BT FUNDS MANAGEMENT (NZ) LIMITED SUSTAINABLE INVESTMENT REPORT

Progress on our Sustainable Investment Journey.

Year ended 31 March 2025

ABOUT THIS REPORT

This is our third Sustainable Investment Report, where we share the progress we've made on our sustainable investment journey. Our efforts are guided by our **Sustainable Investment Policy** and the progress we have made reflects both our direct efforts and the efforts of underlying investment managers who invest on our behalf. Where we refer to 'we', in context this may include the underlying investment managers.

In sharing this report, we acknowledge that sustainable investment is complex and challenging to implement and measure. Consequently, we are still in the early stages of implementing parts of our Sustainable Investment Policy.

BT Funds Management (NZ) Limited (**BTNZ**) is the investment arm of Westpac in New Zealand. This Sustainable Investment Report relates to the investments managed by BTNZ and its underlying investment managers, not BTNZ's company level sustainability efforts.

We also recently published our second set of climate statements for the Westpac KiwiSaver Scheme, the Westpac Active Series, and the Westpac Retirement Plan for the period ending 31 March 2025. These statements provide additional information on our approach to managing climate-related risks and pursuing climate-related opportunities and can be found on our website.

This report covers the period from 1 April 2024 to 31 March 2025. Please note that our previous Sustainable Investment Report covered the period from 1 January 2023 to 31 December 2023. This change in reporting period aligns the reporting periods for our Sustainable Investment Report and Climate Statements.

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SUSTAINABLE INVESTMENT STRATEGY

Sustainable investment involves the incorporation of environmental, social and governance (ESG) factors across the investment process.

We incorporate this into our investment analysis and decision making as we believe investing sustainably helps us manage investment risks and pursue opportunities, while contributing towards a more sustainable economy.

Our approach to sustainable investment has four pillars which guide our investment decisions.

EXCLUSIONS

ESG INTEGRATION

STEWARDSHIP

SUSTAINABLE THEMES

The four sustainable investment pillars vary in their complexity, and our ability to implement and measure. Relative to other pillars, exclusions are more straightforward to implement, control for and check compliance against. In contrast, sustainable themes are more difficult to implement and measure. We are at different stages of implementing each pillar, as visualised by the chart.

Our sustainable investment pillars.

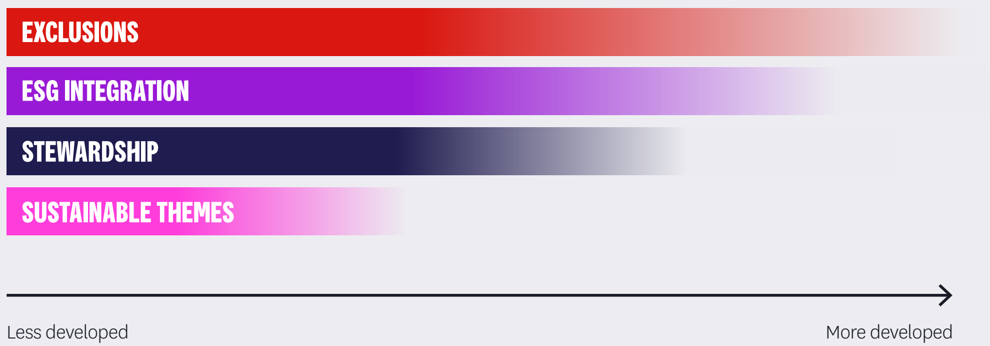


Chart is for illustrative purposes only.

SUSTAINABLE INVESTMENT TIMELINE

2017-2018

- Became a signatory to the Principles for Responsible Investment (PRI).
- Introduced a range of exclusions, which included tobacco manufacture and whale meat processing.
- Signed TobaccoFree Finance Pledge.

2019

- Extended weapons exclusions to preclude investment in the manufacture and sale of assault weapons to civilians following Christchurch terror attacks.

2020

- Introduced a range of fossil fuel, coal and predatory lending exclusions.
- Started publishing the Westpac New Zealand, including BTNZ, operational greenhouse gas emissions in the annual Westpac Sustainability Report.

2021

- Joined the Responsible Investment Association Australasia (RIAA), Climate Action 100+ and the Net Zero Asset Managers initiative.
- Became a Taskforce on Climate-related Financial Disclosures supporter and an Investor Group on Climate Change member.
- Introduced an equity strategy focused on reducing greenhouse gas (GHG) emissions, aligned to the Paris agreement.

2022

- Received RIAA certification for our open Westpac KiwiSaver, Westpac Active Series and Westpac Premium Investment Funds (except for cash).
- Expanded exclusion framework to include countries.
- Became a founding signatory of the New Zealand Stewardship Code.
- Named a Responsible Investment Leader in RIAA's annual Aotearoa benchmark report for the first time.
- Finalist for the Mindful Money Best Net Zero and Climate Action Investor awards.
- Finalist in Research IP's Responsible Investment Manager of the Year 2022.

2023

- Worked with underlying equity and listed property investment managers to set short and medium-term emissions reduction targets for their portfolios.
- Began monitoring the contributions investee companies have made in climate mitigation and adaptation solutions.
- Appointed two new underlying investment managers with specialist knowledge in sustainable investing.
- Published our first Sustainable Investment Report for 2022, providing customers with an update on progress on our sustainable investment journey.

2024-2025

- Published our first set of climate statements setting out our approach to climate change.
- Achieved 'Sustainable Plus' classification across our RIAA certified funds under RIAA's classification scheme.
- Named a Responsible Investment Leader in RIAA's annual Aotearoa benchmark report for the third year running.
- Announced as a finalist for the Financial Services Council's Excellence in Sustainability Practices award for the second time.

SUSTAINABLE INVESTMENT MEMBERSHIPS

Principles for Responsible Investment (PRI).
We integrate environmental, social, and governance (ESG) factors into our investment decisions.

Climate Action 100+.
We work collaboratively with other investors to drive corporate climate change actions.

Responsible Investment Association Australasia (RIAA).
We actively support the industry and its approach to responsible investment. Our open funds (except cash funds[1]) have been certified by RIAA.

New Zealand Aotearoa Stewardship Code.
We contributed to the development of the Code and are a Founding Signatory.

Investor Group on Climate Change (Australia and New Zealand).
We focus on the impact of climate change on investments and encourage investment practices that address relevant risks and opportunities.

