

# Welcome to your CDP Climate Change Questionnaire 2022

## C0. Introduction

### C0.1

#### (C0.1) Give a general description and introduction to your organization.

Bendigo and Adelaide Bank is one of Australia's largest retail banks. We provide a full suite of consumer banking, business banking, agribusiness banking and associated financial services to more than 2.1 million customers across Australia. We do this through an extensive branch and mobile banking network, brokers, and mortgage managers, through our banking apps, including Up (Australia's first digital only banking service), self-service digital lending and other electronic banking capabilities.

Our vision is to be Australia's bank of choice. Our purpose is to feed into the prosperity of customers and communities, not off it. Through more than 160 years' experience in providing financial services, Bendigo and Adelaide Bank has remained true to its fundamental purpose of helping customers and communities succeed by securing prosperous futures. We believe our business will only be successful when we can share in the success created by our stakeholders.

Bendigo and Adelaide Bank's commitment to climate change action, embodies extensive research, consultation and discussions with Executive, Board sub-committees and the Board. The commitment includes our **Climate Change Policy Statement** and four focus areas which are brought to life through our **Climate Change Action Plan**. These are described further below.

Building on the Bank's Statement of Commitment to the Environment the Executive team pledged to in 2010 with our **Climate Change Policy Statement** which was approved in 2020. The statement is as follows:

*"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 Paris Agreement objectives and the required transition to a low carbon economy. 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."*

The Bank will review its Climate Change Policy Statement annually and will evolve its approach as science, technology and policy further develop.

The Bendigo and Adelaide Bank **Climate Change Action Plan** outlines the action the Bank will take to improve its climate outcomes, drive cultural change, engage its people and customers, enhance its climate change governance and risk management framework, and report on its climate change performance.

The Bank concentrates on four focus areas of activity, which incorporate the direct and indirect environmental impacts and influence the Bank has through its operations:

- **Reduce our footprint:** We will reduce the carbon and environmental footprint of our own operations.
- **Support our customers:** We will support our customers and communities to mitigate, adapt and respond to climate change.
- **Understand and manage the risks:** We will optimise our climate change risk governance and risk management framework.
- **Be transparent:** We will disclose our climate-related performance.

From a governance perspective, the Board owns the strategy, and the Executive Committee are responsible for implementing the plan, with each individual Executive having responsibility for actions relevant to their area of responsibility.

While the Bank has no lending exposure directly to coal, coal seam gas, oil and gas or native forest logging projects, we understand our residential, business and farming customers are leaving a footprint on the environment. For this reason, we have endeavoured to support our customers to reduce their environmental footprint for some time - we were the first Australian bank to offer green consumer and home finance products back in 2002. We look forward to the journey ahead as we continue to identify and enact further opportunities to reduce our footprint and better understand the dependencies we have on the natural environment.

For more information about Bendigo and Adelaide Bank please visit our website [www.bendigoadelaide.com.au](http://www.bendigoadelaide.com.au) with information on our climate change action approach and performance here: <https://www.bendigoadelaide.com.au/esg/environment/climate-change/>

## C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	July 1, 2020	June 30, 2021	No

## C0.3

**(C0.3) Select the countries/areas in which you operate.**

Australia

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

AUD

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

## C-FS0.7

**(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?**

	Does your organization undertake this activity?	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	Yes	Animal processing Cattle farming Fabric metal components manufacturing Fruit farming Grain & corn farming Other crop farming Pharmaceuticals Poultry & hog farming Sugarcane farming Supermarkets, food & drugstores Vegetable farming
Investing (Asset manager)	No	
Investing (Asset owner)	No	
Insurance underwriting (Insurance company)	No	

## C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	AU000000BEN6

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

#### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Board Chair	The Bendigo and Adelaide Bank Board owns the Bank's Climate Change Policy Statement and Climate Change Action Plan, and as such the Board Chair has direct responsibility for climate related risks and opportunities. As an example, the Board Chair supported approval of our inaugural 3 Year Climate Change Action Plan in June 2020 which included registering the Bank as a supporter of the Taskforce on Climate-related Financial Disclosures.
Board-level committee	A range of Board Committees are involved in providing oversight of aspects of the Climate Change Action Plan. For example, scenario analysis is reviewed by our Board Financial Risk Committee and our external climate reporting to market is overseen by the Board Audit Committee.

#### C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p>	<p>Climate-related risks and opportunities to our own operations</p> <p>Climate-related risks and opportunities to</p>	The Board owns the Climate Change Policy Statement and Action Plan, and is responsible for reviewing, guiding and approving any changes. Climate related inclusions in policies such as the Group Risk Management Framework and Credit Policy are ultimately reviewed and approved by the Board or Board Committee following preparation within

	<p>Reviewing and guiding annual budgets</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>our banking activities</p> <p>The impact of our own operations on the climate</p> <p>The impact of our banking activities on the climate</p>	<p>the business and consultation and guidance with various stakeholders and relevant committees within the bank.</p> <p>The budgets associated with climate change related initiatives and the metrics and targets with respect to the impact of the bank on the bank's carbon and environmental footprint are ultimately approved by the Board.</p>
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## C1.1d

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	<p>The criteria used to assess the competence of the board members is through experience. The Bank's Chair has direct climate risk experience through her involvement with other industries. They are on the board of a major energy provider and airline company and have first-hand experience of climate risk. One of our other board members has direct industry knowledge of climate risk through their regional and farming background.</p> <p>In addition to this a subset of the board have completed the Cambridge Institute of Sustainable Leadership Programme.</p>

## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues

Other C-Suite Officer, please specify  Executive - Rural Bank, Partnerships, Marketing and Corporate Affairs	CEO reporting line	Both assessing and managing climate- related risks and opportunities  💬 <sub>1</sub>	Risks and opportunities related to our banking  Risks and opportunities related to our investing activities  Risks and opportunities related to our own operations	More frequently than quarterly
Audit committee	Reports to the board directly	Both assessing and managing climate- related risks and opportunities  💬 <sub>2</sub>	Risks and opportunities related to our banking  Risks and opportunities related to our investing activities  Risks and opportunities related to our own operations	Half-yearly
Chief Executive Officer (CEO)	Reports to the board directly	Both assessing and managing climate- related risks and opportunities	Risks and opportunities related to our banking  Risks and opportunities related to our investing activities  Risks and opportunities related to our own operations	Half-yearly

💬<sub>1</sub>The Executive Committee is responsible for implementing the 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. This includes ensuring KPIs are updated and goals are assigned, and performance is managed where responsibilities for actions and outcomes are delegated within their teams.

💬<sub>2</sub>The Board Audit Committee received scheduled half year updates on progress towards the action on our Climate Change Action plan with annual reporting to the full Board.

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Climate Action accountabilities are embedded into the KPIs for our Executive Committee and Senior Leadership Group. Attainment of KPIs is a factor which contributes to whether people are eligible for a bonus payment.

## C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target Behavior change related indicator	The Executive Team is responsible for implementing the Climate Change Action Plan. As part of this the Executive Team have applied KPI's to each of the Executives and their relevant leaders, and performance is managed where responsibilities for actions and outcomes are delegated within their teams.
All employees	Monetary reward	Portfolio/fund alignment to climate-related objectives	Bendigo Bank encourages all our staff to support our customers and communities to take action required to mitigate, adapt and respond to climate change. Our staff can assist clients in a number of ways, whether that be through our award winning Green Personal Loans for purchasing environmentally friendly vehicles, solar power systems and other approved investments, or providing financing to community renewable energy projects. Our staff are incentivised to do this and recognised through the balanced scorecard feedback framework which feeds into bonus eligibility. There is an additional incentive through the Community Bank partners where the profits generated from these are re-invested back into their local community projects.

