

Financing the Defence Sector

Purpose

Westpac recognises the sensitivities of providing financial services to the defence sector and this position statement outlines our approach.

Our position

- Westpac may extend financial services to the defence sector.
- Westpac will neither finance nor facilitate the export or provision of defence equipment or services to any country that is subject to Australia's multi-lateral or autonomous sanctions regimes¹.
- Westpac will not provide direct financing for controversial weapons. Controversial weapons include those weapons which are banned by international arms control treaties ratified by Australia.
- We recognise that financing the defence sector is a complex issue. Accordingly we undertake due diligence to assess risks on both a customer and transactional basis.

Our Principles

We seek to:

- Actively identify and manage any sensitive finance or lending decisions which may generate concern. Westpac has a governance and escalation process that considers all relevant risks associated with a transaction, including stakeholder and community concerns and broader environmental, social or governance (ESG) risks.
- Engage with our customers to find practical solutions which manage these potential ESG risks and sensitivities.

Scope

This framework applies to the defence sector in all jurisdictions where Westpac operates and to all finance activities, including debt, financial markets, transactional services and other related financial services that the Bank provides to this sector.

Supporting policies and standards

Westpac expects that its customers will operate in accordance with relevant global, regional and national laws and regulations governing ESG performance dimensions.

This statement is designed to work in conjunction with Westpac's existing risk policies, processes and procedures and its ESG risk management framework.