Financial Services Council NZ (FSC).
We are a member of the FSC ESG Committee and participate in industry initiatives and regulatory and policy developments coordinated by the FSC.

Net Zero Asset Managers Initiative.
We support the goal of net zero greenhouse gas emissions.

Centre for Sustainable Finance Toitū Tahua.
We recognise the importance of mobilising and directing capital to support sustainable growth.

[1] RIAA does not currently assess cash funds as part of the Certification Program.

EXCLUSIONS

EXCLUSIONS

We seek to avoid investment in companies and other issuers that operate outside of our sustainable investment criteria. Exclusions apply to funds managed by BTNZ.

Our rationale for excluding companies is based upon a series of factors, including whether:

- the company's activities are inconsistent with our climate ambitions such as through the fossil fuel and coal exclusion listed below, or
- the company is breaching minimum social safeguards and/or significant harm standards defined by RIAA.

We primarily rely on advice from our ESG research providers for exclusion criteria, standards and assessments. Where appropriate, we may also utilise other information sources and/or our own assessments.

Implementation of exclusion criteria can be affected by the accessibility and accuracy of data, and depends on accurate information, interpretations or assessments. Where an investment is inadvertently made into an excluded company or issuer, divestments are required by the underlying investment manager within ten business days.

We aim to exclude:

Controversial weapons.

Companies that are involved in the manufacturing of controversial weapons, or the provision of components or services that are considered tailor-made and/or essential for the lethal use of the weapon. Controversial weapons comprise anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium munitions, nuclear weapons, and white phosphorous munitions.

Companies that derive any revenue from manufacturing and selling assault weapons to civilians.

Oil & gas fossil fuels.

Companies where the primary main business activity is oil and gas drilling, oil and gas exploration and production, oil and gas equipment and services, or integrated oil and gas.

Companies where more than 10% of its revenue is derived from oil and gas exploration, production, and/or refining (including Arctic exploration, oil sands extraction, and shale energy exploration, extraction and/or production).

Coal mining & production.

Companies where the primary business activity is coal and consumable fuels, or which derive more than 10% of its revenue from the extraction of thermal coal.

Coal electricity generation.

Companies that derive more than 50% of their revenue from generating electricity from thermal coal.

Predatory lending.

Companies deriving any revenues from "predatory lending" practices. Predatory lending refers to unfair, deceptive or fraudulent lending practices during the loan origination process.

Whale meat.

Companies that derive any revenue from the processing of whale meat.

Tobacco products.

Companies deriving any revenue from the manufacture of tobacco products or companies that distribute their own label tobacco products. Tobacco products include cigarettes, cigars, tobacco for pipes and snuff, smokeless tobacco products and e-liquid / complete e-cigarettes.

Minimum social safeguards.

Companies breaching human rights, labour protection, and environmental principles in line with the UN Global Compact, a voluntary initiative aimed at implementing universal sustainability principles.

When we decide not to invest in a company breaching these principles, we mainly rely on the assessment of our third party ESG research providers. In some instances, we may also consider the views of our underlying investment managers and the effectiveness of their stewardship strategies with the company. We may choose to take more time to sell while we review these factors. We may also choose not to sell after reviewing these factors.

Other exclusions.

Occasionally, we may exclude other companies or other issuers that do not align with our sustainable investment values, approaches, or beliefs, that are not responding adequately and positively to stewardship activities, or where holding an exposure to the security is expected to negatively affect investment performance.

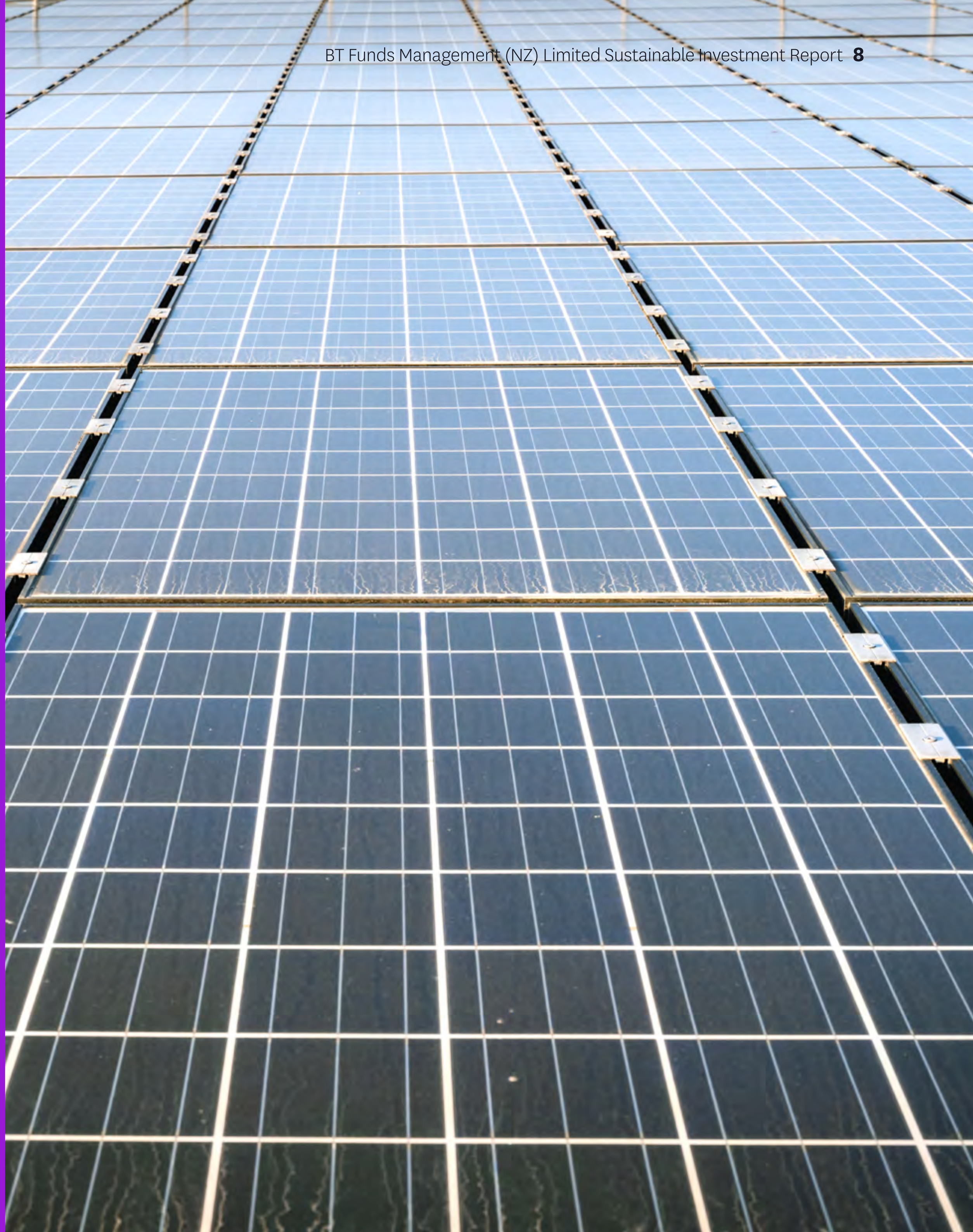
Sanctions.

