

The Westpac Group's Engagement Protocol for Corporate Responsibility and Sustainability Ratings

External corporate responsibility and sustainability ratings play a crucial role in assisting the Group and its stakeholders in understanding and benchmarking our sustainability performance.

This Protocol has been developed to ensure the independence, integrity and transparency of corporate responsibility and sustainability ratings of the Group's performance. The Protocol publicly sets out: the basis on which the Group participates in such ratings; and what is expected from rating agencies in seeking to ensure the integrity, credibility and independence of the ratings.

This Protocol applies to the Group's dealings with Rating Agencies who benchmark the Group's non-financial performance based on corporate governance, workplace, reputation, social and environmental criteria.

This Protocol reflects the *Voluntary Quality Standard for Corporate Sustainability and Responsibility Research (CSRR-QS 2.1)*.

1. Independence, impartiality and integrity

- 1.1. The rating agency should undertake its research in a fair, honest, objective and thorough manner.
- 1.2. The rating agency should be independent and impartial and not subject to any external pressures from third parties to analyse or assess companies other than objectively.
- 1.3. The rating agency should be free from any commercial or financial relationships which might affect their rating judgement or independence.
- 1.4. The rating agency should objectively analyse and assess all companies on an equivalent and fair basis, including the collection of company information and conduct of site visits.

2. Governance

- 2.1. A formal governance structure, which ensures credibility, honesty and objectivity in the ratings assessment approach, should be in place and publicly available.
- 2.2. The ownership and the directors of the ratings agency should be fully disclosed.

3. Privacy and confidentiality

- 3.1. The rating agency should disclose its confidentiality practices and policies and ensure that any non-public company information provided to the ratings agency for the assessment process, including corporate programs and strategy, remains confidential.

- 3.2. The ratings agency should make available its disclosure policy and controls in relation to potentially market sensitive, non public data, in order to prevent insider trading and other misuse.
- 3.3. Any non public competitive or potentially market sensitive information provided to the ratings agency must not be provided to third parties, nor included in ratings reports, without Westpac's prior written consent.

4. Conflicts of Interest

- 4.1. The rating agency or their staff should not derive personal gain from any confidential or proprietary information provided for the assessment and all materials provided should be used strictly for the assessment process only.
- 4.2. The rating agency should maintain a clear separation of the assessment process from other services that it provides such as consultancy and advocacy.
- 4.3. To avoid any suggestion of a conflict, Westpac will not pay a fee for an unsolicited ratings assessment or for the right to reference Westpac's rating, or use of the rating logo, in Westpac's corporate material unless the rating has been requested by Westpac, including for an assessment of an explicit program or initiative.
- 4.4. Any relationship between Westpac and the ratings agency, including the purchase of other services provided by the agency, including detailed ratings reports, will be publicly disclosed by Westpac through its non-financial reporting. Such relationships should also be publicly disclosed by the agency, as should any relationship between the agency and any other company that is being independently rated.

5. Transparency of research and evaluation methodologies

- 5.1. The ratings agencies' quality assurance process should be defined and documented.
- 5.2. The rating agencies' research and evaluation methodologies (the criteria used, the level of engagement with the company or its stakeholders and the coverage) should be publicly available and widely understood, applied and maintained by all personnel undertaking assessments.
- 5.3. The results of the assessment should be released or announced in an honest, unbiased and transparent manner and in a way which does not mislead third-party stakeholders.
- 5.4. Information on the analysts employed by the ratings agency, including their expertise and experience, should be publicly available.

6. Use of publicly available information

- 6.1. To reduce 'survey fatigue', the rating agency should take full advantage of our publicly available information, including information on Westpac's website and in Westpac's annual sustainability reporting, before seeking new information for an assessment of our performance.

6.2. Westpac will assist rating agencies in understanding or interpreting its publicly available information.

7. Ensuring accuracy of data

7.1. The rating agency must ensure that up-to-date data is used for the assessment and that all relevant information is incorporated, with revised assessments conducted when material changes are evident.

7.2. Reasonable steps need to be taken to validate any data sourced from non-official or non-Westpac sources.

7.3. The ratings agency should allow for companies to review the information collected on them, and to make relevant amendments or corrections where the information is shown to be incorrect, ideally prior to publication.

7.4. The ratings agency must promptly and publicly correct any published rating or information that is shown to be based on incorrect data.

8. Complaints and appeals

8.1. The rating agency should document and disclose procedures for dealing with complaints received from rated companies or other parties relating to the agency's activities, practices and ratings.

Further Information:

This *Engagement Protocol for Corporate Responsibility and Sustainability Ratings* can be found on our website – www.westpac.com.au.

The Protocol will be reviewed from time to time.

If you have any questions or comments on the issues covered, please contact:

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This document was first published in August 2006 and last updated in January 2010 for changes in the CSRR-QS standard and for changes to The Westpac Group.