considered a Transition activity where:** — It is currently not aligned to 1.5°C performance but supports the entity's enterprise-wide commitment to reduce emissions in line with a 1.5°C emissions reduction trajectory. — It meets Taxonomy Criteria developed using a principle-based approach. A principles-based approach is adopted where: — The use of technologies or practices support emissions reduction and the transition towards a 1.5°C economy.
Social	Improved living standards and wellbeing Inclusive and sustainable society and communities	**An entity is considered to be Social** where it meets the requirements in **Table 3 – Classifying Unlabelled General Corporate Purpose Sustainable Finance transactions** including meeting the Westpac Diverse Supplier Group Definitions[13]. **An activity is considered to be a Social activity** if it is aligned to social outcomes and/or supports 'vulnerable or at-risk groups' in line with our **Human Rights Position Statement and Action Plan**, or in disadvantaged Local Government Areas, outer-regional, remote and very remote communities or low-and-middle income countries. In addition, given social taxonomies are still emerging, specific industry thresholds have been set with reference to regulatory performance thresholds, available Commonwealth and State-level government schemes that also include support for the groups and areas above, or what is considered to be ambitious in terms of investment or performance **(Table 3 – Classifying Unlabelled General Corporate Purpose Sustainable Finance transactions).**

10 Performance thresholds are sourced from frameworks identified as 1.5°C aligned and include Climate Bonds Initiative and Science-based Targets Initiative for those sectors with 1.5°C sector guidance.
11 1.5°C refers to limiting global temperature increases to 1.5°C above pre-industrial levels by 2100.
12 The approach draws on the Framework Principles **(Section C)** to guide the qualitative criteria development for activities that contribute to climate change mitigation.
13 Definitions as set out in the Westpac Diverse Supplier Group Definitions. Available at: **https://www.westpac.co.nz/assets/About-us/sustainability-community/documents/Supplier-Diversity-and-Inclusion-Principles-Westpac-NZ.pdf** and **https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/WBG_DiverseSupplierGroupDefinitions.pdf**

Where the use of proceeds is for General Corporate Purposes, we will assess whether the customer's primary business activities meet the Taxonomy Criteria (using metrics to assess activity alignment), as detailed in **Table 3**.

TABLE 3 – CLASSIFYING UNLABELLED GENERAL CORPORATE PURPOSE SUSTAINABLE FINANCE TRANSACTIONS

CLASSIFICATION	GREEN	TRANSITION	SOCIAL
Requirement for activity alignment	Entity's activities in aggregate meet **≥90%** Taxonomy Criteria[14] and so is considered to be a pure-play entity.	Entity's activities in aggregate meet **≥50%** Taxonomy Criteria[15].	Entity's activities in aggregate meet **≥40%**[16] Taxonomy Criteria (depending on the sector).
Requirement for overall entity alignment	None required as considered to be a pure-play entity. However the entity and/or transaction is subject to an ESG risk assessment and the requirements of our **Position Statements**.	Review of available evidence that entity meets the Transition entity definition. In addition, the entity and/or transaction is subject to an ESG risk assessment and the requirements of our **Position Statements**.	None required, however an entity may qualify if it is a diverse business[17]. In addition, the entity and/or transaction is subject to an ESG risk assessment and the requirements of our **Position Statements**.
Sustainable Finance Targets accounting basis	100% of TCE is classified as Green. This is on the sole basis of alignment to Taxonomy Criteria classified as Green.	TCE is attributed in accordance with the percentage of aligned activities to Taxonomy Criteria under Green and/or Transition. This will be classified as Transition. An activity will only be classified as either Green or Transition, not both.	TCE is attributed in accordance with the percentage of aligned activities to Taxonomy Criteria and classified as Social.
Metrics used to assess activity alignment	Revenue or, where unavailable and appropriate, other metrics such as greenhouse emissions, net lettable area, energy generation mix or capital expenditure/ R&D spend, as relevant by sector.		

Under the Framework, to avoid double counting, a general corporate purpose lending transaction will be classified as either Green, Transition or Social even where the transaction aligns with more than one Taxonomy Criteria. A general corporate purpose transaction that aligns with a mix of Green and Transition Taxonomy Criteria will be classified as Transition. This approach may change over time as systems and methodologies evolve.