In accordance with the Westpac Group Sanctions Policy, we comply with applicable sanctions laws including New Zealand and United Nations Security Council Sanctions. Additionally, certain jurisdictions may be deemed to be outside of Westpac Group's risk appetite. For more information see the Westpac Group Sanctions Statement.

For current country exclusions, which apply to sovereign issuances, please see our website at **sustainableinvestment-policy/**

For further details on how we apply and manage our exclusions, including detailed descriptions and exceptions, please refer to our Sustainable Investment Policy available at westpac.co.nz/sustainableinvestment.

ESG INTEGRATION

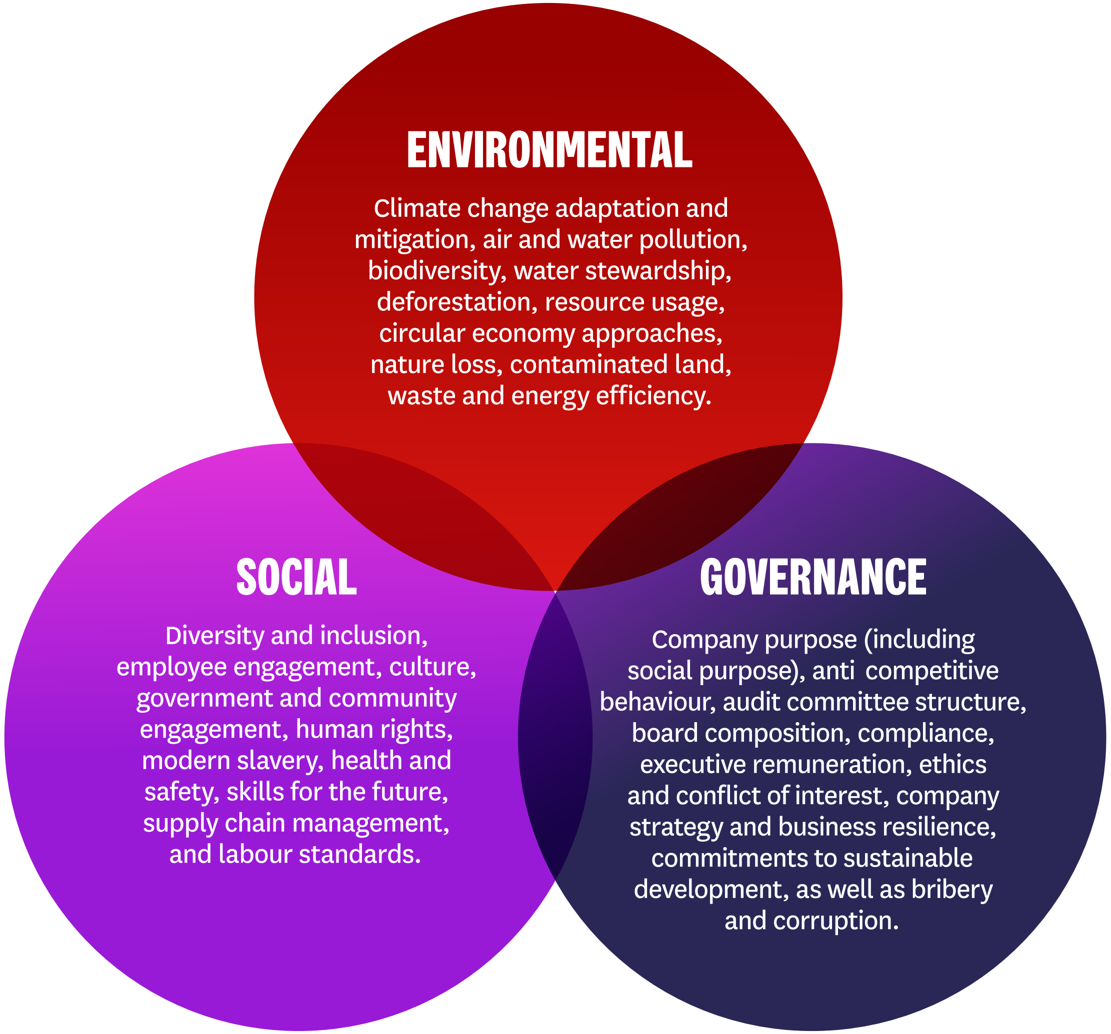


ESG INTEGRATION

We integrate Environmental, Social and Governance (ESG) factors into our investment decisions. This includes internally, and externally through underlying investment managers. The extent and effectiveness of ESG integration is an important factor in the selection and monitoring of underlying investment managers.

We believe that integrating ESG considerations helps us better manage investment risks and opportunities and to deliver positive environmental, social, and economic value.

We assess different ESG factors in different contexts, as appropriate. For example, some factors may be important to a particular company or other issuer, others may impact a certain country or industry, while others may be globally relevant.



MONITORING OUR ESG INTEGRATION

We measure and monitor our progress on ESG integration by:

- Monitoring the quality and depth of ESG integration into our underlying investment managers' investment decisions and processes.
- Collecting and aggregating ESG factors for the companies and other issuers in which we invest, using data from underlying issuers, investment managers and ESG research providers.

Manager ESG integration.

As at 31 March 2025, all of our external underlying investment managers have signed Investment Management Agreements that require the manager to align to our Sustainable Investment Policy commitments. This includes requirements relating to exclusions, ESG integration and stewardship (engagement and voting).

