Climate-related Financial Disclosures (TCFD) 2022

Bendigo and Adelaide Bank

Bendigo and Adelaide Bank is committed to climate change action

We are now two years into our initial three-year Climate Change Action Plan (CCAP). We have had some great achievements to date including attaining carbon neutral status, expanding our onsite solar installations, completing scenario analysis on transition risk in our agribusiness and business portfolios and releasing our inaugural climate related financial disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework. As we have progressed through our planned actions, we have witnessed the climate landscape change rapidly. Our customers and communities are being impacted by natural disasters more frequently and stakeholder expectations for climate action are increasing both domestically and internationally.

We have learnt how challenging it can be to obtain the data we need to measure then reduce our footprint and support our customers to do the same. Exploring these challenges has led to some positive engagement when we have explored them with suppliers and partners. These collaborations have increased cross-organisational knowledge sharing and prompted initiatives such as an electric vehicle pilot, home energy efficiency sessions for our staff and a baseline study of the sources of our advertising emissions.

These action and policy commitments align with the Bank's purpose to feed into the prosperity of our customers and communities, not off it. The Bank has a long history of supporting communities to be sustainable and thrive. We also know as part of this we need to consider our impact, mitigate our risks, and work towards improving the climate resilience and prospects for all stakeholders.

The Bank's Climate Change Policy Statement (Policy Statement) builds on the Statement of Commitment to the Environment the Bank's Executive adopted a decade ago. The Bank reviews the Policy Statement annually, evolving our approach as our understanding, science, technology and policy develop further. Against the backdrop of Intergovernmental Panel on Climate Change (IPCC) reporting, the COP26 UN Climate Conference and net zero sharply in focus for governments and businesses globally, the first annual update to our Policy Statement was made in October 2021, to emphasise our support for net zero.

Our Climate Change Policy Statement

"Bendigo and Adelaide Bank recognises climate change has far-reaching risks for the environment, the economy, society, our customers and their communities. We support the required transition to net zero emissions by 2050 with aligned interim targets. We are committed to playing our part in this transition. We will work to build climate mitigation and adaption into our business and work to assist our customers and their communities to build climate resilience into their futures."

Consistent with this, our Bank does not and will not provide finance[1] directly to projects or large scale[2] electricity generation in the following sectors:

- Coal;
- Coal seam gas;
- Crude oil;
- Natural gas;
- Native forest logging.

While the Bank does not provide finance directly to projects in the above sectors it does recognise that there are individual and business customers and their communities which rely on such projects for their livelihood and economic sustainability. The Bank will continue to provide finance and other services to those individuals and businesses on a commercial basis.

The Bank will continue to develop and refine its lending policies, processes and products consistent with the key principles of the support our customers and understand and manage the risks focus areas, outlined in this document.

We recognise we play an important role in supporting communities, both today, and as we transition to net zero and are looking for opportunities to finance projects that support this transition.

In addition, we support our customers to acquire sustainable assets or solutions to improve the efficiency of their use of natural resources and/or to reduce carbon emissions. Whilst not an exhaustive list, the types of sustainable assets or solutions the Bank will consider financing includes:

- Electric motor vehicles and associated charging equipment;
- Solar panels and associated inverters and installation;
- Domestic and commercial batteries and associated systems;
- Other sustainability infrastructure relating to energy and water efficiencies.

1. We provide financial services and therefore while this reference is to 'finance' we do not provide advisory services to these sectors.

2. For example we do not provide finance directly to grid connected fossil fuel electricity generation, however, we may provide equipment finance to support a customer's backup diesel generator.

Climate Change Action Plan

Our CCAP outlines the action the Bank is taking over three years to improve our climate outcomes, drive cultural change and engage our people and customers, enhance our climate change governance and risk management framework, and report on our climate change performance.

The Bank is concentrating its efforts on four focus areas of activity, which incorporate the direct and indirect environmental impacts and influence the Bank has through its operations.