14 This applies to all sectors except for Agriculture. For unlabelled General Corporate Purpose lending for an Agriculture farming entity to be classified as Green, farms must meet material reductions in gross emissions each year against business-as-usual levels based on a three-year rolling average (such reductions have been determined by WNZL based on the potential emissions reductions for (a) ruminant animals, and (b) non-ruminant animals and horticulture, taking into account industry and government data and projections, and may be updated post any agricultural financed emissions target that WNZL may develop and publish).
15 Refer to footnote 14, with the difference being that farms must meet meaningful reductions in gross emissions each year against business-as-usual levels based on a three-year rolling average.
16 These are ≥40% for Aged Care providers and biotechnology firms where at least 40% of the service or R&D respectively contributes to a social outcome for vulnerable or at-risk groups, disadvantaged Local Government Areas, outer-regional, remote and very remote communities or low-and-middle income countries. We apply a threshold of ≥50% for Hospitals, Medical Centres, General Practitioners, Radiology/Diagnostics, and ≥75% for National Disability Insurance Scheme.
17 Refer to footnote 13.

Where proceeds are dedicated for use with specific assets, projects, activities, technologies and practices that meet the Taxonomy Criteria, the Targets will include the amount financed as detailed in **Table 4**.

TABLE 4 – CLASSIFYING UNLABELLED SPECIFIC USE OF PROCEEDS SUSTAINABLE FINANCE TRANSACTIONS

CLASSIFICATION	GREEN	TRANSITION	SOCIAL
Requirement for activity alignment and Sustainable Finance Targets accounting basis	If the activity meets the Green Taxonomy Criteria, the TCE or balance applied to the eligible activity is classified as Green.	If the activity meets the Transition Taxonomy Criteria, the TCE or balance applied to the eligible activity is classified as Transition.	If the activity meets the Social Taxonomy Criteria, the TCE or balance applied to the eligible activity is classified as Social.
Requirement for overall entity alignment	None required, however the entity and/or transaction is subject to an ESG risk assessment and the requirements of our **Position Statements**.	Review of available evidence that entity meets Transition entity definition. In addition, the entity and/or transaction is subject to ESG risk assessment and the requirements of our **Position Statements**.	None required, however the entity and/or transaction is subject to an ESG risk assessment and the requirements of our **Position Statements**.

3 Account for a Sustainable Finance transaction towards the Targets

The Framework applies to the products and services in **Table 5** which are currently offered or to be developed. We have also outlined the associated Taxonomy or industry standards, principles and guidance and basis of accounting for measuring and reporting progress towards the Targets. We will seek to update this list as needed, for example as the scope of the Framework changes, new products and services are developed and/or accounting methodologies change.

TABLE 5 – SCOPE OF PRODUCTS AND SERVICES AND ACCOUNTING BASIS

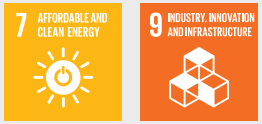
BUSINESS ACTIVITIES	DESCRIPTION	ACCOUNTING BASIS	TAXONOMY OR INDUSTRY STANDARDS, PRINCIPLES AND GUIDANCE TO BE APPLIED
Institutional, corporate and business lending	Labelled bilateral Green, Social, Sustainability and Sustainability-linked institutional, corporate and business loans, credit lines, project and acquisition finance, asset finance	TCE	LMA/APLMA/LSTA GLP/SLP/SLLP and/ or CBI Taxonomy (refer to **Table 7** for definitions)
	Labelled club/participation/syndicated Green, Social, Sustainability and Sustainability-linked institutional, corporate and business loans, credit lines, project and acquisition finance, asset finance	Proportional share based on TCE	
	Unlabelled bilateral institutional, corporate and business loans, credit lines, project and acquisition finance, asset finance	TCE	Westpac Sustainable Finance Taxonomy
	Unlabelled club/participation/syndicated institutional, corporate and business loans, credit lines, project and acquisition finance, asset finance	Proportional share based on TCE	
Corporate and business lending	Westpac labelled products – bilateral corporate and business loans, project and asset finance	TCE	LMA/APLMA/LSTA GLP/SLP (refer to **Table 7** for definitions) Westpac Sustainable Finance Taxonomy where applicable[18].
Residential mortgages	Unlabelled Green, Transition and Social residential mortgages	Balance	Westpac Sustainable Finance Taxonomy
Facilitated syndicated public bond issuance	Labelled syndicated Green, Social, Sustainability and Sustainability-linked bonds, including securitisation	Proportional share of the principal amount of the offering/transaction based on league table credit	ICMA GBP/SBP/SBG/SLBP and CBI Taxonomy and Green Bonds Standard (refer to **Table 7** for definitions)
Facilitated private placement	Labelled Green, Social, Sustainability and Sustainability-linked private placement	Proportional share by bookrunner	ICMA GBP/SBP/SBG/SLBP and CBI Taxonomy and Green Bonds Standard (refer to **Table 7** for definitions)

18 For Westpac New Zealand Limited labelled Agriculture sustainable finance products, the underlying criteria aligns with the Taxonomy Criteria for the Agriculture sector.