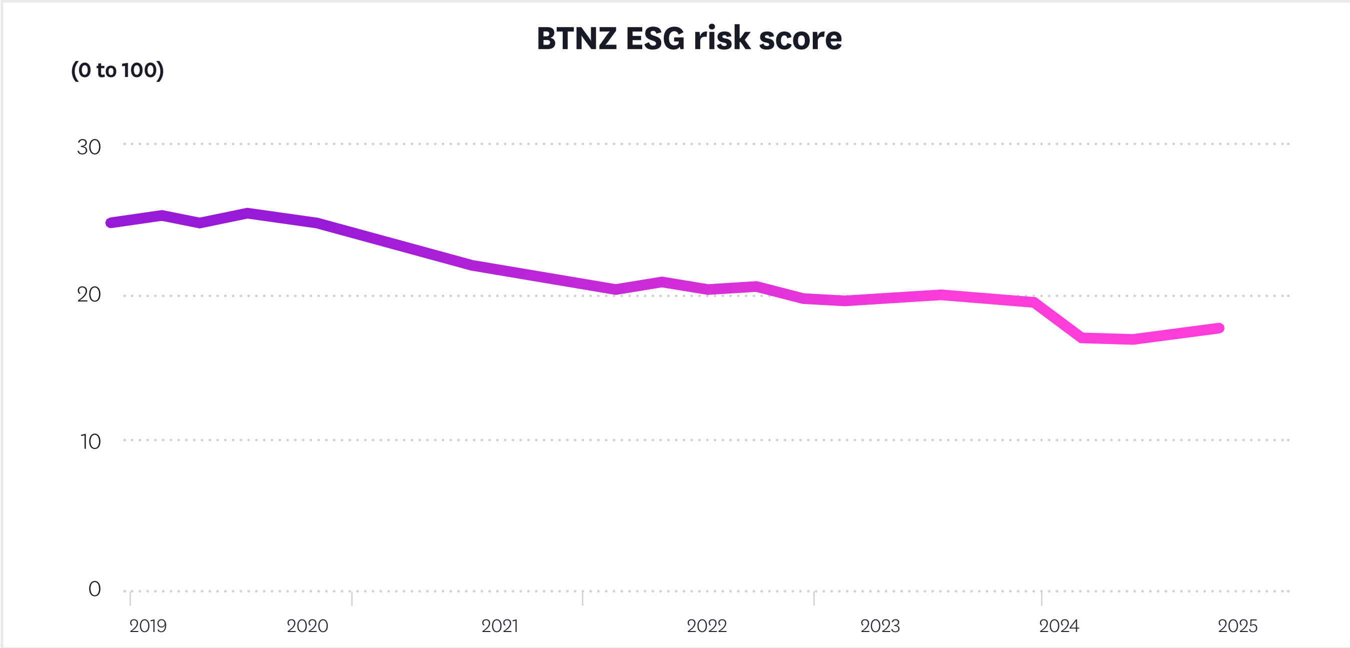
During the year we also developed an updated approach to ESG assessment for our internal domestic fixed income asset manager. This approach centres on identifying key ESG risks and opportunities that may impact the investment case, with a focus on unrated issuers. We intend to continue to refine this approach as it is implemented.

ESG risk score.

The graph below portrays the ESG risk score for our equities and listed property portfolios, using data from our third-party ESG research provider.

The ESG risk scores range from 0 (low) to 100 (high). A lower score indicates fewer ESG risks and implies a better ESG performance.

Looking at the ESG risk score at a portfolio level provides a check on our ESG integration processes, and that of our external underlying investment managers. This includes whether they are helping identify and understand important ESG risks and how they might affect the long-term performance of the investments.



Data source: BTNZ's data drawn from Morningstar Sustainalytics and FactSet. We rely on the ESG research provider(s)'s methodology, calculations and interpretations for accuracy, coverage, scope, time, estimate and actual data and their underlying data sources. The ESG risk score covers 98% of BTNZ's combined equities and listed property portfolios as of 31 March 2025. The ESG score above excludes any cash or derivatives held within the equities and listed property portfolios.

ADDRESSING CLIMATE CHANGE

Climate change presents investment risks to the funds that we manage. This includes both physical risks from climate change itself, and transition risks from the move to a low emissions economy.

Consequently, we aim to understand and manage the investment risks and opportunities arising from climate change. We continue to have an ambition to reach net zero portfolio emissions by 2050 and to increase the proportion invested in entities achieving net zero or aligned, or aligning, to a net zero pathway.

Our approach to climate change is set out in our Climate Transition Plan which can be found in our **Climate Statements**. We intend to report on progress against our Climate Transition Plan annually.

We acknowledge that the realisation of our climate ambitions relies on a range of factors including countries (governments) following through on their commitments to ensure the objectives of the Paris Agreement are met, investor appetite for net zero transition products and strategies, and companies maintaining their own commitments and having the ability to transition to a low emissions economy.

Our GHG emissions reduction targets.

Consistent with our ambition to achieve net zero portfolio emissions by 2050, we set short and medium-term GHG emissions reduction targets. In FY25, we achieved our initial short-term (2025) targets which applied to the equities and listed property asset classes. These targets were for a reduction in absolute gross GHG emissions and/or carbon footprint (scope 1 and 2 emissions) of 28.4% at linear or 41.3% at geometric progression compared to our baseline of 31 March 2019.

Consequently, we have set new short and medium-term targets for 2030 and 2035. The metric for our emissions reduction targets is carbon footprint (scope 1 and 2), which is total emissions per $1m invested. Our targets apply to the equities, listed property and corporate bonds asset classes and, reflective of our overall investment strategy, are not scheme or fund specific. As at 31 March 2025, the equities, listed property and corporate bond asset classes comprised 61.3% of total assets under management (AUM).

Our emissions reduction targets are set out in the table below. For further information on climate metrics and our targets, please see our **Climate Statements**.

Our short and medium-term GHG emissions reduction targets

Short-term GHG emissions intensity reduction target – 31 March 2030	55% reduction in carbon footprint (scope 1 and 2 emissions) compared to the 31 March 2019 baseline.
Medium-term GHG emissions intensity reduction target – 31 March 2035	70% reduction in carbon footprint (scope 1 and 2 emissions) compared to the 31 March 2019 baseline.

Underlying Investment Manager Climate Action Plans.

