

Agribusiness Position Statement.

December 2022

Purpose

This position statement outlines Westpac Group's approach to responsible provision of products and services to customers in the agribusiness sector¹.

Scope

This statement applies to:

- All products and services excluding Insurance and Wealth Management (Superannuation, Investments and Platforms).
- All customers in the agribusiness sector.
- All Westpac Group operating locations.

Our Position

We will not provide products and services in relation to:

- Growing tobacco or manufacturing tobacco-based products, in accordance with our Tobacco Position Statement²
- Shark finning
- Commercial whaling
- Any activities giving rise to 'Land Grabbing'³
- Illegal, Unrecorded and Unregulated (IUU) fishing⁴ and related activities.

We seek to develop relationships with customers that:

- Operate in ways that avoid or minimise environmental and social impacts;
- Avoid operations in UNESCO World Heritage Sites⁵, Ramsar Wetlands⁶ and Critical Natural Habitats⁷ (unless legally permitted and consistent with management plans for the area)
- Avoid adverse impacts on High Conservation Value forests⁸ (use High Carbon Stock Approach⁹ assessments for forests where appropriate)
- Uphold the rights of workers, including the right to fair wages and working conditions, in accordance with our Human Rights Position Statement and Action Plan
- Uphold the rights of local communities, including support for the principle of 'Free, Prior, and Informed Consent'¹⁰, in accordance with our Human Rights Position Statement and Action Plan
- Treat livestock with due care, in compliance with relevant jurisdictional animal welfare regulations and in line with industry best practices

For specific industries we seek to develop relationships with customers that demonstrate commitment to the following:

- Palm oil
 - growers, producers and processors must support Roundtable for Sustainable Palm Oil (RSPO) standards and demonstrate credible progress towards full certification within a satisfactory timeline¹¹, and commit to No Deforestation, No Peat and No Exploitation (NDPE) policies.
 - for manufacturers, traders or retailers we encourage RSPO membership and procurement of Certified Sustainable Palm Oil (CSPO).
- Soy
 - growers, producers and processors in higher risk geographies¹² must support the Roundtable for Sustainable Soy (RTRS) and demonstrate credible progress towards full certification within a satisfactory timeline.
 - for manufacturers, traders or retailers of soy products, we encourage procurement of certified inputs.
- Timber (including that used for the production of pulp and paper products):
 - growers (forest managers) and processors must support the Forest Stewardship Council (FSC) or a national scheme endorsed under the Programme for the Endorsement of Forest Certification (PEFC); and demonstrate credible progress towards full certification within a satisfactory timeline.
 - for manufacturers, traders or retailers of timber products, we encourage procurement of certified inputs.
- Other agro-commodities e.g. grains and oilseeds, livestock and livestock products, horticulture, forestry products and fisheries products:
 - adopt better management practices to reduce and minimise environmental and social impacts, and where appropriate, achieve certification under credible standards.¹³

We seek to support customers to:

- adopt better management practices and technologies - particularly animal welfare, land and soil management, labour and community rights, biodiversity protection, emissions management and water use; and
- meet the challenge of both transition¹⁴ and physical¹⁵ risks associated with climate change; and to maximise opportunities to reduce greenhouse gas emissions arising from the adoption of new technologies and farming techniques.

Supporting Commitments and Disclosures

- Soft Commodities Compact (SCC)
- New York Declaration on Forests

Applying our positions

Westpac's Sustainability Risk Management Framework sets out our approach to managing sustainability risk including use of position statements.

This framework is approved by the Board Risk Committee. Management of our sustainability approach is delegated by the CEO to Group Executives and senior management across the Group.

We continue work to operationalise our position statements and improve our risk management.



See [Approach to Sustainability Risk Management](#) for more information.

End Notes

¹ Agribusiness refers to all businesses that cultivate, harvest, process, and distribute products from agriculture. It does not apply to traders that do not take possession of a physical commodity.

²<https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/FinancingTobacco.pdf>

³ Based on the International Land Coalition (2011) Tirana Declaration: Securing Land Access for the Poor in Times of Intensified Natural Resources Competition, land grabbing is defined as 'large-scale land acquisition or concession which does one or more of the following: violates human rights, particularly those of women; flouts the principle of free, prior, and informed consent; takes place without or disregards a thorough assessment of social, economic, and environmental impacts; avoids transparent contracts with clear and binding commitments on employment and benefit sharing; or eschews democratic planning, independent oversight, and meaningful participation'.

⁴ Illegal, Unrecorded and Unregulated (IUU) Fishing is a broad term defined by the Food and Agriculture Organisation (FAO) Committee on Fisheries in the International Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (IPOA-IUU). The definition includes but is not limited to: Illegal fishing in violation of national laws or international obligations, including those undertaken by cooperating States to a relevant regional fisheries management organization; Unreported fishing which has not been reported, or have been misreported, to the relevant national authority, in contravention of national laws and regulations; and unregulated fishing in a manner inconsistent with State responsibilities for the conservation of living marine resources under international law. See: <http://www.fao.org/iuu-fishing/international-framework/ipoa-iuu/en/>.

⁵ As listed on the UNESCO List of World Heritage Sites of natural and/or cultural significance. See: <https://whc.unesco.org/en/list/>.

⁶ Ramsar Wetlands are those listed as Wetlands of International Importance by the Ramsar Convention on Wetlands. See: <https://www.ramsar.org>.

⁷ Critical natural habitats include those registered as Category I by the International Union for the Conservation of Nature ("IUCN"). See: <https://www.iucn.org/theme/protected-areas/about/protected-area-categories>.

⁸ High Conservation Values are defined by the FSC Principles and Criteria for Forest Stewardship International Standard (2015) See: <https://ic.fsc.org/en/document-center/id/59>.

⁹ Based on the HCS Approach, as defined by the 2016 HCS Convergence Agreement. See: <http://highcarbonstock.org/the-high-carbon-stock-approach/>.

¹⁰ Free, prior, and informed consent as described in the United Nations Global Compact's Indigenous Peoples' Rights and the Role of Free, Prior and Informed Consent. See: <https://www.unglobalcompact.org/library/931>.

¹¹ A satisfactory timeline for certification can be 1 to 3 years depending on the requirements of the program.

¹² Higher risk' refers to environmental, social and governance risks in the broadest sense, including countries at higher risk of illegal forest conversion and / or potential social impacts such as 'land grabbing'.

¹³ For example, standards which are members of the ISEAL Alliance.

¹⁴ Transition risks arise out of policy, legal, technology and market changes to address climate change.

¹⁵ Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns.