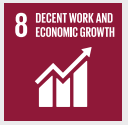
APPENDIX B – SUMMARY – TAXONOMY CRITERIA

Table 6 sets out a summary list of the eligible activities classified as Green, Transition and Social, using our Taxonomy Criteria. This is informed by national taxonomies, industry standards, principles and guidance where appropriate and available. We have also sought to map the eligible activities to the UN SDGs. The results of this mapping are shown in the table below. We intend to review our approach for alignment with national taxonomies in Australia and New Zealand as they are developed.

TABLE 6 – SUMMARY LIST OF ELIGIBLE ACTIVITIES CLASSIFIED AS GREEN, TRANSITION AND SOCIAL

CLASSIFICATION	SUSTAINABILITY OBJECTIVES	ELIGIBLE ACTIVITIES	UN SDG MAPPING
Power Generation			
Green	Climate mitigation	— Renewable energy generation (solar, wind, geothermal, green hydrogen[19], ocean). — Biomass and biogas energy generation with emissions savings of at least 80% where the feedstock source: • does not grow on land with high biodiversity; • does not compete with food sources; and • is certified sustainable by a credible source. — Hydropower, including run of river, impoundment, pumped storage which have Scope 1 and 2 emissions meeting an emissions threshold of <0.1tCO_2-e/MWh including: • large hydropower (>25 MW) with reservoirs formed by a dam, in operation before 2020 with power density >5W/m^2 • small-scale run-of-river hydropower (<25 MW) in operation before 2020 • any hydropower facility commencing operation in 2020 or after with power density >10W/m^2. — Other forms of energy generation meeting an emissions threshold of <0.1tCO_2-e/MWh[20], including: • geothermal energy (direct emissions) • waste to energy where majority of recyclables are segregated before incineration and the Scope 1 and 2 emissions intensity of generation <0.1tCO_2-e/MWh. — Systems, equipment, storage and infrastructure supporting the transmission and distribution of renewable energy, including smart grid technology. — Transmission and distribution activities dedicated to green hydrogen, biogas or biomethane, or where <10% of electricity transmitted is fossil fuel generated, including the conversion or repurposing of existing pipelines to meet the purpose. — Processes and technologies to reduce methane leakages for pipelines that transmit green hydrogen, biogas or biomethane.	

19 Hydrogen produced using renewable energy sources (e.g., biogas, hydro, wind, solar).
20 Scope 1 and 2 emissions of electricity generated. This will be expanded to include Scope 3 emissions as data becomes available.

CLASSIFICATION	SUSTAINABILITY OBJECTIVES	ELIGIBLE ACTIVITIES	UN SDG MAPPING
Power Generation (continued)			
Transition	Transition towards a 1.5°C economy	— Lower-emissions substitutes for high-emitting electricity generation, including: • natural gas-fired electricity generation[21], where Scope 1 and 2 emissions intensity meets an applicable maximum threshold[22] • waste to energy, where majority of recyclables are segregated before incineration. — Biomass and biogas energy generation with emissions savings of at least 9% by 2030[23] where the feedstock source: • does not grow on land with high biodiversity; • does not compete with food sources; and • is certified sustainable by a credible source. — Processes and technologies to reduce leakages and fugitive emissions along the gas supply chain. — Carbon capture and storage (CCS) technology[24].	
Social	Improved living standards and wellbeing	— Funding of activities which promote improved access to basic services and facilities such as education facilities, transport, and medical assistance, that meet the needs of vulnerable or at-risk groups[25], disadvantaged Local Government Areas, outer-regional, remote and very remote communities, and low-and-middle income countries.	
	Inclusive and sustainable society and communities	— Funding businesses which meet the **Westpac Diverse Supplier Group Definitions**. — Supporting the above businesses through procurement contracts, as well as developing supplier capability through support and education. — Creating purposeful employment or training opportunities for individuals from vulnerable or at-risk groups[26]. — Training programs that support alternative employment opportunities for those impacted by the phase-out of emissions-intensive assets.	