As at 31 March 2025, 10 out of 14 underlying investment managers have agreed Climate Action Plans which support our Climate Transition Plan. This includes all equities and listed property investment managers. We intend to develop Climate Action Plans with investment managers of the corporate bonds asset class as appropriate.

CLIMATE PROGRESS

We have been monitoring the GHG emissions for the equities, listed property and corporate bonds asset classes against a 31 March 2019 baseline.

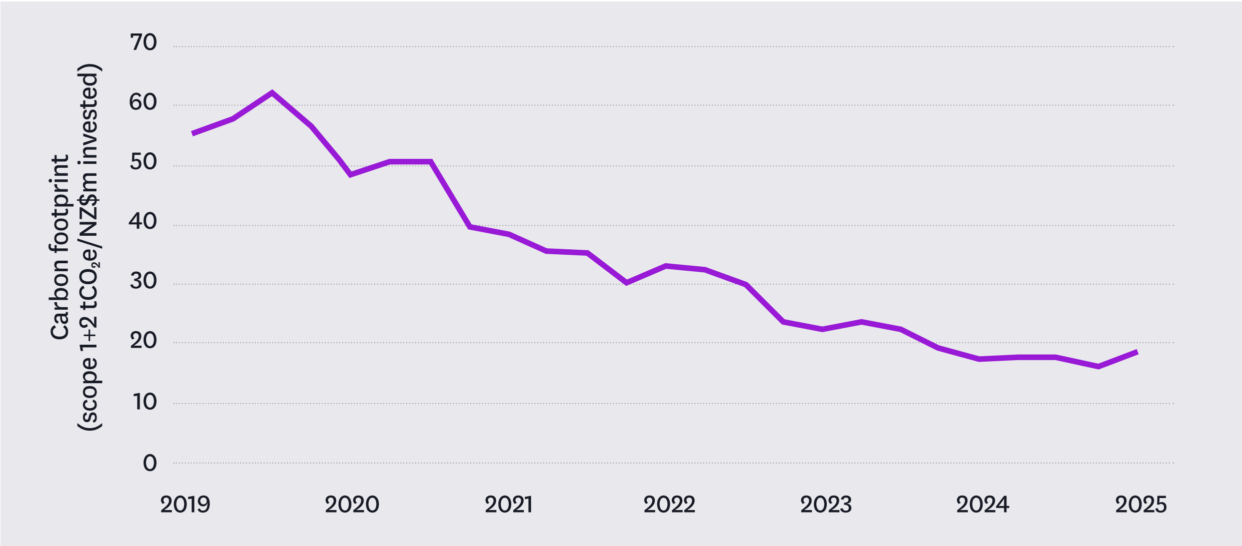
Performance against our targets.

Since the 31 March 2019 baseline, we have achieved a reduction in carbon footprint across the equities, listed property and corporate bonds asset classes of 67%.

The key drivers of the decrease in carbon footprint have been changes to underlying holdings, changes to our underlying investment managers and their investment approach, along with increases in enterprise value including cash (EVIC), changes in data coverage and reductions in underlying investee emissions. Over the past year, the carbon footprint increased slightly, primarily driven by greater investment in bonds issued by companies with a relatively high carbon intensity. Between FY19 and FY25, data coverage for these metrics increased from 59% to 77%.

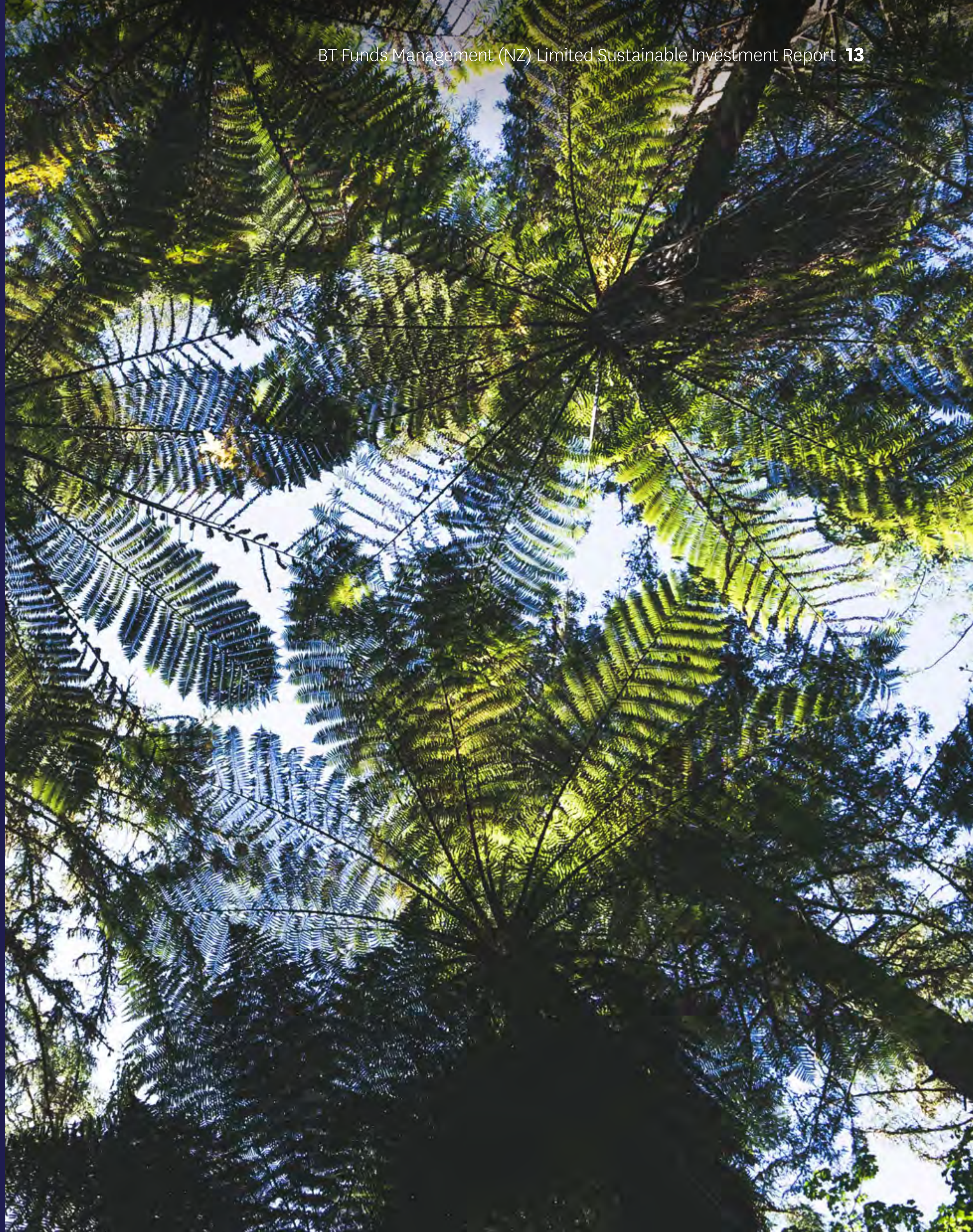
While we are tracking well against our short-term GHG emission reduction targets, internal and external factors may impact the continued achievement of our targets. Governments and companies following through on their climate commitments will be important to drive greater reductions in underlying investee emissions in the years ahead.

