

## Defence Sector Position Statement.

March 2021

### Purpose

This position statement outlines Westpac Group's approach to responsible provision of products and services to customers that manufacture, distribute, sell, maintain or acquire defence equipment or provide defence services to the sector. Services to the defence sector may include technical assistance, training, financial and logistical support.

### Scope

This statement applies to:

- All products and services excluding Insurance and Wealth Management (Superannuation, Investments and Platforms).
- All customers, regardless of the size or materiality of those activities relative to its operations, involved in the defence sector.
- All Westpac Group operating locations.

### Our position

Westpac may provide products and services to customers in the defence sector particularly where materiel is for use by the Australian Defence Force and/or New Zealand Defence Force.

Westpac will not provide products and services to:

- customers involved in controversial weapons<sup>1</sup>;
- customers involved in nuclear weapons, except where they only contribute to government-controlled nuclear weapons programs in NATO countries that are authorised to possess nuclear weapons under the Nuclear Non-Proliferation Treaty;
- facilitate the export or provision of defence equipment or services, directly or indirectly, for end use by any country that is:
  - in contravention of an arms embargo imposed by the United Nations Security Council, Australia, the US, the UK or any other jurisdiction in which Westpac Group is registered, operates or otherwise has a presence; or
  - not a member of NATO.

<sup>1</sup> Customers involved in controversial weapons are those that manufacture, distribute, sell, maintain or acquire controversial weapons. This includes components designed for specific use in, and forming a key constituent component required for the functioning of, controversial weapons. Controversial weapons are those weapons banned under international agreements ratified by Australia: cluster munitions (as defined in the Convention on Cluster Munitions: <http://www.clusterconvention.org/>); anti-personnel land mines (as defined in the international 'Mine Ban Treaty': [http://www.un.org/Depts/mine/UNDocs/ban\\_trty.htm](http://www.un.org/Depts/mine/UNDocs/ban_trty.htm)) and chemical and biological weapons (as defined in the Chemical and Biological and Toxic Weapons Conventions).

## Our approach

When providing products and services to defence sector companies Westpac will undertake due diligence to assess compliance with:

- relevant legislation, including the provisions of international treaties and protocols ratified by Australia; and
- its position statements, including its Human Rights Position Statement; and ESG policies.

We expect customers<sup>2</sup> to:

- Be committed to transparency in their governance structure and activities;
- Engage constructively with stakeholders to address concerns;
- Responsibly manage sustainability risks associated more broadly with their business activities, including supply chain practices; and
- Seek to identify, prevent, mitigate and account for their adverse human rights impacts. This should include an effective human rights policy and oversight mechanism; and take into account the end-use of defence equipment and services.

## Further information for Westpac users

Refer to the Risk Document Library for further guidance.

<sup>2</sup> Including Parent entities.