21 Scope 1 and 2 emissions of electricity generated. This will be expanded to include Scope 3 emissions as data becomes available and methodologies develop.
22 Based on EU Taxonomy concept of conversion from coal-fired to gas-fired power generation requiring a 55% reduction in emissions intensity. Westpac's review of the Framework (as per **Section F**) may include a review of this emissions intensity threshold as the role of natural gas as a transition fuel evolves, renewable-based power systems mature, renewable energy generation continues to decarbonise the electricity grid, and enabling infrastructure and storage technologies develop.
23 Australian Renewable Energy Agency (ARENA) 'Australia's Bioenergy Roadmap' November 2021.
24 Subject to State and Federal government and/or environmental agency requirements for meeting any specific operating conditions and environmental parameters.
25 This includes people who may be disadvantaged, marginalised or excluded from society, such as children and young people, women, Indigenous peoples including Aboriginal and Torres Strait Islander peoples, people belonging to ethnic or other minorities, persons with disabilities, among others in line with our Human Rights Position Statement and Action Plan. Available at: **https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/WBC-human-rights-position-statement.pdf**.
26 Refer to footnote 25.

CLASSIFICATION	SUSTAINABILITY OBJECTIVES	ELIGIBLE ACTIVITIES	UN SDG MAPPING
Transport			
Green	Climate mitigation	— Zero direct emissions freight and passenger transport (e.g., electric or hydrogen-fuelled vehicles). — Freight or passenger vehicles which use 100% advanced biofuels or renewable fuels of non-biological origin, where the feedstock source for biofuels: • does not grow on land with high biodiversity; • does not compete with food sources; and • is certified sustainable by a credible source. — Construction and operation of infrastructure supporting zero direct emissions transport (e.g. electric charging ports, electrification of transport network infrastructure) and active mobility (e.g. walking, cycling, e-bikes, e-scooters).	
Transition	Transition towards a 1.5°C economy	— Low emissions conventional and hybrid transport, including: • public transport, where direct emissions are <50gCO_2-e per passenger kilometre (until 2025) • light vehicles, where direct emissions are <50gCO_2-e/km (until 2025) • rail freight, where direct emissions are <21gCO_2-e/tonne-kilometre (tkm) (until 2030) • heavy-duty vehicles, where direct emissions are <50% of reference direct emissions of all vehicles in the same sub-group. — Infrastructure encouraging modal shift from private to public transport options or from high-emitting freight transportation to lower carbon freight transportation options. — Infrastructure dedicated to the transport and capture of CO_2-e for CCS. — Port infrastructure supporting sustainable fuel usage and improved fuel efficiency for aircraft or ships. — Installation of on-site renewable energy, energy efficiency upgrades, or electrification of equipment and ground support vehicles at port terminals.	
Social	Improved living standards and wellbeing	— Transport systems supporting accessibility and connectivity to basic services, facilities and employment for outer-regional, remote and very-remote communities and/or persons with disabilities. — Discounted access to transport for persons living in disadvantaged Local Government Areas to improve affordability.	
	Inclusive and sustainable society and communities	— Funding businesses which meet the **Westpac Diverse Supplier Group Definitions**. — Supporting the above businesses through procurement contracts, as well as developing supplier capability through support and education. — Creating purposeful employment or training opportunities for individuals from vulnerable or at-risk groups[27].	

27 Refer to footnote 25.

CLASSIFICATION	SUSTAINABILITY OBJECTIVES	ELIGIBLE ACTIVITIES	UN SDG MAPPING
Commercial Real Estate			
Green	Climate mitigation	— The asset or the portfolio meets the specific requirements within the Climate Bonds Location Specific Criteria. — Construction, renovation, refurbishment, fitout or ownership of buildings to a minimum level of 5.5 Star National Australian Built Environment Rating System (NABERS) rating or equivalent NABERS Commitment Agreement for the following building types:[28] • office (base building) • shopping centres. — Construction, renovation, refurbishment, fitout or ownership of buildings to a minimum level of 5 Star National Australian Built Environment Rating System (NABERS) rating or equivalent NABERS Commitment Agreement for the following building types:[29] • hotels • apartment buildings • data centres. — Construction, renovation, refurbishment, fitout or ownership of buildings to a minimum level of Building Research Establishment Environmental Assessment Method (BREEAM) Excellent or above or other equivalent internationally recognised green certification schemes. — Buildings that achieve a minimum 30% savings in net primary energy after renovation/refurbishment[30].	
	Climate change adaptation	Building design and operation strategies that enhance community resilience to climate change.	
Transition	Transition towards a 1.5°C economy	Installation of low emissions and energy-efficient technologies, including electrification.	