Carbon footprint – total equities, listed property and corporate bonds (all AUM)



Based on information provided by our external ESG research providers for emissions (scope 1 and 2). Accuracy, coverage, scopes, methodology, time of data and changes between estimates and actuals for underlying investments in the funds may vary and may not reflect the full portfolio holdings. Portfolio emissions reductions are due to a range of factors at both the company/issuer and portfolio levels. Further information on calculation of this metric can be found in our Climate Statements. We will report on Scope 3 emissions, which are typically larger than scope 1 and 2 emissions, when data quality improves.

STEWARDSHIP



STEWARDSHIP

We define stewardship as the responsible management of our customers' investments to create and preserve long-term value. This includes using our influence over current or potential underlying investment managers, companies and other issuers, policy makers, service providers and other stakeholders – sometimes collaboratively.

We implement stewardship by being an active owner through voting, engagement, and collaborations.

Our recognition of the importance of stewardship is reflected in BTNZ being a founding signatory of the Aotearoa New Zealand Stewardship Code. Our reporting obligations under the Code are met by the content of this report, coupled with our Sustainable Investment Policy.

How stewardship is undertaken.

Stewardship activities are undertaken both directly by the BTNZ investment team as well as by the underlying investment managers to which we have delegated engagement and voting responsibilities. The prioritisation of ESG matters in stewardship activities, as well as the engagement and voting strategy, varies between managers depending on their own unique circumstances, including the assets held in their portfolios. Priorities also naturally evolve over time.

Good stewardship requires the effective management of conflicts of interest. We act in accordance with the Westpac New Zealand Limited Conflicts Management Policy and require each underlying investment manager to have a Conflicts Management Policy in place and to share any conflicts of interest that have occurred, such as through stewardship activities.

VOTING

Voting seeks to improve companies' financial, environmental, social and governance outcomes by addressing business risks and supporting our key sustainable themes.

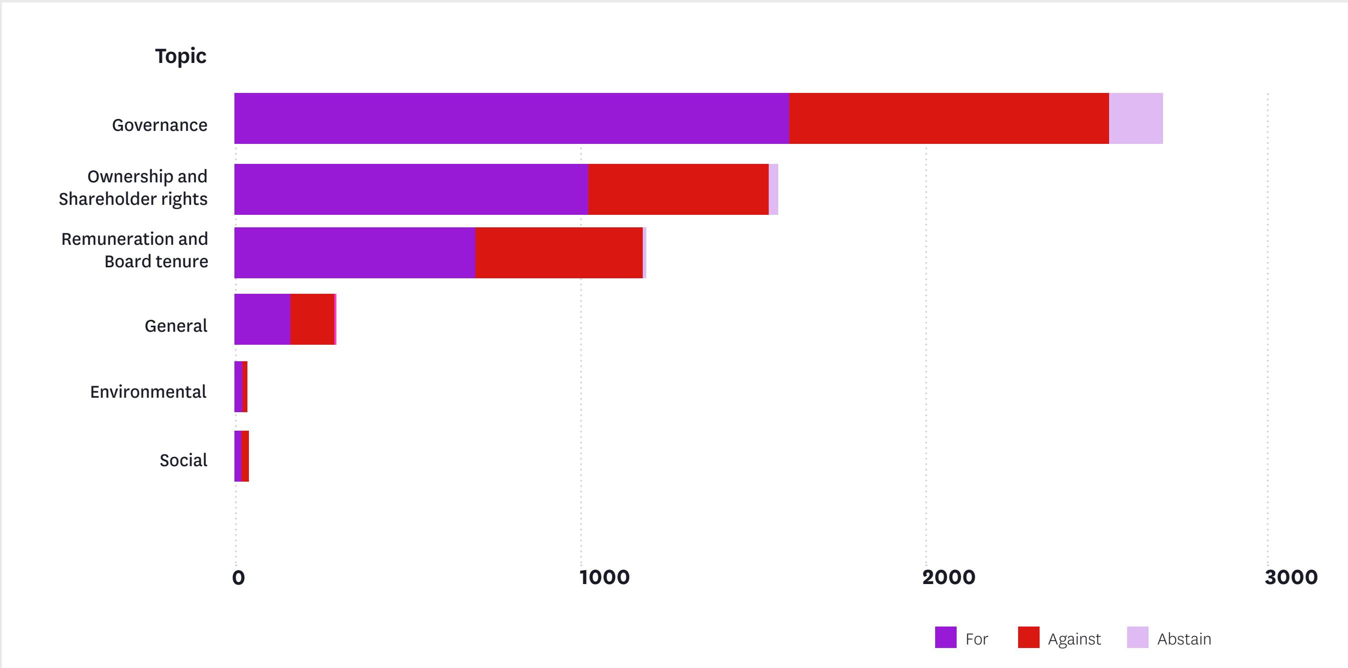
Our Sustainable Investment Policy sets out our voting principles as guidance for underlying investment managers. These voting principles are guidelines and the underlying investment managers may apply their own voting policy and use their discretion to deviate from any voting principle, where appropriate.

Voting in action.

Voting is one of the stewardship tools used to give investors a voice to a company's governance and management. As a shareholder, our voting rights are exercised by the underlying investment managers at companies' annual shareholder meetings to improve financial, governance, social and environmental performance.

A summary of the votes exercised on our behalf by the underlying investment managers by voting topic is set out in the graph below. This covers the period 1 April 2024 to 31 March 2025. Votes relating to governance, ownership and shareholder rights, and remuneration and board tenure comprised the bulk of the votes exercised by the underlying investment managers. In total, 57.8% of votes were voted for proposals, with 33.0% against.