1. Reduce our footprint

Reduce the carbon and environmental footprint of our own operations, by:

- Identifying opportunities and setting targets to improve the environmental impact of our operations
- Engaging and educating our people to take action to realise these opportunities
- Learn from best practice by listening to experts and observing other companies

2. Support our customers

Support our customers and communities by taking actions required to mitigate, adapt and respond to climate change, by:

- Enhancing and sharing our understanding of climate change impacts for customers, industries and communities
- Developing targeted customer climate change solutions

3. Understand and manage the risks

Optimise our climate change risk governance and risk management framework, by:

- Assigning oversight of climate change strategy to the Board
- Integrating climate change risk into our risk management, strategy and business planning processes
- Undertaking climate scenario analysis to assess potential risks and opportunities and integrating the outcomes into our business planning
- Build a culture of commitment and accountability to realise the bank's climate change action plan

4. Be transparent

Disclose our climate-related performance, by:

- Express support for the Taskforce on Climate-related Financial Disclosures (TCFD) and become involved in preparer forums
- Aligning and making our climate disclosures with the recommendations of the TCFD
- Tracking and disclosing our climate-related metrics and performance
- Openly communicating our Climate Change Action Plan, outcomes and learning

Governance

Board's oversight of climate related risks and opportunities

The Bank's Board owns the Bank's CCAP with the various Board Committees undertaking deeper oversight of the strategy where relevant. For example, the Board Audit Committee is responsible for reviewing progress against the CCAP while the Board Financial Risk Committee review climate related changes to credit policies and climate change impacts to the lending portfolio and credit quality. The Board Audit Committee receives scheduled half year updates on progress with our CCAP with annual reporting to the full Board.

Management's role in assessing and managing climate-related risks and opportunities

The Executive is responsible for implementing the CCAP with a specific focus on the actions relevant to their area of responsibility and overseeing the governance, strategy and risk management relating to climate change. This includes ensuring KPIs are updated and goals are assigned to each Executive and their relevant leaders, and performance is managed where responsibilities for actions and outcomes are delegated within their teams. The team responsible for coordinating the development of our actions and commitments to embed climate change action report into the Managing Director and Chief Executive Officer.

Our Climate Change Action Strategy Group (CCASG) inform and assist in the development of a comprehensive climate action strategy with the aim of demonstrating how we will support the transition to net zero. The outputs from CCASG feed into submissions and recommendations made to the Bank's Executive, Board Committees and the Board.

Bendigo and Adelaide Board

Oversees the management of climate change related risks and opportunities

Impact	Policy	Risk Management	Opportunities	Disclosure
Considers carbon and environmental impact of operations and activities	Approves the Climate Change Policy Statement	Approves the approach to managing climate change risks	Approves climate change related opportunities endorsed by Executive	Approves climate change related disclosures included across the reporting suite

Board Audit Committee

Primary conduit to the Board for all Climate Change Action Plan matters and reporting; Monitors the Bank's climate change related risk and opportunities profile (including emerging risks and opportunities); Receives and reviews and endorses climate related reports from management

Where required, other Board Committees will be engaged or made aware of papers on climate related topics that are relevant to their respective charter, primarily the:

- Board Financial Risk Committee
- Board Risk Committee

Executive

The Executive is responsible for implementing the Climate Change Action Plan with a specific focus on the actions relevant to their area of responsibility and overseeing the governance, strategy and risk management relating to climate change.

Executives have climate change action KPIs

Internal Climate-related forums:

Responsible for enabling the agreed management approaches and actions for prioritised material topics

- Climate Change Action Strategy Group
- Sustainable Procurement Working Group
- Agribusiness Climate and Nature Working Group (to be established in FY23; Year 3 CCAP Action)

External forums:

External advisory and stakeholder views to BEN on relevant area and actions for prioritised material topics

- Community Bank National Council
- Agribusiness Advisory Committee

Strategy

Actual and potential impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning

Our Climate Change Policy Statement (Policy Statement) and action commitments embody extensive research and consultation and discussions with the Executive, Board Committees and the Board. The strategy includes our Policy Statement and four focus areas which are brought to life within our Climate Change Action Plan (CCAP).