28 Proxy rating of 5.5 Star for various building types is derived from the NABERS Sustainable Finance Criteria (NABERS Sustainable Finance Criteria, page 8, accessed from: **https://www.nabers.gov.au/sites/default/files/nabers_sustainable_financial_framework.pdf**) which is based on data availability to rate properties in the top 15% cohort of performance across the industry.
29 Proxy rating of 5 Star for various building types is derived from the NABERS Sustainable Finance Criteria (NABERS Sustainable Finance Criteria, page 8, accessed from: **https://www.nabers.gov.au/sites/default/files/nabers_sustainable_financial_framework.pdf**) which is based on data availability to rate properties in the top 15% cohort of performance across the industry.
30 Based on EU Taxonomy.

CLASSIFICATION	SUSTAINABILITY OBJECTIVES	ELIGIBLE ACTIVITIES	UN SDG MAPPING
Commercial Real Estate (continued)			
Social	Improved living standards and wellbeing	— Funding activities which promote improved accessibility and flexibility in design to meet the needs of vulnerable or at-risk groups[31], disadvantaged Local Government Areas, outer-regional, remote and very-remote communities, low-and-middle income countries such as education facilities, transport and medical assistance.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
	Inclusive and sustainable society and communities	— Funding businesses which meet the **Westpac Diverse Supplier Group Definitions**. — Supporting the above businesses through procurement contracts, as well as developing supplier capability through support and education. — Creating purposeful employment or training opportunities for individuals from vulnerable or at-risk groups[32].	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Residential Mortgages			
Green	Climate mitigation	Customer financing for green building construction, acquisition or refurbishment to a minimum level above regulatory requirements of 7 Star energy NatHERS rating[33].	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
	Climate change adaptation	Customer financing for property and building upgrades, including to the structure, operation solutions and equipment that enhance protection and prevention against impacts of material climate-related physical risks – bushfires, floods, storms and cyclones[34].	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
Transition	Transition towards a 1.5°C economy	Customer financing for building installation of low-emissions and energy-efficient technologies, including electrification[35].	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
Social	Improved living standards and wellbeing	— Financing customers who are eligible under the Home Guarantee Scheme[36], including first home buyers and single parent home buyers. — Financing customers who are eligible for Westpac's support to the Head Start Home scheme.	11 SUSTAINABLE CITIES AND COMMUNITIES

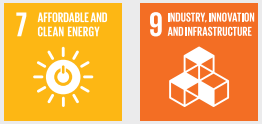
31 Refer to footnote 25.
32 Refer to footnote 25.
33 Australia's National Construction Code (NCC) require all Australian houses and apartments to meet a minimum 7 Star energy rating under NatHERS.
34 Currently, this includes Westpac's Sustainable Upgrades Home Loan or Sustainable Upgrades Investment Loan, detailed in the **Westpac Home Loan Product webpage.**
35 Currently, this includes Westpac's Sustainable Upgrades Home Loan or Sustainable Upgrades Investment Loan, detailed in the **Westpac Home Loan Product webpage.**
36 Refer to **https://www.housingaustralia.gov.au/support-buy-home**

CLASSIFICATION	SUSTAINABILITY OBJECTIVES	ELIGIBLE ACTIVITIES	UN SDG MAPPING
Agriculture			
Green	Climate mitigation	— Westpac New Zealand Limited's Sustainable Farm Standard[37]. — Farms that meet material reductions in gross emissions on farm each year[38]. — Methane reduction activities. — Nitrous oxide reduction activities. — Electrification of vehicles and farm equipment or use of sustainable or biofuel alternative for machinery. — Renewable energy projects. — Manufacturing of green hydrogen. — Reforesting land permanently in Indigenous forestry or exotic softwoods (excluding radiata pine). — Conversion to organic and sustainable farming and growing systems.	
	Climate adaptation	— Westpac New Zealand Limited's Sustainable Farm Standard. — Conversion to organic or biodynamic growing systems. — Movement of key infrastructure away from potential climate hazards and erosion prone areas. — Improving efficiency of water use and irrigation (including storage) for drought-prone areas. — Emergency response planning in the event of an extreme weather event. — Installation of technology and infrastructure that can maintain business operations while meeting animal welfare and employee health and safety requirements. — Creating stop-banks[39] along watercourses and on-site water access points. — Reforesting land to create windbreaks and minimise erosion. — Incorporating culturally traditional or Indigenous practices into current farming techniques.	