## C-FS1.4

**(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?**

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated
Row 1	Yes, as an investment option	During the reporting period on the 1st of October 2020 the default superannuation provider and administrator of the superannuation plan moved from Investment Services Limited to Sunsuper. The following information relates to Sunsuper. While ESG factors are managed across all Sunsuper investment options, they offer the Socially Conscious Balanced option for members who want to invest their superannuation according to a wider set of ethical criteria. This option incorporates negative screening, sustainability-orientated investments and a responsible approach to environmental, social and ethical considerations, labour standards and governance.

## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

#### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	1	The Operational Risk Management Framework assesses risk within the next 12 months.
Medium-term	1	5	The bank considers medium term time horizon as beyond 12 months but shorter than 5 years. Our scenario analysis considers risks which might happen beyond 12 months.
Long-term	5		Long term risks are considered out beyond 5 years.

#### C2.1b

**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**



The Group is exposed to a broad range of financial and non-financial risks arising from its operations. The most material of these risks have been assessed as 'material risks'. These 'material risks' are what the bank believes could have a substantive financial or strategic impact, which the bank defines as risks that may affect the Group's ability to meet its obligations to depositors. The material risks that the Group actively manage are strategic risk, operational risk, credit risk, interest rate risk, traded market risk and liquidity risk. A quantifiable indicator the Bank uses to define substantive financial or strategic impact as having an impact of greater than \$10m.

Climate Change Risk is currently integrated within existing material risks, as the potential impacts of Climate Change Risk can emerge as an outcome in several of the Group's material risks (e.g. credit risk, operational risk and strategic risk).

## C2.2

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

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### **Value chain stage(s) covered**

Direct operations  
Upstream

### **Risk management process**

A specific climate-related risk management process

### **Frequency of assessment**

Annually

### **Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

### **Description of process**

The Bank has taken several steps to identify risks and opportunities including an internal assessment and four climate change risks and opportunities workshops with representatives from business, agribusiness, consumer and central functions. The workshops were facilitated by external advisors and took place towards the end of FY21. Over the next 12 months the Bank will take learnings from the workshops and combine with Group Risk's assessment to consolidate, prioritise and formally document risks and opportunities identified and develop appropriate actions.

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### **Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Medium-term

Long-term

**Description of process**

Stranded asset risk is a previously identified risk assessed through our credit applications. As it has become clearer that businesses and the energy market is transitioning away from carbon intensive production, there is a significant stranded asset risk associated with lending to these carbon intensive industries. As such the bank has a policy to not lend directly to coal, coal seam gas, crude oil, natural gas or native forest logging projects thus limiting our credit exposure to intensive carbon-related assets and significant segments of industries that are particularly vulnerable to transition risk.

Carbon intensive industries that the organisation continues to finance, like agriculture, are undergoing climate related stress testing to understand the effects of climate change on these industries and what strategic or financial risks that will have on our lending portfolio.

Assessments of the bank's lending portfolio are being undertaken in other areas as well that may be impacted by physical risks, such as the risk of rising sea levels on our residential lending portfolio

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**Value chain stage(s) covered**

Direct operations

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term

**Description of process**

Through customer surveys scheduled as part of the Bank's Climate Change Action Plan there was an identified financial opportunity around marketing green investment products and loans to our customers. Numerous respondents have stated they would like to have these options available and as such this has been identified as an opportunity for customer attraction and retention.

The Bank also has an Inspirations portal where bank employees, typically those who engage with customers on a daily basis, submit ideas for solutions to customer needs. There have been numerous submissions through this process as well around green investment options or loans, further highlighting that this as a climate-related financial opportunity.

These product ideas then progress through the steps in our Product Requirement Document which includes a Customer Impact Assessment to determine customer needs, level of fees and charges and test the concept via market research.

Once a concept has been validated, it progresses through the Bank's Product Lifecycle Framework to ensure all regulatory requirements are adhered to.

The most recent product we've released, based on customer demand is the Bendigo Socially Responsible Fund. Our suite of Green loans have been in the market for almost two decades and are reviewed through the Product Lifecycle Framework.

More information on these products is available here:

<https://www.bendigobank.com.au/personal/investing/managed-funds/bendigo-socially-responsible-growth-fund/>

<https://www.bendigobank.com.au/personal/loans/green/>

<https://www.bendigobank.com.au/personal/loans/unsecured-green/>

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**Value chain stage(s) covered**

Upstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Long-term

**Description of process**

Where environment and/or climate related concerns are detected during the procurement process, it is incorporated in feedback in submissions. This has been evident for the procurement of fleet (changing to hybrid), travel (target to maintain at 25% below 2018/19 levels), electricity (procuring renewable and installing solar panels on branches where possible) and printer paper (carbon neutral) for example.

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**Value chain stage(s) covered**

Direct operations

### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

### **Frequency of assessment**

Annually

### **Time horizon(s) covered**

Short-term

Medium-term

Long-term

### **Description of process**

The Bank has robust Business Continuity Processes in place to deal with climate related events such as floods and bush fires which may impact our operations. Business Continuity and Organisational Resilience is a risk that could have substantive financial or strategic impact and has been identified previously through the Bank's Group Operational Risk Management Framework. With the increased instances of natural disaster events in recent years (by comparing to previous), this physical climate risk is a key impact on the Banks operations, processes and Business Continuity Plans. Annual testing of business continuity plans for assessed critical processes is a key element of the Banks control environment and response to physical climate related risk such as natural disasters like floods and fires. The transition to remote working, accelerated in response to Covid, is one such way we can ensure operational continuity while travel is restricted by natural disasters like floods or fires . These continuity plans are reviewed on annually as part of the Business Impact Analysis (BIA) process under CPS232 and incorporate actions on the business to update plans.

## **C2.2a**

### **(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	<b>Relevance &amp; inclusion</b>	<b>Please explain</b>
Current regulation	Not relevant, included	As at 2020/21 there are no mandatory requirements with respect to climate change risks, however, APRA and the Council of Financial Regulators, have sought regulated entities to actively understand and manage the financial risks of a changing climate for a number of years . As with the emerging regulation below and the guidance issued by APRA, the bank is aware that regulation is likely to be increased. In similar overseas markets, like New Zealand and the United Kingdom, Task Force on Climate Related Financial Disclosures (TCFD) has become mandatory reporting. As part of the climate-related risk assessments the bank has identified this risk and has proactively released its own TCFD report for the 2020/21 reporting year