The Policy Statement builds on the 2010 Statement of Commitment to the Environment. Importantly, it incorporates the bank's commitment to play its part in relation to climate change action. This Policy Statement will be reviewed annually as we continue to evolve our approach and as science, technology and policy develop further.

Our climate action focus areas are designed to assist the bank to concentrate its efforts to meet the commitment embodied within the Policy Statement. These incorporate the direct and indirect environmental impacts the Bank has through its operations.

The climate change policy and action commitments align with Bendigo and Adelaide Bank's purpose to feed into the prosperity of our customers and communities, not off it. We are committed to support our customers, communities, shareholders and all stakeholders with ambitions to improve environmental and social outcomes for all, while considering our impact, mitigating our risk, and improving prospects and climate resilience for all stakeholders.

Climate-related risks and opportunities identified over the short, medium, and long term

Climate-related risks and opportunities identified over the short, medium, and long term

RISKS AND OPPORTUNITIES	SHORT TERM	MEDIUM TERM	LONG TERM	ACTIONS
Carbon price impact on our operations	●	●		· Commit to emission reduction targets · Develop and implement emissions reduction plan
Carbon price impact on customers		●	●	· Credit policies and practices to reflect our lending appetite to relevant sectors · Continue to support our customers through Green Loans · Identification of transition risk hubs · Conduct scenario analysis on impact of a carbon price in our lending portfolios · Develop and implement emissions reduction plan
Climate related knowledge and expertise	●	●		· Develop and implement learning program and knowledge forums · Deliver regular, engaging content on climate action
Cost of capital and funding		●		· Risk of increased costs of capital and/or funding for the bank if investors perceive climate change is not adequately managed · Continuously enhance the Bank's management of climate change risk and evolve and execute the CCAP · Improve climate change related disclosures over time and ensure transparency in the action that the Bank is taking
Evolution of customer preferences		●		· Monitor customer preferences and adapt the Bank's product suite when preferences change · Support customers with climate change related products
Increased expectations from stakeholders	●	●		· Develop, implement and disclose Climate Change Action Plan and Climate-related Financial Disclosures
Increased frequency and intensity of acute and chronic climate related events	●	●	●	· Develop an approach and determine data requirements to undertake scenario analysis for physical risk · Undertake a climate risk assessment for our material suppliers
New regulatory requirements	●	●		· Monitor changes to policies and regulation · Undertake gap analysis

Impact of climate-related risks and opportunities on our businesses, strategy, and financial planning.

Resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Climate risk and sustainable financing have been determined as material topics following a materiality assessment conducted by the Bank in May 2021 which identified topics that could be expected to impact the Bank (financially and reputationally), where the Bank has influence and that impact the Bank's stakeholders.

Risk management

How we are identifying and assessing climate-related risks

The Bank completed an initial assessment of the risks and opportunities that may present themselves to the Bank and its customers as a result of climate change. The assessment followed the TCFD's risk and opportunities framework as detailed in their paper titled 'Recommendations of the Task Force on Climate-related Financial Disclosures'. The identified risks were then assessed against existing rating scales within the Bank's operational risk management frameworks, although the Bank will consider a climate change risk specific rating in the future.

To obtain a Bank-wide assessment of the risks that climate change may present to the Bank and our customers, workshops were undertaken with leaders across the organisation.

External climate change advisors were engaged to co-facilitate these workshops and provide industry insights. Insights from these workshops will allow the Bank to prioritise our efforts in managing climate change risks going forward. The risks will be reviewed on an annual basis by the CCASG to ensure the prioritisation remains appropriate and any newly identified risks are actively managed.

Within the Bank's wealth management arm, our superannuation and funds team has developed an ESG plan which includes minimising our impact, incorporating ESG into risk management, seeking change through ownership, supporting our customers in their choice and reporting our exposures.

Processes for managing climate-related risks

The CCASG is a representative group dedicated to assisting execute the Bank's CCAP. It provides guidance to steer, enhance and monitor implementation progress of the Bank's climate change action strategy. This group is also tasked with assessing the climate change risks and opportunities and driving actions to manage identified risks and opportunities.

Processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management

The Bank has taken steps to integrate climate related risks within existing overall risk management processes and frameworks. The Board has the responsibility of monitoring the Bank's climate risk profile and the development, implementation, and management of climate risk governance processes, including the approval of risk appetite settings which will determine which risks are accepted, mitigated and transferred. In addition, climate change accountabilities and KPIs have been assigned to the Executive and the Senior Leadership Team. Reporting has been enhanced to ensure Executives and Board members are able to monitor the actioning of the Bank's CCAP.

Climate change risk has been integrated into the Group Risk Management Framework (GRMF) and future enhancements are expected to be achieved incrementally through the annual GRMF review process. The Bank is continuing to emphasise educating employees on climate change and associated risks, for example several teams have commenced educational climate change financial risk courses from the TCFD Knowledge Hub.

Scenario analysis

During FY22 the Bank completed a transition risk scenario analysis including 100% of business and agribusiness loans and a portion of the residential mortgage portfolio. This built on the pilot scenario analysis conducted in agribusiness in FY21. The exercise was of an exploratory nature and utilised both qualitative and quantitative techniques. Being exploratory, our scenario analysis had the following key objectives:

- To assess the potential impact of transition risk on the Bank's lending portfolios;
- Identify systems, data and resourcing requirements for future exercises;
- Strengthen the understanding of climate risk; and
- Identify potential uses of the outcomes of this exercise.

The base scenario used leveraged the Network for Greening the Financial System (NGFS) Delayed transition scenario. The same exercise was repeated with the Divergent Net Zero and Net Zero 2050 scenarios to which, compared to the base case, are more and less severe respectively. This additional sensitivity analysis provided further insights into how the portfolios would evolve under various transition risk scenarios.

The nature of this exercise was a top down approach with default rate stress determined at a sector level and applied at a customer level. For residential mortgage loans, we applied stresses based on the sector of our customer's employment (although at a lower rate to account for transferability of skills into other employment sectors).

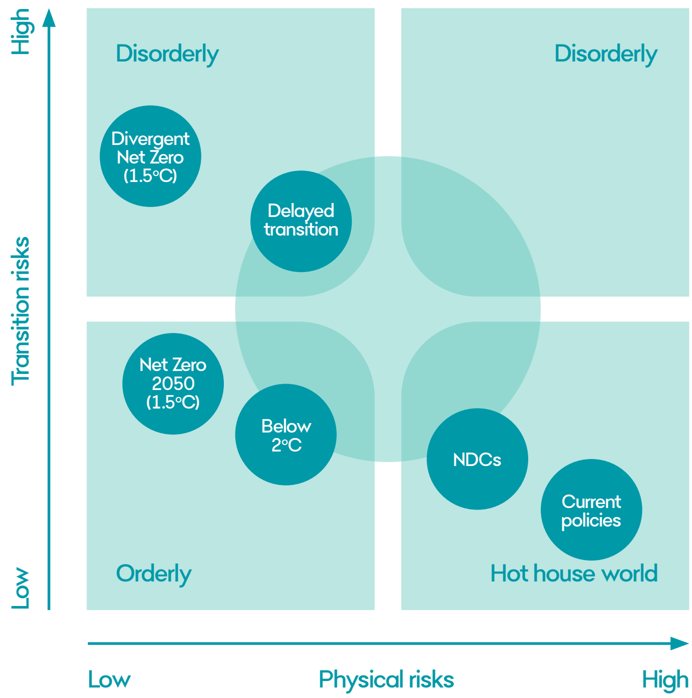
The default rate stress factors over the scenario horizon were based on carbon pricing during the duration of the scenario as well as the sector's sensitivity to climate risk (determined by the sector's emission levels). Stress factors were also applied to collateral values in line with the relevant sector's risk determination. The results provided insights into which portfolios carry the highest transition risks.

