

Financing Tobacco Position Statement

Purpose

This position statement outlines our approach and guidance regarding our position on the responsible provision of financial services to companies involved in the tobacco industry¹.

Background

Westpac recognises that the tobacco industry is a high risk sector. It is subject to regulatory uncertainty and litigation risk. There are also sensitivities within the community in regard to tobacco growing, manufacturing, marketing, wholesaling and distribution.

Scope

This policy applies to:

Business Units: All business units in all jurisdictions where Westpac operates.²

Customers: All customers regardless of the size or materiality of those activities relative to its operations.

Products: All finance activities including debt, financial markets, transactional services and other related financial services.³

Our position

- Westpac will not provide finance for the purposes of growing tobacco or manufacturing tobacco-based products.
- Westpac expects its customers involved in the marketing, wholesaling and distribution of tobacco products to comply with all relevant regulatory frameworks.

Our approach

As a responsible lender Westpac seeks to:

- Identify and manage 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 sustainability risks.
- Engage with our customers to find practical solutions which manage these potential sustainability risks and sensitivities.

Supporting Policies and Standards

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

This statement is designed to work in conjunction with Westpac's existing risk policies, processes and procedures and its Sustainability Risk Management Framework.

¹ Manufacturing, marketing, wholesaling and distribution of tobacco-based products.

² Also refer to BT Financial Group's responsible investment position statement on growing and production of tobacco <https://www.bt.com.au/content/dam/public/btfg-bt/documents/about-bt/corporate-sustainability/BTFG-responsible-investment-position-statement.pdf> page 4.

³ Applying to all new transactions from September 2011.