Votes exercised by underlying investment managers in FY25



The chart above shows whether the votes were cast for, against or otherwise abstained from. For a description of the types of topics that may be covered under each shareholder voting topic refer to Appendix 1 of our Sustainable Investment Policy. Data source: ProxyEdge for international and underlying investment manager data for Australasian votes. We rely on these sources for accuracy and coverage of data.

ENGAGEMENT

Engagement involves communicating with issuers to positively influence their performance, ESG practices, accountability and disclosure. The breadth, depth and frequency of engagement will vary significantly based on a variety of factors.

This may include:

- The nature of the risks and opportunities.
- The openness and willingness of the issuer to engage and take action.
- The size or nature of the investment.
- The size and resourcing of underlying investment managers' stewardship teams.

Dialogues with companies, countries and other issuers can be longer-term, ongoing or one-off.

In some instances, engagements may be unsuccessful and may require ongoing engagement or further escalation. We, and the underlying investment managers, may undertake engagement escalation including divestment as a last resort if engagement is not successful.

Engagement in action.

Here we provide some examples of engagements undertaken by the underlying investment managers, including an overview of the engagement taken by the manager and any outcomes associated with the engagement. We acknowledge that outcomes will typically be driven by many factors, not solely a singular engagement.

Engagement with:

A global listed company

ESG Theme:

Cybersecurity

Overview:

Cybersecurity is an increasingly important ESG risk given the rise in cloud computing. During the year, one of the underlying investment managers continued its engagement with one of the world's largest technology companies on cybersecurity following several security breaches.

Actions:

The company has elevated cybersecurity as a top line priority and implemented changes to its business practices. This includes the addition of cybersecurity to compensation practices, committing to quarterly investor reporting, and increasing investments in cybersecurity. The underlying investment manager sees that ongoing monitoring will be necessary given the evolving nature of cybersecurity risks.

Engagement with:

A global listed company

ESG Theme:

Emissions

Overview:

The company's products are widely used in data centres which are emissions intensive and therefore give rise to environmental concerns. One of the underlying investment managers engaged with the company to encourage the disclosure of material scope 3 emissions and the setting of emissions reduction targets. The underlying investment manager also discussed the company's plans to conduct product life cycle assessments.

Actions:

In 2025, the company announced that it had set two new emission reduction targets, both of which were validated by the Science Based Targets initiative (SBTi). By FY30, the company is targeting a 50% reduction in absolute scope 1 and 2 emissions, along with a 75% reduction in scope 3 emissions intensity from use of sold products. The company has also started to conduct product life cycle assessments, verified by a third party, which should help the company identify areas of high environmental impact and better inform decisions about product design.

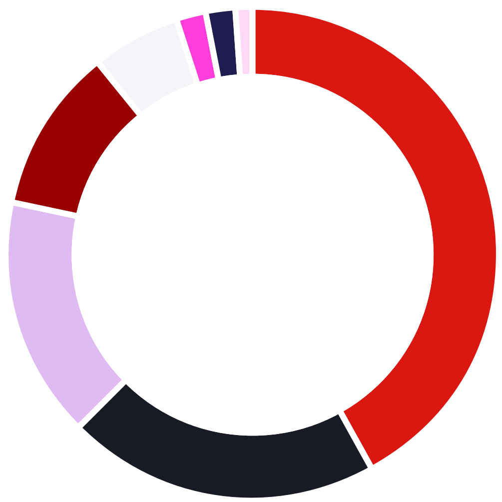
ENGAGEMENT

During FY25, the underlying investment managers for our New Zealand and Australian listed equity and property asset classes completed a total of 122 engagements.

New Zealand and Australia engagement in focus.

Of these engagements, 43% related to engagements on governance topics, for example, discussing a company's long-term plan, ESG integration, quality of disclosures or leadership. A further 21% were general engagements with 18% covering environmental topics, mainly climate action and disclosure. Engagement on remuneration and board tenure accounted for 11%.

Summary of New Zealand and Australian engagements.



- Governance (long term plan, ESG integration, quality of disclosures, leadership)
- General engagement (no specific topic)
- Positive outcomes - climate action (mitigation and adaption) and disclosure
- Remuneration and Board Tenure
- Social (incl social safeguard UN Global Compact)
- Ownership and Shareholder Rights
- Positive outcomes - contributes to a circular economy
- Positive outcomes - water stewardship

Based on information provided by underlying investment managers.

COLLABORATION

Collaborative actions are undertaken to influence companies, countries, and other issuers' behaviours to address challenges and systemic issues such as climate change. We undertake some of these actions directly, while others are undertaken by the underlying investment managers, drawing on their size and international reach as investors.

Collaboration in action.

Initiative:

Collaborative Sovereign Engagement on Climate Change

Purpose:

A collaborative investor engagement aiming to support governments to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels, in line with the Paris Agreement.

Stewardship summary:

One of our underlying international fixed interest investment managers has participated in this investor-led collaborative sovereign engagement, coordinated by the PRI. Australia was selected as the focus market for pilot engagements, with the initiative subsequently expanding to Japan and Canada. A review of the pilot engagement with Australia found that investor engagement is a useful input into the policy-making process including by reinforcing economic arguments on transition which are often subject to politicisation.

Initiative:

Assessing Sovereign Climate-related Opportunities and Risks (ASCOR)

Purpose:

To provide investors and stakeholders with a framework and tools to understand sovereign exposure to climate risk and how governments plan to transition to a low-carbon economy.

Stewardship summary:

One of the underlying international fixed interest investment managers continues to participate as a member of the Advisory Committee of the ASCOR project. This project aims to fill a data gap for investors to assess sovereign climate risk and assesses emissions pathways, climate policies and funding opportunities. We recently included an assessment of our sovereign bond holdings using the ASCOR tool in our Climate Statements. In 2024, ASCOR expanded its finding to 70 counties, including New Zealand, and provided initial guidance on pursuing transition strategies for sovereign bonds using ASCOR.