Emerging regulation	Relevant, sometimes included	<p>Notwithstanding that the bank has voluntarily reported to CDP for over a decade, APRA announced in February 2020 that the financial risks of climate change will continue to be a focus and the intention to develop and consult on a climate change financial risk prudential practice guide. APRA outlined that the prudential practice guide would align with the recommendations of the TCFD.</p> <p>Our Climate Change Action Plan includes commencing as a signatory to TCFD (completed December 2020) and releasing our first report for 2020/21</p>
Technology	Relevant, sometimes included	<p>Technology impacts are considered as part of business continuity and crisis management arrangements when assessed in response to a climate related event e.g. flood or bush fire.</p> <p>We do annual business continuity tests based on various scenarios including extended power outages due to storms.</p>
Legal	Relevant, sometimes included	Where applicable, legal risk is considered as part of disclosure to the market to ensure sufficient consideration of and management climate change risk is in line with shareholders expectations.
Market	Relevant, sometimes included	Where applicable, the Bank considers customer's expectations for products and services which consider climate change risk. This is seen through our lending exclusion policies around coal, coal seam gas, crude oil, natural gas or native forest logging projects as well as the Bendigo Socially Responsible Fund and our suite of Green loans
Reputation	Relevant, sometimes included	Where applicable, physical impacts are considered as part of business continuity and crisis management arrangements when assessed in response to a climate related event e.g. flood or bushfire as we want to ensure customers impacts are minimised in a crisis. . The Bank also considers reputational risk in its lending exclusion policies around coal, coal seam gas, crude oil, natural gas or native forest logging projects
Acute physical	Relevant, sometimes included	<p>Where applicable, physical impacts are considered as part of business continuity and crisis management arrangements when assessed in response to a climate related event e.g. flood or bushfire.</p> <p>In our Agri business, various stress tests have been undertaken over the past 6 years to assess the impact to certain subsets of our customers to given factors. These factors include cyclone, drought, production costs, rising water prices or unavailability of fodder, and falling commodity prices (which, among other causes, could result from climatic conditions).</p>

Chronic physical	Relevant, sometimes included	The Bank continues to monitor chronic physical risks. During FY21, the Bank undertook pilot scenario analysis of two geographic regions within its agri-business lending portfolio. The selected regions have similar farming activities (winter cropping) however are in distinctly different geographies. They were selected to allow a comparison of outcomes and develop a deeper understanding to inform future scenario analysis activities across the portfolio.
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## C-FS2.2b

**(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?**

	We assess the portfolio's exposure
Banking (Bank)	Yes

## C-FS2.2c

**(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.**

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	A specific climate-related risk management process	10.7	Qualitative and quantitative	Long-term	Scenario analysis External consultants Other, please specify Network for Greening the Financial Services (NGFS) Scenario 'Hot	During FY21, the Bank undertook pilot scenario analysis of two geographic regions within its agri-business lending portfolio. The selected regions have similar farming activities (winter cropping) however are in distinctly different geographies. They

					House World'	<p>were selected to allow a comparison of outcomes and develop a deeper understanding to inform future scenario analysis activities across the portfolio.</p> <p>Using the Network for Greening the Financial System (NGFS) scenario 'Hot House World' the Bank worked with climatologists to project seasonal conditions in the two selected regions in 2050.</p> <p>Using customer's actual financial data, stress factors derived from the projections were applied to customers within the relevant regions. Proforma financial statements and balance sheets were calculated and resultant proforma financial data was then assessed using the bank's existing risk models to determine revised risk profiles.</p> <p>10.7% of the</p>
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						agribusiness portfolio was covered by this scenario analysis.
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## C-FS2.2d

**(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?**

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (Bank)	No, but we plan to do so in the next two years	Year 1 of the Bank's Climate Change Action Plan (the reporting period of 2020/21) was centred around knowledge and capacity building. One of the goals of year 2 of the Climate Change Action Plan is to build on the learnings of this reporting year and coming up data we would like to collect from our clients to better understand their climate-related risks. Agri-business customers have been the focus of this plan to collect climate related data from customers, over and above the location based risks that we already consider. So, while we have not had the processes and understanding in place to use climate related information of our customer as part of our risk assessment processes, plans are well underway to start doing this within the next two years.

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

### Identifier

Risk 1

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type & Primary climate-related risk driver

Emerging regulation

Regulation and supervision of climate-related risk in the financial sector



**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

Policy and legal risk

**Company-specific description**

Australia has ratified the Paris Agreement and committed to significantly higher, long-term carbon reduction targets (26-28% reduction by 2030), which may have an effect on our business. As Australia prepares for its emissions reductions the Australian Prudential Regulation Authority (APRA) is working with the financial services industry to understand how it should best manage and oversee climate-related risks in the sector. The Bank is working closely with the Australian Banking Association (ABA) in order to ensure our voice is heard and a consistent voice from the banking sector is provided to the regulator. APRA is already looking at scenarios it can provide to financial institutions to stress their loan portfolios to the impacts of climate change. The additional workload to manage and understand these future stress testing scenarios and other regulations and supervision requirements for climate-related risks in the financial sector likely to come will add significant workload to staff, as well as the work to engage with the ABA to consolidate the voice of the financial sector. This additional workload will add to the operating costs of the business. The Bank is already looking to increase the size of its climate and sustainability team to meet expected increased workload in this space.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

While this risk has been identified the full scope of the outcomes to emerging regulation are still unknowns, as such the possible financial impacts are yet to fully be assessed.

**Cost of response to risk**

1,000,000

**Description of response and explanation of cost calculation**

Climate change risk is recognised in the Group Risk Management Framework as a key risk type facing the Bank. Climate Change Risk is currently integrated within existing material risks e.g credit risk, operational risk and strategic risk. The Bank will continue to evolve and develop its plans to address and assess climate change risk. In preparation for this risk the Bank has begun pilot portfolio analysis and deeper sustainability and climate reporting. An estimate of the cost of response to this risk has been provided based off the salaries dedicated to the uplift in sustainability and climate reporting and scenario analysis. We expect these costs will increase as the full scope of response is better understood and as we explore costs associated with acquiring external services and data.

**Comment**

While this risk has been identified the full scope of the outcomes to emerging regulation are still unknowns, as such the possible financial impacts are yet to be fully assessed

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Banking portfolio

**Risk type & Primary climate-related risk driver**

Acute physical

Cyclone, hurricane, typhoon

**Primary potential financial impact**

Increased credit risk

**Climate risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

The effect of climate change is seeing extreme weather events becoming more prevalent. While all of these extreme weather events present increased risks one that the Bank has particularly noted is the increased frequency and severity of cyclones. Due to climate change the cyclones in Australia are becoming more frequent, more severe and occurring further south. The bank has significant exposure in Queensland in its residential and agricultural lending. The increased risk of cyclones through this region increases the probability of default and/or loss given default to the Bank's exposure in this region.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The Bank is still working through the possible financial impacts are of this risk. Understanding the dollar value of this specific risk is challenging to calculate and something that we are still working through. The Bank is working with partners to collect data on what the likelihood of increased occurrence and severity of all severe weather impacts, including cyclones. Once this data has been sourced the Bank will look to stress these scenarios to understand the financial impact on the increased credit risk that is occurring.

**Cost of response to risk**

**Description of response and explanation of cost calculation**

Climate change risk is recognised in the Group Risk Management Framework as a key risk type facing the Bank. Climate Change Risk is currently integrated within existing material risks e.g credit risk, operational risk and strategic risk. The Bank will continue to evolve and develop its plans to address and assess climate change risk. The Bank has also provided staff with training specifically on this from IAG during the reporting period.

**Comment**

The bank is working currently working through how it is responding to increased credit risk due to natural disasters like cyclones, and as such the costs of the response to this risk have not been fully assessed yet.

