

OUR COMMITMENTS AND PARTNERSHIPS

EQUATOR PRINCIPLES

In 2003, Westpac was one of 10 founding signatories globally, and the only Australian signatory, to the Equator Principles, a risk management framework adopted by financial institutions for determining, assessing and managing environmental and social risk in development projects.

In 2020, the fourth revision of the Equator Principles was implemented which expands the range of financing activities where the principles apply and enhances the stakeholder engagement, disclosure requirements and carbon consideration for project originators.

Today, there are over 125 signatories to the Equator Principles across the international project-finance debt market.

In adopting the Equator Principles, we agree to provide loans only for projects whose sponsors can demonstrate their ability and willingness to comply with processes that ensure the projects are developed in a socially responsible manner, according to sound environmental management practices.

APPLYING THE EQUATOR PRINCIPLES

The Equator Principles constitute an integral part of our project finance evaluation and decision-making process.

We apply the Equator Principles to:

- All project finance development transactions
- Project-Related Corporate Loans (where certain specific criteria are met as required by the Equator Principles)
- Project-related refinancing (where development has not yet been completed) or project-related acquisition financing
- Bridge Loans with a tenor of less than two years that are intended to be refinanced by Project Finance or a Project-Related Corporate Loan (where certain specific criteria are met as required by the Equator Principles).

To meet our commitments we apply a detailed process of assessment against the Equator Principles, including:

- Categorising projects as category A, B or C in light of the level of potential adverse environmental and social risks and/or impacts
- Completing internal documentation using the Equator Principles as the process benchmark
- Detailing any special conditions or covenants to apply in loan documentation
- Monitoring compliance with conditions subsequent and other material obligations of the borrower.

All relevant personnel involved in the evaluation and approval process are informed of the Equator Principles requirements and implications of each project, and the Head of Project Finance (or a senior delegate) is required to sign off on the assessment of each applicable project finance transaction against these principles.