37 Westpac New Zealand Limited's Sustainable Farm Standard defines the activity level criteria that the farm entity meets (or is on track to meet) in accordance with the Westpac New Zealand Limited **Sustainable Farm Loan**.
38 Emissions reduction targets have been determined by WNZL based on the potential emissions reductions for (a) ruminant animals, and (b) non-ruminant animals and horticulture, taking into account industry and government data and projections (and may be updated post any agricultural financed emissions target that WNZL may develop and publish). Emissions performance will be compared to business-as-usual levels based on a three-year rolling average.
39 Also known as levees, aimed at preventing floodwater damage.

CLASSIFICATION	SUSTAINABILITY OBJECTIVES	ELIGIBLE ACTIVITIES	UN SDG MAPPING
Agriculture (continued)			
Green (continued)	Sustainable Land Use, Natural Resources & Biodiversity	— Westpac New Zealand Limited's Sustainable Farm Standard. — Reforesting non-native land permanently into Indigenous forestry. — Protecting, preserving and sustainably managing ecosystems and natural habitats including waterways, wetlands and natural landscapes. — On-farm renewable energy water-efficient irrigation and other water systems for agricultural processes that increases water efficiency. — Waste prevention and control activities including collection of waste by certified waste management operators and use of natural and organic materials as substitutes to hazardous agrichemicals. — Investment in infrastructure to regenerate natural ecosystems (such as minimum tillage equipment). — Soil and other biodiversity and natural capital improvements which promote protection, restoration and regeneration of native flora and fauna including removal of invasive plants and weeds. — Conversion to organic farming. — Biodynamic crop growing. — Chemical and nutrient application that meets the best management practices. — Incorporating culturally traditional or Indigenous practices into current farming techniques. — Biodiversity management and conservation.	
Transition	Transition towards a 1.5°C economy	Farms that meet meaningful reductions in gross emissions on farm each year[40].	
Social	Improved living standards and wellbeing	Funding activities which promote improved access to basic services and facilities that provide the provision of subsidised mental health care for workers in the agriculture industry.	
	Inclusive and sustainable society and communities	— Funding businesses which meet the **Westpac NZ Diverse Supplier Group Definitions**. — Supporting the above businesses through procurement contracts, as well as developing supplier capability through support and education. — Training programs that support employment and skills development for vulnerable or at-risk groups[41].	

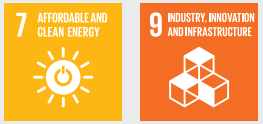
40 Emissions reduction targets have been determined by WNZL based on the potential emissions reductions for (a) ruminant animals, and (b) non-ruminant animals and horticulture, taking into account industry and government data and projections (and may be updated post any agricultural financed emissions target that WNZL may develop and publish). Emissions performance will be compared to business-as-usual levels based on a three-year rolling average.
41 Refer to footnote 25.

CLASSIFICATION	SUSTAINABILITY OBJECTIVES	ELIGIBLE ACTIVITIES	UN SDG MAPPING
Healthcare			
Green	Climate mitigation	— Construction, renovation, refurbishment, fitout or ownership of buildings to a minimum level of 5.5 Star National Australian Built Environment Rating System (NABERS) rating or equivalent NABERS Commitment Agreement for the following building types: • public hospitals[42]. — Construction, renovation, refurbishment, fitout or ownership of buildings to a minimum level of 5 Star National Australian Built Environment Rating System (NABERS) rating or equivalent NABERS Commitment Agreement for the following building types[43]: • retirement living • residential aged care. — Construction, renovation, refurbishment, fitout or ownership of buildings to a minimum level of Building Research Establishment Environmental Assessment Method (BREEAM) Excellent or above, or other equivalent internationally recognised green certification schemes.	
Transition	Transition towards a 1.5°C economy	Installation of low emissions and energy-efficient technologies, including electrification.	