However, with this exercise being exploratory, the biggest learning came from the challenges and roadblocks that were encountered throughout this process. Limitations of this exercise included:

- The macro-economic impact was not considered in this analysis;
- The top-down approach implicitly assumes that all firms in a sector have the same level of carbon emissions;
- No customer mitigation actions were assumed; and
- The nature of this scenario analysis along with the key assumptions made to simplify the exercise meant that there is a higher degree of uncertainty within the results than what would be expected under traditional macroeconomic-based scenario analysis.

Over time the Bank is committed to improving climate change related scenario analysis, using learning from this exercise, as well as other regulatory developments and findings from exercises such as the APRA-led Climate Vulnerability Assessment.

NGFS Scenarios Framework



Source: www.ngfs.net/en

Risk Management

Physical risk

The Bank has used physical risk mapping data to identify high risk locations based on the following risks:

- Riverine flooding;
- Coastal inundation;
- Forest fires;
- Soil sustenance; and
- Wind risk.

This information was used to cross-reference the high-risk and fast changing risk areas against the Bank's exposures to identify the highest priority areas. Priorities were based on high risk areas, the Bank's exposure and growth rates in those locations. This resulted in the Bank building risk-profiles in these areas similar to the process identified in the Transition Risk section and consideration will be given to how the risks should be managed. Notwithstanding, climate-related data limitations and availability are creating challenges and the Bank will look to evolve this process as the physical risk mapping evolves.

Understanding gained from transition and physical risk analysis as well as future scenario analysis is anticipated to be used to inform future business writing strategies, resource planning, credit underwriting criteria and policy development.

Transition risk

In addition to the transition risk scenario analysis described earlier, the Bank has completed a separate qualitative process of identifying transition risk hubs which group towns and cities that are exposed to various transition risks. The transition risk hubs include:

- Major coal ports
- Coal powered power stations
- Coal mines
- Oil production and refineries; and
- Reef and snow tourism.

The Bank has commenced assessing portfolio concentration and customer exposures to complete a risk assessment in identified locations.

The Bank has completed a deep dive into one identified high transition-risk location which included an assessment on risk metrics such as probability-of-default, risk-weighted assets and loan-to-valuation profile and compared them to the broader portfolio.

Our analysis indicated that approximately 50 percent of our customers in that area receive their primary income from high transition-risk industries. The local community and government have developed a well defined transition plan for the location. Considering the information from our case study, the risk to the Bank is assessed as immaterial.

The above mentioned case study will be used as a framework to complete further case studies and deep dives to build a transition risk profile for each of the identified transition risk hubs and feed into the Bank's wider risk management framework.

Metrics and targets

Metrics and targets used to assess and manage relevant climate-related risks and opportunities

While the nature of the Bank's operations contribute to relatively modest operational emissions, we are committed to reducing the direct and indirect environmental impacts of the Bank. We have therefore set the following targets to reduce the carbon and environmental footprint of our own operations.

METRIC	TARGET	STATUS
Certification under Climate Active Carbon Neutral Standard for Organisations	Maintain	Carbon neutral certification maintained ^
Sourcing renewable energy for our power needs	100% by 2025*	51 branch and office locations with rooftop solar installed Total renewables 40%
Reduce absolute emissions	by 50% by 2030 and 95% by 2040 based on a FY20 baseline	35% reduction achieved
Reduce travel associated emissions	25% below FY19 levels	FY22 travel emissions were 65.52% below FY19 levels
Statements to be delivered electronically	90% by 2025	58.43% Bendigo Bank e-banking accounts have eStatements

* While the Bank is ineligible to join RE100 as our electricity volumes are well below the minimum threshold, we have aligned our target to RE100 and committed to procure 100% renewable electricity by 2025. This will contribute to decarbonising grids in the jurisdictions the Bank operates in, which will reduce absolute emissions over time.

^ FY22 Certification pending

Operational carbon emissions disclosure

When we attained carbon neutral status against the Climate Active Carbon Neutral Standard for Organisations, we expanded the range of Scope 3 operational emissions we report on, building on those we had reported to CDP for the previous decade.