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**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Banking portfolio

**Risk type & Primary climate-related risk driver**

Acute physical

Drought

**Primary potential financial impact**

Decreased revenues due to reduced production capacity

**Climate risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

The Bank has its own arm dedicated to agricultural lending, Rural Bank, with significant exposure to agricultural customers. The increased severity of natural disasters will have widespread impacts, but drought in particular is likely to have significant negative impacts on our primary producers customers. Reduced crop yields, reduced income, inability to repay loans, default, increasing credit risk exposure and reducing or lost income to Rural Bank are likely to be results of the increased risk of drought. There is also a risk of negative impacts on the Bank's workforce in areas particularly affected by weather extremes.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The complicated nature of the outcomes for Rural Bank from increased drought makes the financial impact figure difficult to calculate. The Bank undertook pilot scenario analysis of two geographic regions within its agri-business lending portfolio during the reporting period of 2020/21 to begin to understand the financial impact of drought. The

bank looked at the effects of drought such as changes in growing season rainfall and changes in growing season daytime temperatures >35 degrees Celsius, to stress actual financial data from customers in these regions. The Bank is looking to expand this process for other key regions, customers business activities and business units to calculate a potential financial impact figure for this risk for the whole organisation.

**Cost of response to risk**

900,000

**Description of response and explanation of cost calculation**

The Bank has recognised this as a significant risk and is currently undertaking exploratory work with partners to work out how best to approach this risk. The Bank is investigating a number of proposals to understand and manage this risk but at this stage have not committed to a specific response, the cost we have noted here is a potential solution using satellite data to predict future climate impact.

**Comment**

As stated in the description of response and explanation of cost calculations, the Bank is still finalising its approach to this risk. The Bank is investigating a number of proposals to understand and manage this risk but at this stage have not committed to a specific response, and as such do not have a cost of response to this risk at this time.

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

### C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

---

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Banking portfolio

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Access to new markets

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

### **Company-specific description**

There is an opportunity for the bank to increase the amount of funding we provide to customers to assist them to reduce their footprint and transition to a low carbon economy. We've had a suite of green loans (secured and unsecured personal loans) in the market since 2002 which support customers with discounted rates if they are purchasing low emission vehicles or upgrades to their homes to improve energy efficiency or decrease reliance on fossil fuels. It is expected that products like these will grow in popularity as more people and businesses look for opportunities to reduce their own footprint. This will also have the added advantage of helping the Bank to reduce the emissions of its loan portfolio.

In addition to this there is the opportunity to provide funding and partnerships in the production and manufacturing of green energy. The Bank has financed the manufacturing facility of Australia's only solar panel manufacturer, Tindo Solar. On top of this the bank has partnered with Tindo to put solar panels on our branches and provide discounted rates to staff to put solar panels on their own homes, with Tindo doing discounts on the panels and batteries and the bank providing discounts on the loans to purchase this.

With the increase in renewable energy production required there will be significant opportunity to fund green energy projects. The Bank has funded community wind and hydro projects and is looking to expand in this space with the expanding market.

### **Time horizon**

Long-term

### **Likelihood**

Virtually certain

### **Magnitude of impact**

Medium-low

### **Are you able to provide a potential financial impact figure?**

No, we do not have this figure

### **Potential financial impact figure (currency)**

### **Potential financial impact figure – minimum (currency)**

### **Potential financial impact figure – maximum (currency)**

### **Explanation of financial impact figure**

We are unable to provide a potential financial impact figure as these products have been in the market for over a decade and the credit exposure had varied over this period, the financial impact is varying.

### **Cost to realize opportunity**

200,000

### **Strategy to realize opportunity and explanation of cost calculation**

As these products were launched to market a decade ago, the cost to realise the opportunity is difficult to ascertain. In the reporting period of 2020/21 a review of these products was conducted to check if they are competitive in the market. In the low interest rate environment Australia has had during this reporting period it has been challenging keep these product offerings competitive. As interest rates begin to rise as the economy returns to normal post Covid, our strategy is to work on making these offerings more competitive in the market to ensure we can realise this opportunity. The estimated figure provided is based off the salary of the FTE count to manage this process.

### **Comment**

---

#### **Identifier**

Opp2

#### **Where in the value chain does the opportunity occur?**

Direct operations

#### **Opportunity type**

Resource efficiency

#### **Primary climate-related opportunity driver**

Move to more efficient buildings

#### **Primary potential financial impact**

Reduced indirect (operating) costs

#### **Company-specific description**

The Bendigo Centre and Adelaide Office (the Group's two largest offices have both been designed, built, and fitted out with 5 Star Green Ratings. The Bendigo Centre includes a water treatment plant, underfloor HVAC and solar panels for water heating. Both sites have internal lightwells and extensive indoor plantings.

#### **Time horizon**

Long-term

#### **Likelihood**

Virtually certain

#### **Magnitude of impact**

Medium-high

#### **Are you able to provide a potential financial impact figure?**

No, we do not have this figure

#### **Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The financial impact is challenging to assess as while a financial benefit will be realised through reduced electricity costs, electricity costs over the 10 and 5 year periods in this instance have been impacted due to a variety of factors including price variability and changes in consumption.

**Cost to realize opportunity**

75,300,000

**Strategy to realize opportunity and explanation of cost calculation**

The construction of the new Bendigo Centre was greater than \$40M and the Adelaide Office approximately \$35M. In addition, the relocation costs for the Adelaide Building were approximately \$300,000.

**Comment**

---

**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Other parts of the value chain

**Opportunity type**

Resilience

**Primary climate-related opportunity driver**

Other, please specify

Supporting communities to adapt and respond to climate change

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

The Bank uses the Community Bank model to provide support for local communities. The Bank partners with Community Bank companies to provide banking services while sharing the revenue with local communities. In FY21, our Community Bank partners utilising profits generated through the Bank's shared value model supported more than 30 community climate action initiatives ranging from tree plantings and ecosystem regeneration including for a koala corridor, sustainable living skills sharing, energy



efficiency, rainwater tanks and solar panels for community groups with physical infrastructure such as Lions, Surf Life Saving along with various sporting clubs.

**Time horizon**

Long-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

274,902

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

This is the total amount of grants provided to support more than 30 projects during the 2020-21 financial year that were associated with adapting and responding to climate change.

**Cost to realize opportunity**

100,000

**Strategy to realize opportunity and explanation of cost calculation**

This is an approximate figure for a component of our staff time to review, approve and administer the grants to the schools, Landcare and other community organisations across the country.

**Comment**

## C3. Business Strategy

### C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

---

### Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

### Publicly available transition plan

Yes

### Mechanism by which feedback is collected from shareholders on your transition plan

We have a different feedback mechanism in place

### Description of feedback mechanism

We have a variety of feedback mechanisms including participating in investor meetings and responding to customer feedback.

### Frequency of feedback collection

More frequently than annually

### Attach any relevant documents which detail your transition plan (optional)

## C3.2

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Other, please specify Still developing scenario analysis models and methods	While some climate related stress testing has already been completed and some scenario analysis of climate-related risks was done during the 2020/21 reporting period, this is still in an exploratory phase and limited to some parts of our portfolio. The Bank is planning to expand and duplicate the process for other key regions, customer business activities and business units as well as running different scenarios. Once a broader swath of information is available the Bank will be in a position to use climate-related scenario analysis to inform its strategy.