SUSTAINABLE THEMES

SUSTAINABLE THEMES

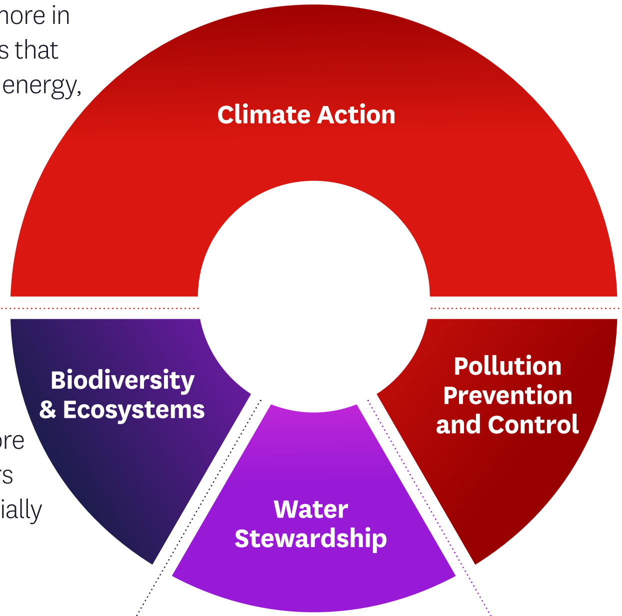
In-line with our goal of delivering targeted positive environmental outcomes, we are working towards investing more in the key themes identified in the EU Sustainable Investment Taxonomy.

We are continuing to work with the underlying investment managers on the implementation of these sustainable themes, though progress is constrained by data availability and available investment options that meet our requirements.

Climate action is our highest priority and is currently the most evolved of these sustainable themes. We are continuing to progress the implementation of our other sustainable themes.

Climate action.

Working towards investing more in companies and other issuers that provide or adopt renewable energy, energy efficiency, climate mitigation or adaptation solutions (Articles 10 and 11 of the EU Sustainable Investment Taxonomy).



Biodiversity & Ecosystems.

Working towards investing more in companies and other issuers that are contributing substantially to nature and biodiversity conservation, sustainable land use and management, sustainable agriculture practices or sustainable forest management practices (Article 15 of the EU Taxonomy).

Water Stewardship.

Working to invest more in companies and other issuers that are contributing substantially to water stewardship (such as reducing water contamination, improving water management, reducing water usage, increasing efficiency or security of supply) (Article 12 of the EU Taxonomy).

Pollution Prevention & Control.

Working towards investing more in companies and other issuers whose activities are contributing substantially to pollution prevention and control (such as by improving air, water, and soil quality) or who are working to minimise adverse human health and environmental impacts from the production, use or disposal of chemicals (Article 14 of the EU Taxonomy).

The diagram is for illustration purposes only and is not an exact representation of our commitment and implementation of our sustainable themes.

CLIMATE ACTION

We are seeking to invest more in companies and other issuers that provide or adopt climate mitigation and adaption solutions. These may be companies and other issuers that gain revenue by providing renewable energy, energy efficiency, climate mitigation or adaptation solutions to substantially reduce the extent of climate impacts on the environment, people and assets.

Climate mitigation and adaptation.

Climate action is our highest priority and is currently the most evolved of our sustainable themes. As at 31 March 2025, 15.5% of revenue of portfolio holdings (for the equities, listed property and corporate bond asset classes) was eligible and aligned to climate mitigation and adaptation (Articles 10 and 11 of the EU Sustainable Investment Taxonomy).

To identify eligible and aligned revenue, the share of a company's revenues eligible to meet the definitions within the EU Taxonomy is first identified. The next step involves checking whether these revenues are aligned with the specific criteria for Articles 10 and 11 and meeting other sustainability screens.

Percentage of revenue of portfolio holdings which is eligible and aligned to climate mitigation and adaptation

	FY22	FY23	FY24	FY25
Total equities, listed property and corporate bonds	13.8%	13.4%	14.9%	15.5%

Based on information provided by our external ESG research providers. We rely on these sources for accuracy and coverage of data

Green bonds.

As at 31 March 2025, 8.8% of our domestic fixed interest and cash funds were invested in green bonds. Green bonds are bonds whose proceeds are exclusively applied to finance or re-finance, new and/or existing eligible green projects.

Green project categories include climate mitigation and adaption, as well as categories not directly related to climate change (e.g. sustainable water and wastewater management). Green bonds can be issued by both corporate and sovereign issuers.

Along with demonstrating the use of proceeds, green bond issuers are required to have a process for project evaluation and selection, manage use of proceeds appropriately, and report on outcomes.

GOVERNANCE

The governance of our sustainable investment activities reflects the importance we place on sustainable investment and our commitments in this area.

Governance of our Sustainable Investment activities.

The BTNZ Board is responsible for approving our sustainable investment strategy and overseeing its implementation. This covers all aspects of our sustainable investment approach. The Board receives quarterly reports on sustainable investment strategy implementation.

At a management level, our sustainable investment activities are overseen by the BTNZ Investment Committee and Risk Oversight Committee. Additionally, the BTNZ Investment Solutions team has dedicated sustainable investment resource to implement the sustainable investment strategy across the four pillars. The team is also responsible for developing and reviewing underlying investment managers' performance against the requirements of individual investment management agreements, which, among other things, include our sustainable investment requirements and reporting obligations, including in relation to stewardship.

Approaches to sustainable investment are constantly evolving and maturing. As such, we regularly review our sustainable investment strategy and Sustainable Investment Policy with the aim of supporting our sustainable investment activities. The last review of our Sustainable Investment Policy was completed in 2025. For further information on the governance of our sustainable investment activities, please refer to the climate statements published on our **website**.

Code of Conduct.

All BTNZ staff are required to act in accordance with the Westpac New Zealand Code of Conduct. This Code of Conduct sets out expectations for Westpac New Zealand staff to do the right thing and has four key outcomes:

- Helping our customers and communities.
- Being ethical.
- Supporting our people.
- Strengthening our risk management.

DISCLAIMERS

This report is for the year ending 31 March 2025 and is based on data available at the time of preparing the report. Should any new data become available, there is no obligation for us to retrospectively update this report. We rely on our underlying investment managers and our ESG research data providers for the accuracy and validation of the data provided. There are on-going changes in methodology, approaches, and new data being offered for responsible and sustainable investment reporting purposes, most notably sustainable themes and climate data, as such the data and metrics we will report on will change over time. All opinions, statements and analyses expressed are based on information current at the time of writing from sources which BTNZ believes to be authentic and reliable. Where this report contains information about future trends or forecasts, whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties.

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