Detailed progress against our Reduce absolute emissions target is summarised below:

EMISSIONS (T CO^2E)	FY20 (BASELINE)	FY21	FY22	% CHANGE TO BASE YEAR
Scope 1	3,190.79	1,956.00	2,002.81	-37%
Scope 2	16,891.40	14,041.45	13,055.89	-23%
Subtotal (Scope 1 & 2)	20,082.19	15,997.45	15,058.70	-25%
Scope 3	22,012.13	15,532.06	12,371.50	-44%
Total emissions	42,094.32	31,529.51	27,430.20	-35%
Scope 1 & 2 emissions per FTE	2.89	2.40	2.21	-24%

The above emissions are absolute, location-based emissions, before any offsets or renewable energy, for all entities under our operational control, measured in accordance with the National Greenhouse and Energy Reporting (NGER) framework. Market Based emissions data is available in our Climate Active Public Disclosure Statement.

In addition to purchasing offset units to maintain carbon neutral status under the Climate Active Carbon Neutral Standard for Organisations, we continue to offset our carbon emissions from the business travel that is necessary by partnering with the not-for-profit organisation, Greenfleet. Since our partnership began with Greenfleet in 2014, through their biodiverse revegetation program, our contribution has not just offset our travel emissions but contributed to improved water quality, reduced soil degradation and provided essential habitat for native wildlife. This year's donation has contributed to the Noosa Restoration and Reconciliation Project, a project which will restore 1,100 hectares of native biodiverse forest in the Noosa Hinterland over the next four years.

Importantly, the Noosa Restoration and Reconciliation Project is being carried out in partnership with the Traditional Owners of the Sunshine Coast Region, the Kabi Kabi people, delivering social and cultural benefits for the Traditional Owners.

The project will include sequestering up to 700,000 tonnes of carbon emissions through this native ecosystem restoration, with the reforestation also restoring vital koala habitat and facilitate greater koala movement across the landscape.

Operational emissions boundary
The following businesses are considered under our operational control for the purposes of measuring our emissions. Bendigo Bank, Adelaide Bank, Rural Bank, Up, Community Bank, Leveraged, Delphi Bank, Sandhurst Trustees and Community Enterprise Foundation.

Financed carbon emissions disclosure

We are committed to supporting our customers and communities to mitigate, adapt and respond to climate change. We have therefore undertaken financed emissions measurements, closely aligned with the Partnership for Carbon Accounting Financials (PCAF) approach, to inform actions that will be taken to support our customers to reduce emissions in their homes and businesses.

It should be noted that as this is the first time that we have measured our financed emissions, we have identified several opportunities to improve the quality of data we have relied upon to inform these measurements which we will seek to address over time.

ASSET CLASS	BASE YEAR (FY20) ACTUAL	TCO^{2}E/$M
Listed equity and corporate bonds	270	0.25
Business loans and unlisted equity	1,312,172	105.94
Commercial Mortgages	223,696	82.70
Residential Mortgages	521,188	8.86
Motor vehicle loans	20,046	10.08
Total Emissions (t CO^{2}e)	**2,077,372**	**26.99**

Note that the Project Finance category from the PCAF methodology was deemed not relevant for the Bank for the baseline year due to finance typically being secured by property and no exposure to financing fossil fuel projects.

BENZero is the approach we will take, to lead by example, to reduce absolute emissions by 50% by 2030 and 95% by 2040 (from a FY20 baseline) across both our operational and financed emissions, whilst continuing to support our customers to be successful. We recognise that our customers and communities are at different stages on this transition. BENZero - Our net zero approach and our Financed Emissions Methodology can be viewed on our website.

While the above emissions have been calculated for the Bank's on-balance sheet financed emissions, the Group's wealth business our superannuation and funds team has undertaken a process to measure the sources of carbon intensity within our investment portfolios. We are analysing high carbon intensive areas of our portfolios as it relates to the investment risk of these exposures. Over the next 12-24 months we are developing frameworks to more accurately identify and monitor investment risks linked to climate change for direct investment holdings.