## C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>The Bendigo and Adelaide Bank Group does not lend directly to projects in the following sectors and will not start to do so coal, coal seam gas, crude oil, natural gas or native forest logging. In contrast, we support a number of community renewable energy projects including hydro and wind power generation facilities.</p> <p>We have developed and distributed "Green" products for almost two decades, providing concessional loans to customers making environmentally friendly investments, including improving the star rating of homes, purchasing homes with higher star ratings, and personal loans for purchasing environmentally friendly products (such as low emissions vehicles).</p> <p>In addition, through our Community Bank network, grants have enabled numerous projects to support the community to respond to climate related risks such as tree planting and solar installation for community buildings.</p>
Supply chain and/or value chain	Yes	<p>Over the past decade, the Group has made a conscious decision to purchase FSC office supplies, carbon-neutral paper, renewable energy, chosen fleet vehicles with low emissions, engaged forestry contracts to grow our own offsets and invested in other offsets through a third-party offset company.</p> <p>In addition to this, during FY21 while measuring our carbon footprint, we engaged with suppliers associated with 78% of the emissions via suppliers across all three scopes, to obtain more accurate information on the carbon footprint associated with their products and services. While some suppliers have not yet been able to provide us with emissions, we have set the expectation that we require these over time and now include this as a tender requirement for larger suppliers.</p>
Investment in R&D	Yes	<p>While our Green Loans have been available to customers since 2002, we continue to invest in research and development to enhance the products such as improving the range of solutions that customers can use the loans for e.g.</p>

		<p>solar batteries have been a recent inclusion for our Unsecured Green Personal Loan.</p> <p>Our Climate Change Action Team invest a significant amount of time researching ways to reduce our footprint, support our customers and communities to mitigate, adapt and respond to climate change, understand and manage the risks and learn from best practice disclosures.</p>
Operations	Yes	<p>Bendigo and Adelaide Bank Australia's purpose is to feed into the prosperity of customers and communities, not off it. A part of this is to walk the talk around owning up to our own carbon and environmental footprint, and working to ensure we minimise it over time.</p> <p>The group has completed CDP reports since 2011 and released its first TCFD report for this reporting year (2020/21). The Bank has invested in a wide range of initiatives to improve the impact that we have on the local and global environment.</p> <p>Such initiatives include: attaining carbon neutral status for our operations, installing Solar Panels in appropriate branch sites, purchasing carbon neutral paper, investing in technology upgrades to allow electronic account statements, monthly internal reporting, and shareholder communications, switching to low energy light globes and fixtures, and including lower emissions vehicles in fleet choice policies. In addition, we have supported staff committees which consider staff led initiatives.</p>

## C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures	The bank has committed to considering the environment in all relevant business decisions. This includes considering the environmental and climate impact when selecting suppliers. There have been various examples when we consciously made procurement decisions where higher costs have been incurred to meet the goals of reducing our environmental footprint. Capital expenditures have included relocating 2 head office locations to buildings which meet 5 star energy ratings, installing solar panels on various branches, changing lighting and

		<p>implementing other energy saving initiatives such as automated powering down of computers.</p> <p>The bank budgets for staff responsible for tracking and reporting our carbon emissions and to incorporate climate and other environmental considerations in our procurement processes.</p>
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## C3.5

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?**

No, and we do not plan to in the next two years

## C-FS3.6

**(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?**

Yes, we have exclusion policies for industries and/or activities exposed or contributing to climate-related risks

## C-FS3.6b

**(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.**

### Portfolio

Banking (Bank)

### Type of exclusion policy

All Coal

### Year of exclusion implementation

2,014

### Timeframe for complete phase-out

Already phased out

### Application

New business/investment for new projects

New business/investment for existing projects

Existing business/investment for existing projects

### Country/Region the exclusion policy applies to

Australia

### Description

Our Bank does not lend directly to projects in the coal or coal seam gas sector. We made our commitment to not lend to coal and coal seam gas projects public in 2014.

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### Portfolio

Banking (Bank)

### Type of exclusion policy

All fossil fuels

All oil & gas

Other, please specify

Native forest logging

### Year of exclusion implementation

2,021

### Timeframe for complete phase-out

Already phased out

### Application

New business/investment for new projects

New business/investment for existing projects

Existing business/investment for existing projects

### Country/Region the exclusion policy applies to

Australia

### Description

In line with our policy around coal, in 2021 the Bank updated its exclusion policy to include the crude oil and natural gas sectors to cover all fossil fuels, lending to fossil fuel projects are excluded from our business asset writing strategy. At this time the bank also committed to an exclusionary policy for native forest logging as well. The climate change related adjustments that were made to our credit policy during the year, were reflective of our existing business asset writing strategies and are expected to be ongoing.

## C-FS3.6c

### (C-FS3.6c) Why does the policy framework for your portfolio activities not include climate-related requirements for clients/investees, and/or exclusion policies?

The Bank does have exclusion policies as discussed in C-FS3.6b but at this stage does not have any policies with climate-related requirements for client/investee requirements. The Bank is currently undertaking work to understand the emissions of its loan portfolio and before we have a better understanding of the current situation of our loan portfolio it is difficult to set climate related requirements for customers

## C-FS3.8

**(C-FS3.8) Does your organization include covenants in financing agreements to reflect and enforce your climate-related policies?**

	Climate-related covenants in financing agreements	Primary reason for not including climate-related covenants in financing agreements	Explain why your organization does not include climate-related covenants in financing agreements and your plans for the future
Row 1	No, but we plan to include climate-related covenants in the next two years	Other, please specify  The Bank is currently building capacity to be able to implement this in the near future	<p>As discussed in C-FS2.2d, Year 1 of the Bank's Climate Change Action Plan (the reporting period of 2020/21) was centred around knowledge and capacity building. One of the goals of year 2 of the Climate Change Action Plan is to build on the learnings of this reporting year and coming up data we would like to collect from our clients to better understand their climate-related risks.</p> <p>The Australian Banking Code of Practice precludes us from imposing non-financial covenants on the majority of our customers which would therefore limit our ability to consider imposing climate-related covenants.</p> <p>For customers falling outside the Australian Banking Code of Practice, work is already underway to determine which information the bank requires, and once this is done and a sample size of data is collected, the bank will look at what covenants it can introduce into its financial agreements to enforce our climate related policies. In FY22 we have already started to include climate-related covenants, requiring some financed buildings to obtain NABERS ratings on an annual basis.</p>

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

## C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

---

**Target reference number**

Abs 1

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

Scope 3

**Scope 2 accounting method**

Location-based

**Scope 3 category(ies)**

Category 1: Purchased goods and services

Category 2: Capital goods

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 4: Upstream transportation and distribution

Category 5: Waste generated in operations

Category 6: Business travel

Category 7: Employee commuting

**Base year**

2020

**Base year Scope 1 emissions covered by target (metric tons CO<sub>2</sub>e)**

3,190.79

**Base year Scope 2 emissions covered by target (metric tons CO<sub>2</sub>e)**

16,891.4

**Base year Scope 3 emissions covered by target (metric tons CO<sub>2</sub>e)**

22,012.13

**Total base year emissions covered by target in all selected Scopes (metric tons CO<sub>2</sub>e)**

42,094.32



**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

100

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2030

**Targeted reduction from base year (%)**

50

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

21,047.16

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

1,956

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

14,041.45

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

15,532.06

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

31,529.51

**% of target achieved relative to base year [auto-calculated]**

50.1958934127

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

**Target ambition**

1.5°C aligned

**Please explain target coverage and identify any exclusions**

The target is for our absolute emissions, and as such covers all of our Scope 1, 2 and 3 emissions with no exclusions. Our financed emissions currently sit outside of this and are not included in this target. The bank is currently in the process of calculating its financed emissions using PCAF (Partnership for Carbon Accounting Financials) methodology which we will then use to set a Science Based Targets initiative

**Plan for achieving target, and progress made to the end of the reporting year**

The Bank is undertaking several initiatives to achieve its targets. We have set additional targets to procure 100% of our energy need from renewable sources and have 30 branches with rooftop solar working towards this. We are also looking to reduce travel emissions by 25% below 2018/19 levels, using electronically delivered documents and virtual meetings as a big driver of this. We achieved a 67% reduction in 2020/21, but part of this was due to Covid restrictions preventing business travel.

