

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Westpac

Westpac31QW: What risk assessment has the bank conducted of transition risks associated with regulatory action that may affect fossil fuel projects that the bank has exposure to?

Answer: As discussed in our response to 30QW, Westpac has robust risk management processes we apply across all transactions.

Our Sustainability Risk Management Framework sets out our approach to all sustainability risks, including climate change. When assessing climate-related impacts we look at both transition risk (financial risk resulting from policy, legal, technology and market changes) and physical risk (financial impact of changes in climate patterns and extreme weather events).

If we're not comfortable with the risk profile of a company or project, we will not proceed with the transaction.