42 Proxy rating of 5.5 Star for public hospitals is derived from the NABERS Sustainable Finance Criteria (NABERS Sustainable Finance Criteria, page 8, accessed from: **https://www.nabers.gov.au/sites/default/files/nabers_sustainable_financial_framework.pdf**) which is based on data availability to rate properties in the top 15% cohort of performance across the industry.
43 Proxy rating of 5 Star for various building types is derived from the NABERS Sustainable Finance Criteria (NABERS Sustainable Finance Criteria, page 8, accessed from: **https://www.nabers.gov.au/sites/default/files/nabers_sustainable_financial_framework.pdf**) which is based on data availability to rate properties in the top 15% cohort of performance across the industry.

CLASSIFICATION	SUSTAINABILITY OBJECTIVES	ELIGIBLE ACTIVITIES	UN SDG MAPPING
Healthcare (continued)			
Social	Improved living standards and wellbeing	— Public and/or free healthcare, including hospitals, aged care, medical centres, biotechnology[44], services under National Disability Insurance Scheme and pharmaceutical wholesalers and/or manufacturers. — Construction and/or upgrades to facilities or infrastructure which enable provision of public and/or free healthcare as above. — R&D activities to improve quality access to medicine, treatments and equipment in relation to vulnerable or at-risk groups[45] disadvantaged Local Government Areas, outer-regional, remote and very remote communities, and low-and-middle income countries. — Activities to increase recruitment, development and retention of the health workforce. — Health promotion programs for vulnerable or at-risk groups[46], disadvantaged Local Government Areas, outer-regional, remote and very-remote communities and low-and-middle income countries. — Retirement villages where the majority of retirees receive rental assistance.	
	Inclusive and sustainable society and communities	— Funding businesses which meet the **Westpac Diverse Supplier Group Definitions**. — Supporting businesses falling into the above categories through procurement contracts, as well as developing supplier capability through support and education. — Creating purposeful employment or training opportunities for individuals from vulnerable or at-risk groups[47].	

44 Biotech, or Biotechnology, is the use of living organisms, or their products to modify human health and the environment. It involves health and medical research and translating research into commercial products. As defined by the Australian Government, accessed from: **https://www.health.gov.au/sites/default/files/documents/2022/03/biotechnology-in-australia-strategic-plan-for-health-and-medicine.pdf**.
45 Refer to footnote 25.
46 Refer to footnote 25.
47 Refer to footnote 25.

CLASSIFICATION	SUSTAINABILITY OBJECTIVES	ELIGIBLE ACTIVITIES	UN SDG MAPPING
Education			
Transition	Transition towards a 1.5°C economy	Installation of low emissions and energy-efficient technologies, including electrification.	
Social	Improved living standards and wellbeing	— Public and/or free education services. — Improved access to, and quality of basic and specialised education services for children in vulnerable or at-risk groups[48], persons with disabilities, disadvantaged Local Government Areas, outer-regional, remote and very-remote communities and low-and-middle income countries. — Resiliency plans for learning continuity between school and home environments. — Activities to increase recruitment, development and retention of the education workforce. — Education options including alternative learning pathways for people that have dropped out, are at risk, or have no access to formal education.	
	Inclusive and sustainable society and communities	— Funding businesses which meet the **Westpac Diverse Supplier Group Definitions**. — Supporting the above businesses through procurement contracts, as well as developing supplier capability through support and education. — Creating purposeful employment or training opportunities for individuals from vulnerable or at-risk groups[49].	

48 Refer to footnote 25.
49 Refer to footnote 25.

APPENDIX C – KEY REFERENCED NATIONAL TAXONOMIES, INDUSTRY STANDARDS, PRINCIPLES AND GUIDANCE

National taxonomies, industry standards, principles and guidance that have informed the development of this Framework and Taxonomy are detailed in Table 7.