**List the emissions reduction initiatives which contributed most to achieving this target**

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production  
Other climate-related target(s)

## C4.2a

**(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

---

**Target reference number**

Low 1

**Year target was set**

2021

**Target coverage**

Company-wide

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Base year**

2021

**Consumption or production of selected energy carrier in base year (MWh)**

18,337.78

**% share of low-carbon or renewable energy in base year**

29.9

**Target year**

2025

**% share of low-carbon or renewable energy in target year**

100

**% share of low-carbon or renewable energy in reporting year**

29.9

**% of target achieved relative to base year [auto-calculated]**

0

**Target status in reporting year**

New

**Is this target part of an emissions target?**

Yes, this is part of our absolute emissions reduction target Abs1

**Is this target part of an overarching initiative?**

Science Based Targets initiative

**Please explain target coverage and identify any exclusions**

While BEN is ineligible to join RE100 as our electricity volumes are well below the minimum threshold, we have aligned our target, committed to procure 100% renewable Electricity by 2025.

The target commitment is recorded on the Science Based Targets Initiative website:  
<https://sciencebasedtargets.org/companies-taking-action#table>

There are no exclusions from this target, it is a target for all of the Bank's power needs

**Plan for achieving target, and progress made to the end of the reporting year**

The Bank is looking to install rooftop solar on several its branches to help reach this target. The Bank has 30 branches with rooftop solar installed and during the 2020/21 reporting period a goal was set for the following year to prepare a business case for the installation of solar panels at 14 branch sites and install these solar panels subject to approval of the business cases and the landlord's approval.

The Bank will look to use power contract matches with renewables for other electricity

needs that cannot be directly sourced from renewables. During the second half of the 2020/21 reporting period, electricity for our “Large Sites” were power contract matched with renewables. This includes our Bendigo, Docklands and Sydney offices along with our Data Centre

**List the actions which contributed most to achieving this target**

## C4.2b

**(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.**

---

**Target reference number**

Oth 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Resource consumption or efficiency

Other, please specify

Tonnes CO2e from travel emissions

**Target denominator (intensity targets only)**

**Base year**

2019

**Figure or percentage in base year**

4,151

**Target year**

2021

**Figure or percentage in target year**

3,113.25

**Figure or percentage in reporting year**

1,367

**% of target achieved relative to base year [auto-calculated]**

268.2727053722

**Target status in reporting year**

Achieved

**Is this target part of an emissions target?**

Yes, this is part of our absolute emissions reduction target Abs1

**Is this target part of an overarching initiative?**

Science Based targets initiative - other

**Please explain target coverage and identify any exclusions**

This includes all travel associated emissions, there are no exclusions

**Plan for achieving target, and progress made to the end of the reporting year**

**List the actions which contributed most to achieving this target**

The actions the Bank has undertaken which have contributed most to achieving this target are

- Increasing the use of virtual/hybrid meetings to reduce unnecessary business travel
- Increasing the use of digitally delivered loan documentation to reduce travel to staff travel to deliver these documents

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**Target reference number**

Oth 2

**Year target was set**

2021

**Target coverage**

Business activity

**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Resource consumption or efficiency

Other, please specify

% of statements delivered electronically

**Target denominator (intensity targets only)**

**Base year**

2021

**Figure or percentage in base year**

50.66

**Target year**

2025

**Figure or percentage in target year**

90

**Figure or percentage in reporting year**

50.66

**% of target achieved relative to base year [auto-calculated]**

0

**Target status in reporting year**

New

**Is this target part of an emissions target?**

Yes, this is part of our absolute emissions reduction target Abs1

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain target coverage and identify any exclusions**

This target covers all of the customers under the Bendigo Bank brand. Some of the other brands e.g. Up already have much higher percentages and have been excluded.

**Plan for achieving target, and progress made to the end of the reporting year**

A customer campaign is scheduled for all branches and call centres in FY22 to help us reach this target

**List the actions which contributed most to achieving this target**

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
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Under investigation	3	
To be implemented*	2	505
Implementation commenced*	1	393
Implemented*	6	1,987
Not to be implemented	0	

## C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

### Initiative category & Initiative type

Transportation  
Employee commuting

### Estimated annual CO<sub>2</sub>e savings (metric tonnes CO<sub>2</sub>e)

1,319

### Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 7: Employee commuting

### Voluntary/Mandatory

Voluntary

### Annual monetary savings (unit currency – as specified in C0.4)

7,716

### Investment required (unit currency – as specified in C0.4)

25,721

### Payback period

4-10 years

### Estimated lifetime of the initiative

6-10 years

### Comment

Prompted by the need for more of our staff to work from home, as a result of COVID-19 lockdown restrictions, we acquired an additional 2000 Virtual Private Network (VPN) licences to accommodate more staff working remotely. The estimated emissions savings is based on an expectation that this will result in a 25% reduction in our employee commute emissions and the monetary saving is based on the cost to offset the employee commute emissions.

**Initiative category & Initiative type**

Energy efficiency in buildings  
Heating, Ventilation and Air Conditioning (HVAC)

**Estimated annual CO2e savings (metric tonnes CO2e)**

281

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 1  
Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

1,644

**Investment required (unit currency – as specified in C0.4)**

3,000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Our largest office, the Bendigo Centre has several retail outlets operating at street level of the building with reliance on shared base building services. A restaurant operates into the evening from one of these retails, after bank staff have gone home. To reduce the need to heat and cool the Bendigo Centre outside bank business hours, two reverse cycle air-conditioners were installed in the restaurant so that their heating and cooling could operate separately. As a result, the building can now be heated with one boiler instead of two and heating and cooling for the whole Bendigo Centre can operate fewer hours each day. This emissions saving is from observed gas consumption and therefore likely to be conservative as electricity usage will have also decreased. The monetary saving are conservative as it is based on the cost to offset the emissions however there will also be electricity and gas usage savings.

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**Initiative category & Initiative type**

Waste reduction and material circularity  
Product or service design

**Estimated annual CO2e savings (metric tonnes CO2e)**

236

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 3 category 1: Purchased goods & services



**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

1,380

**Investment required (unit currency – as specified in C0.4)**

131,353

**Payback period**

<1 year

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Implemented Docusign digital signatures on paperwork for various customer transactions. Expected emission reductions are based on reduced postage. We have not calculated expected emission reductions from paper as we already procure carbon neutral copy paper. In addition, trees have been protected, water conserved and waste eliminated. The monetary saving is conservative as it is based on the cost to offset the emissions however there will be additional cost savings from reduced postage and courier costs and there are broader benefits to customers with reduced turnaround times.