More information on all our climate change related work is available on our website at:
https://www.bendigoadelaide.com.au/esg/environment/climate-change/

Our progress in aligning with the TCFD

Our CCAP outlines the actions required to align with the TCFD and additional outcomes that are identified to bring to life the commitments within our four focus areas.

Significant progress has been made towards aligning with the TCFD as outlined in the following table. As we have progressed, we have identified further required actions which will inform the next iteration of our CCAP.

TCFD FOCUS AREA	ACTION	PRE FY22	FY22	POST FY22
Governance				
Board has oversight of climate-related risks and opportunities	Improve existing governance mechanisms by assigning the highest level of oversight for climate change to the Board through the Board Audit Committee	Complete		
Assign climate related responsibilities to management/ management committees	Assign responsibility to the Executive to provide leadership on the Bank's climate change risks and opportunities and monitoring progress against targets	Complete		
	Oversee the development and implementation of the Climate Change Action Plan and report on progress achieved against actions in the plan to relevant stakeholders		Ongoing	
	Establish Climate Change Action Strategy Group responsible for reviewing the key climate change risks and opportunities facing our business and customers and engaging the business to implement the Climate Change Action Plan	Complete		
Strategy				
Establish corporate position on climate change and commitment to the objectives of the Paris Agreement	Determine organisational stance and commitment to climate change and develop a Board-approved Climate Change Policy Statement	Complete		
Build internal engagement in the Group's response to climate change	Develop and implement an internal communication plan to build engagement in climate change and the Bank's actions		Ongoing	
Identification of climate related risks and opportunities	Undertake a qualitative high-level assessment of climate-related risks and opportunities (as the input for scenario analysis)	Complete		
	Define, evaluate and elevate the Bank's technical capabilities to assess and manage climate change risks and opportunities, and undertake climate scenario analysis		Ongoing	

TCFD FOCUS AREA	ACTION	PRE FY22	FY22	POST FY22
Strategy (continued)				
Impact assessment of climate related risks and opportunities on the Bank's business and strategy	Develop scenario analysis approach to assess climate-related risks and opportunities: · Identify and prioritise portfolios to analyse · Determine modelling methodology · Develop scenarios · Identify systems, data and resourcing requirements Initiate scenario analysis to assess potential risks and opportunities under selected climate change scenarios and the resilience of the Group to resulting implications. Integrate scenario analysis assessment and outcomes into the Group's risk management, strategy and business planning processes. Review and enhance scenario analysis methodology and expand the coverage and depth of analysis where applicable.		Ongoing	
Products and services that support climate adaptation, mitigation and innovation	Develop an understanding of climate change impacts for our customers.		Ongoing	
	Explore opportunities to develop or enhance products and services to support customers reduce their carbon intensity, increase resilience and adapt to climate change.		Ongoing	
	Develop climate change customer solutions.		Ongoing	
Public commitments and industry initiatives	Explore and engage with relevant industry, government and other stakeholders to share knowledge, build capacity and support action on climate change issues.		Ongoing	
Communicate Climate Change Action Plan and progress	Make the Climate Change Action Plan and progress available to stakeholders.		Ongoing	
Risk management				
Establish processes for identifying, assessing and managing climate-related risks	Review the Group Risk Management Framework to ensure climate change risks are adequately contemplated, described and addressed.	Complete		
	Integrate climate change risk into the Group Risk Management Framework.		Ongoing	
	Integrate climate change risk into the Risk Appetite Statement.			Scheduled
	Integrate climate change risk into the credit policy.		Ongoing	
	Integrate climate change risk into the assessment processes.		Ongoing	
Climate-related risk training	Develop training on climate-related risks for the front-line and credit assessment staff.		Ongoing	