TABLE 7 – KEY NATIONAL TAXONOMIES, INDUSTRY STANDARDS, PRINCIPLES AND GUIDANCE

NATIONAL TAXONOMIES	INDUSTRY STANDARDS, PRINCIPLES AND GUIDANCE
— European Union (EU) Taxonomy — ASEAN Taxonomy for Sustainable Finance V1 and V2 — Australian Sustainable Finance Initiative (ASFI) Taxonomy Project including Final Framing Paper for Designing Australia's Sustainable Finance Taxonomy — New Zealand Sustainable Agriculture Finance Initiative (SAFI) — Singapore's Green Finance Industry Taskforce (GFIT) Green Taxonomy Consultation Papers 2021, 2022 — Canada Taxonomy Roadmap Report 2022	— Climate Bond Initiative (CBI) Taxonomy and Standard including: • Taxonomy 2021 • Climate Bonds Standard V4.0 • Financing Credible Transitions White Paper 2020 — Science-based Targets Initiative (SBTi): Sector Guidance for Forest, Land and Agriculture; Power; Transport; Buildings — International Capital Market Association (ICMA), including: • Green Bond Principles (GBP) June 2021 (with June 2022 Appendix 1) • Social Bond Principles (SBP) June 2021 (with June 2022 Appendix 1) • Sustainability Bond Guidelines (SBG) 2021 • Sustainability-Linked Bond Principles (SLBP) 2020 • Climate Transition Finance Handbook 2020 — Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndication and Trading Associations (LSTA) Sustainable Finance Principles, Guidelines and Memos including the Green Loan Principles (GLP), Social Loan Principles (SLP) and Sustainability Linked Loan Principles (SLLP)

DISCLAIMER

The information in this document is general background information about the Group and its activities as at the date of this Framework. It is given in summary form and is therefore not necessarily complete. It is not intended that it be relied upon as advice to investors or potential investors, who should be seeking independent professional advice depending on their specific investment objectives, financial situation or particular needs. The material contained in this Framework may include information, including, without limitation, methodologies, modelling, scenarios, reports, benchmarks, standards, tools, metrics 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 the information. Further, this Framework reflects our view of sustainability criteria, noting there are no standard or agreed definitions and there is no guarantee of consensus among market participants, and/or standardisation over time.

This document contains statements that constitute "forward-looking statements" within the meaning of Section 21E of the US Securities Exchange Act of 1934. Forward-looking statements are statements that are not historical facts. Forward-looking statements appear in a number of places in this document and include statements regarding our current intent, belief or expectations with respect to our business and operations, macro and micro economic and market conditions, results of operations and financial condition, capital adequacy and risk management, including without limitation, sustainability related statements, commitments and targets, projections, scenarios, risk and opportunity assessments, pathways, forecasts and metrics, estimated projections, forecasted economic indicators and performance metric outcomes, financial support to certain borrowers, indicative drivers, estimated emissions 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.

Forward- looking statements may also be made by members of Westpac's management, directors, officers or employees (verbally or in writing) in connection with this document. Such statements are subject to the same limitations, uncertainties, assumptions and disclaimers in this document.

We use words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'anticipate', 'believe', 'probability', 'risk', 'aim', 'target', 'plan', 'estimate', 'outlook', 'forecast', 'goal', 'guidance', 'ambition', 'assumption', 'projection', or other similar words that convey the prospective nature of events or outcomes and generally indicate forward-looking statements.

These forward-looking statements reflect our current best estimates, judgements, assumptions and views as at the date of this document with respect to future events and are subject to change, certain known and unknown risks and uncertainties and assumptions and other factors which are, in many instances, beyond the control of Westpac, its officers, employees, agents and advisors, and have been made based upon management's current expectations or understandings or beliefs concerning future developments and their potential effect upon us.

There can be no assurance that future developments or performance will be in accordance with our expectations or that the effects of future developments on us will be those anticipated. There is a risk that the best estimates, judgements, assumptions, views, models, scenarios, projections used may subsequently turn out to be incorrect.

Actual results, performance, conditions, circumstances or the ability to meet commitments and targets could differ materially from those we expect or are expressed or implied in such statements, depending on various factors, including without limitation significant uncertainties in sustainability related metrics and modelling as well as further development of methodologies, reporting or other standards which could impact metrics, data and targets (noting that climate or nature and sustainability science, standards, methodologies and reporting are subject to rapid change and development).

These statements are not guarantees or predictions of future performance.

Westpac gives no representation, warranty or assurance (including as to the quality, accuracy or completeness of this document), nor guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur. When relying on forward-looking statements to make decisions with respect to us, investors and others should carefully consider such factors and other uncertainties and events, and the judgements and data presented in this document are not a substitute for investors and other readers own independent judgements and analysis. Investors and others should also exercise independent judgement, with the advice of professional advisors as necessary, regarding the risks and consequences of any matter contained in this document. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements, whether as a result of new information, future events or results or otherwise, is disclaimed. Except as required by law, we assume no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, after the date of this document.