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**Initiative category & Initiative type**

Company policy or behavioral change  
Site consolidation/closure

**Estimated annual CO2e savings (metric tonnes CO2e)**

127

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

743

**Investment required (unit currency – as specified in C0.4)**

2,355,232

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

There is a huge environmental benefit of downsizing the physical size of our branches which require much less electricity to heat, cool and illuminate. During FY21 we relocated 12 branches to smaller sites with an average reduction in floor space of 55% (1700 m2 of floor space saved). For six of these branches which account for 1100 square m2 of the reduction and where comparable data is available, this has yielded an annualised total electricity saving of 137,040 kWh.

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**Initiative category & Initiative type**

Energy efficiency in buildings  
Heating, Ventilation and Air Conditioning (HVAC)

**Estimated annual CO2e savings (metric tonnes CO2e)**

13

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

76

**Investment required (unit currency – as specified in C0.4)**

350,000

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

A new air-conditioning system was commissioned in our data centre in December 2020 which negates the need to use electricity for air-conditioning when the outside ambient temperature is 15 degrees or less. In the first few months of operation, power consumption has decreased. However we do still operate one of the old air-conditioning units until more work is completed on air flow and air pressure within the data hall, therefore observed falls in electricity consumption and therefore emissions to date have been modest. The monetary saving is conservative as it is based on the cost to offset the emissions while we expect to realise electricity cost savings as well over time.

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**Initiative category & Initiative type**

Company policy or behavioral change  
Resource efficiency

**Estimated annual CO2e savings (metric tonnes CO2e)**

11

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

64

**Investment required (unit currency – as specified in C0.4)**

94,000

**Payback period**

<1 year

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Following the implementation of initiatives such as the "Follow Me print" and online applications, it was identified that the number of printers in many locations could be reduced, resulting in reduced energy usage. Extensive consultation with Regional Managers was conducted to identify the printers that could be rationalised. with 1,100 staff hours booked to the project. Total printer numbers were reduced by 61 during FY21.

## C4.3c

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Employee engagement	<p>Bendigo and Adelaide Bank has been working with staff and customers for two decades on the development of initiatives to reduce carbon emissions of our own footprint. At a corporate level, an environmental working group was the predominant driver of initiatives such as "follow me printing", "e-statements", "generation green finance loans", and bulb replacement. On an informal level, the Group's internal social media sites have a number of location based environmental discussion groups which have led to successful changes such as separating waste and recycling at major sites.</p> <p>The bank's Statement of Commitment to the Environment made in 2010 includes a commitment to consider the environment in all relevant business decisions.</p>

	<p>This is particularly evident in procurement decisions where a conscious effort is made to procure items that are for example recycled and/or carbon neutral. This has now been built on with our Climate Change Policy Statement which is accompanied by an internal communication and engagement plan.</p> <p>The Bank has also invested in employee education programs during the financial year around climate and energy efficiency.</p>
Other Internal Policies and Procedures	<p>Motor vehicle policy:</p> <p>As a national bank with many branches based in rural and regional communities, hundreds of thousands of kms are travelled by staff every year on Australian roads. In order to reduce the emissions of our fleet, we changed our sealed road fleet vehicle from a petrol to hybrid vehicles which will have a significant impact on petrol consumption going from an average of 6.8L/100km to 3.5L/100km. As we replace our fleet vehicles every 4 years, it will take 4 years for the full benefit to be seen .</p> <p>Procurement policy was updated for year 1 of our Climate Change Action Plan</p>
Dedicated budget for energy efficiency	<p>We have had budgets approved for energy efficiency infrastructure like solar panels. We have rooftop solar on 30 branches and plans to roll out to more branches.</p>

## C-FS4.5

**(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?**

Yes

## C-FS4.5a

**(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).**

### Product type/Asset class/Line of business

Banking  
Asset finance

### Taxonomy or methodology used to classify product

Internally classified

### Description of product

The Bank offers Secured and Unsecured Green Personal Loans, these are suited to an A-rated vehicle emitting less than 130g of CO<sub>2</sub> per km travelled or installing certain

technologies to improve the energy efficiency of the property (double glazing, water tanks, solar power, or solar hot water etc. These products allow a 100-basis point discount on the normal secured personal loan rate

**Product enables clients to mitigate and/or adapt to climate change**

Mitigation

Adaptation

**Portfolio value (unit currency – as specified in C0.4)**

1,043,942

**% of total portfolio value**

0.41

**Type of activity financed/insured or provided**

Green buildings and equipment

Low-emission transport

Renewable energy

## C5. Emissions methodology

### C5.1

**(C5.1) Is this your first year of reporting emissions data to CDP?**

No

### C5.1a

**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

Row 1

Has there been a structural change?

No

### C5.1b

**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

### C5.2

**(C5.2) Provide your base year and base year emissions.**

## Scope 1

---

**Base year start**

July 1, 2019

**Base year end**

June 30, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

3,190.79

**Comment**

## Scope 2 (location-based)

---

**Base year start**

July 1, 2019

**Base year end**

June 30, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

16,891.4

**Comment**

## Scope 2 (market-based)

---

**Base year start**

July 1, 2019

**Base year end**

June 30, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

16,688.4

**Comment**

## Scope 3 category 1: Purchased goods and services

---

**Base year start**

July 1, 2019

**Base year end**

June 30, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

8,761.04

**Comment**

**Scope 3 category 2: Capital goods**

---

**Base year start**

July 1, 2019

**Base year end**

June 30, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

472.48

**Comment**

**Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

---

**Base year start**

July 1, 2019

**Base year end**

June 30, 2020

**Base year emissions (metric tons CO<sub>2</sub>e)**

3,974.75

**Comment**

**Scope 3 category 4: Upstream transportation and distribution**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 5: Waste generated in operations**

---

**Base year start**

July 1, 2019

**Base year end**

June 30, 2020

**Base year emissions (metric tons CO2e)**

1,215.76

**Comment**

**Scope 3 category 6: Business travel**

---

**Base year start**

July 1, 2019

**Base year end**

June 30, 2020

**Base year emissions (metric tons CO2e)**

2,311.08

**Comment**

**Scope 3 category 7: Employee commuting**

---

**Base year start**

July 1, 2019

**Base year end**

June 30, 2020

**Base year emissions (metric tons CO2e)**

5,277.01

**Comment**

**Scope 3 category 8: Upstream leased assets**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 9: Downstream transportation and distribution**

---



**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 10: Processing of sold products**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 11: Use of sold products**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 12: End of life treatment of sold products**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

### **Scope 3 category 13: Downstream leased assets**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

### **Scope 3 category 14: Franchises**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

### **Scope 3 category 15: Investments**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

### **Scope 3: Other (upstream)**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3: Other (downstream)**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

## C5.3

**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

Australia - National Greenhouse and Energy Reporting Act

## C6. Emissions data

### C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

---

**Gross global Scope 1 emissions (metric tons CO2e)**

1,956

**Comment**

### C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

---

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

**C6.3**

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?**

**Reporting year**

---

**Scope 2, location-based**

14,014.45

**Scope 2, market-based (if applicable)**

11,234.26

**Comment**

**C6.4**

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

**C6.5**

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO<sub>2</sub>e)**

5,834.55

**Emissions calculation methodology**

Supplier-specific method

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

21.51

**Please explain**

Our postage, courier and IT equipment emissions were provided by our suppliers. The most significant source of emissions in this category, accounting for 1676.51 tonnes is advertising and while we requested the emissions from these suppliers they were unable to provide. We have commissioned a baseline study of our advertising emissions which will be used for the next reporting period.