<table>
<tr><th>TCFD FOCUS AREA</th><th>ACTION</th><th>PRE FY22</th><th>FY22</th><th>POST FY22</th></tr>
<tr><td colspan="5">Metrics and targets</td></tr>
<tr><td rowspan="2">Climate-related metrics & targets</td><td>Review opportunities to improve the environmental impact of the Group's operations.</td><td colspan="3">Ongoing</td></tr>
<tr><td>Review existing and develop a key set of metrics and targets to measure and manage climate related risks and opportunities including the setting of emission reduction targets for our operations.</td><td colspan="3">Ongoing</td></tr>
<tr><td rowspan="2">Measurement of carbon intensity of the Group's Wealth portfolios</td><td>Review the carbon intensity of the Group's Wealth portfolio and consider opportunities for emission reductions.</td><td></td><td colspan="2">Ongoing</td></tr>
<tr><td>Consider establishing an allocation of investment funds in the Wealth portfolio to low/neutral carbon investments.</td><td></td><td>Complete</td><td></td></tr>
<tr><td rowspan="3">Disclosures reported in line with the TCFD disclosure framework</td><td>Become a signatory to the FSB TCFD.</td><td>Complete</td><td></td><td></td></tr>
<tr><td>Track and disclose climate-related metrics and performance in line with the TCFD framework standards.</td><td colspan="3">Ongoing</td></tr>
<tr><td>Describe and disclose the Group's processes for identifying, assessing and managing climate-related risks and opportunities.</td><td colspan="3">Ongoing</td></tr>
</table>

Timeline to date

The following timeline shares highlights of our climate action journey so far.

2000
Launched Ethical Investment Fund, Australia's first ethical bank deposit

2002
Energy reduction initiatives explored to control lighting and air conditioning

2002
Introduced Australia's first green loan products

2005
Offsetting of vehicle fleet commences through native vegetation restoration

2006
Supported bio-diesel pilot with farmers in Victoria's Wimmera and Central Victorian town of Elmore

2007
Solar Cities Project Launched with Bendigo Bank as a consortium member

2007
Generation Green range of solutions launched making it easy to help the environment and prepare for the effects of climate change

2008
Bendigo Centre our 5 Star Green Star headquarters officially opened

2009
'Ban the Bulb' campaign (incandescent lightbulb replacement program)

2009
Bendigo Bank finances Hepburn Wind Farm

2010
Environment Working Group formed

2010
Executive Team sign Statement of Commitment to the Environment

2011
Commence disclosing our emission footprint via CDP (formerly Carbon Disclosure Project)

2012
IT Powerdown initiative rolled out, shutting more than 6000 desktops, laptops and monitors at the end of each working day

2013
Sustainable Living Guide released with information to support small and medium sized businesses to manage energy and water use, waste and more

2014
Public statement that the bank does not lend to coal and coal seam gas and will not start to do so

2014
80 Grenfell St our 5 Star Green Star Adelaide Office Building officially opened

2014
Partnership with Greenfleet commences to offset all travel emissions through biodiverse revegetation – a milestone of 100,000 trees was reached in 2019

2016
Trees for Life – native tree or shrub planted for each new Adelaide Bank customer switching to online statements

2017
Bendigo launches Socially Responsible Growth Fund

2018
Climate risk exposure review of physical collateral asset addresses for all loans secured by real property

2018
Climate related stress tests conducted on rural lending portfolio

2019
Warburton and Yarra Junction Community Bank® Branches begin operating Warburton mini hydro plant

2020
Became a supporter of Task Force on Climate-related Financial Disclosures

2020
Climate Change Policy Statement and Climate Change Action Plan approved by Bank's Board and Executive

2021
Climate change related adjustments to our credit policy.

2021
Initial footprint reduction targets published

- Carbon neutral by June 2021
- Purchase 100% renewable energy by 2025
- Reduce absolute emissions by 50% by 2030
- Reduce travel emissions to 25% below 2018/19 levels
- 90% statements to be electronically delivered by 2025

2022
200kW of solar panels installed on the Bendigo Centre

2022
Updated pricing and inclusions to mark 20th anniversary of our Green Loans

2022
Transition risk scenario analysis completed

The Better Big Bank.

Climate-Related Financial Disclosures 2022 (TCFD)
Bendigo and Adelaide Bank Limited.
ABN 11 068 049 178