**Capital goods**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

287.9

**Emissions calculation methodology**

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

The emissions in this category are based on our spend on office furniture.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

5,055.7

**Emissions calculation methodology**

Hybrid method

Fuel-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

This category includes scope 3 emissions associated with electricity, gas and fleet vehicles, base building electricity and gas, working from home emissions. These emissions are calculated from actual electricity, gas and fuel consumption, data requests from landlords and working from home survey of our employees. We endeavour to support our staff to reduce working from home emissions by arranging discounts for solar panels and batteries supplemented by discounted loans to support such purchases.

## Upstream transportation and distribution

---

### Evaluation status

Not relevant, explanation provided

### Please explain

The Group as a financial services provider is not a manufacturer of saleable goods. As such, we do not capture any GHG emissions associated with transportation and distribution

## Waste generated in operations

---

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

999.65

### Emissions calculation methodology

Waste-type-specific method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

This is based on the tonnes of waste collected as measured by our waste contractor.

## Business travel

---

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

663.44

### Emissions calculation methodology

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

This includes business flights, private vehicles, taxi and ride share, rental and lease vehicles and train travel. Business flight and rental vehicle data is provided by our travel partners, novated lease data is provided by our novated lease partner and private vehicle, taxi and ride share and train travel data comes from claims processed by our employees.

## Employee commuting

---

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

2,690.83

### Emissions calculation methodology

Fuel-based method

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Our employee commute calculation was based on a survey of our staff which included the frequency, distance and modes of transport they use.

## Upstream leased assets

---

### Evaluation status

Not relevant, explanation provided

### Please explain

The Group leases the majority of its building portfolio. The majority of the GHG emissions from these buildings are considered to be under the operational control. As such, they have already been accounted for in our Scope-1 and Scope-2 GHG emissions. In the situation where we share facilities operated and controlled by a landlord, we account for our share of these facilities by estimating the electricity consumption from like sites where actual data has been received. We have also previously included in our Scope-1 and Scope-2 GHG emissions data, an estimation of the electricity consumption from our network of ATM's.

## Downstream transportation and distribution

---

### Evaluation status

Not relevant, explanation provided

### Please explain

Due to the intangible nature of financial products and services, we do not have a need for downstream transportation and/or distribution. As such, we have determined that this source of GHG emissions is not relevant to our business

## Processing of sold products

---

### Evaluation status

Not relevant, explanation provided

**Please explain**

Due to the intangible nature of financial products and services, we do not have a need for processing of sold products. As such, we have determined that this source of GHG emissions is not relevant to our business.

**Use of sold products**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

GHG emissions from the use of our Banking products is captured in the emissions on our portfolio, which are discussed in C14 and not considered as part of this category

**End of life treatment of sold products**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Due to the intangible nature of financial products and services, there is not end of life treatment for sold products and as such we have determined that this source of GHG emissions is not relevant to our business.

**Downstream leased assets**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

The bank does not have any downstream leased assets emitting GHGs that have not been captured in other relevant categories. As such, we have determined that this source of GHG emissions is not relevant to our business.

**Franchises**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

The Group has a Franchise Agreement with 231 Community-owned companies who operate 320 Community Bank businesses. Given BEN Group has operational control over these franchise companies, all GHG emissions associated with their operation is captured and included in our Scope-1, Scope-2 and Scope-3 GHG emissions rather than being recorded separately.

**Other (upstream)**

---

**Evaluation status**

Not relevant, explanation provided



**Please explain**

We undertook extensive evaluation of the relevant emissions to include in our reporting against the Climate Active Standard and have not identified any other relevant upstream emissions that have not been measured.

**Other (downstream)**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

We undertook extensive evaluation of the relevant emissions to include in our reporting against the Climate Active Standard and have not identified any other relevant downstream emissions that have not been measured.

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

---

**Intensity figure**

0.0000095

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

15,997.45

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

1,675,300,000

**Scope 2 figure used**

Location-based

**% change from previous year**

22.28

**Direction of change**

Decreased

**Reason for change**

Our emissions intensity per total revenue has decreased substantially due to changes in both our revenue and our emissions. While our revenue has slightly increased, from 1,634.4m to 1,675.3m (2.5%) which would reduce our intensity slightly, the bigger drive of reduction in emissions intensity per our revenue is due to the 20% reduction in our

combined scope 1 and 2 emissions. Covid-19 restrictions have contributed to a reduction in emissions but as discussed earlier in C4.3b, initiatives such as efficiencies in buildings through Heating, Ventilation and Air Conditioning (HVAC) at the Bendigo Centre and our data centres and consolidation and resource efficiency through consolidating sites and identified optimisation through printing, have contributed substantially to reducing our emissions and causing the significant reduction

---

**Intensity figure**

2.2930777

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

15,997.45

**Metric denominator**

full time equivalent (FTE) employee

**Metric denominator: Unit total**

6,976.41

**Scope 2 figure used**

Location-based

**% change from previous year**

19.61

**Direction of change**

Decreased

**Reason for change**

While our FTE did decrease slightly (0.9%) which would see our intensity per FTE increase, the significant reduction in combined scope 1 and 2 emissions has offset this and seen our emissions intensity per FTE significantly decrease (19.61%). While part of this reduction has been caused by Covid-19 restrictions, initiatives discussed in C4.3b, initiatives such as efficiencies in buildings through Heating, Ventilation and Air Conditioning (HVAC) at the Bendigo Centre and our data centres and consolidation and resource efficiency through consolidating sites and identified optimisation through printing, have contributed substantially to reducing our emissions and subsequently our emissions intensity per FTE.

## C7. Emissions breakdowns

### C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO <sub>2</sub> e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	1,649.96	Decreased	8.22	Our renewable energy consumption increased from 3,951,303.24 kWh to 5,488,894 in FY21 (an increase of 1,537,590.76 kWh). In FY21 the consumption of non renewable electricity produced emissions at a factor of 1.07308 kgCO <sub>2</sub> e/kWh. Therefore the saving of 1,537,590.76kWh of electricity from renewable sources equated to a reduction in emissions by 1,649.96tCO <sub>2</sub> e. This reduction equates to a 8.22% reduction on our Scope 1 and 2 emissions from FY20 (20,082.19 tCO <sub>2</sub> e) according to the formula $\{-1649.96/20,082.19\} \times 100 = -8.22\%$
Other emissions reduction activities	1,987	Decreased	9.89	Other emissions reductions activities that were outlined in C4.3b accounted for a saving of 1,987 tCO <sub>2</sub> e . This figure is the sum of the emissions savings from the 6 implemented emissions reductions initiatives identified in C43.b and corresponds to a 9.89% reduction in our Scope 1 and 2 emissions from FY20 (20,082.19 tCO <sub>2</sub> e) according to the formula $\{-1987/20,082.19\} \times 100 = -9.89\%$
Divestment				
Acquisitions				
Mergers				
Change in output				

Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No

Generation of electricity, heat, steam, or cooling	Yes
--	-----

## C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	4.32	7,870.37	7,874.69
Consumption of purchased or acquired electricity		5,219.41	12,848.89	18,068.3
Consumption of self-generated non-fuel renewable energy		269.49		269.49
Total energy consumption		5,493.22	20,719.26	26,212.48

## C8.2g

**(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.**

### Country/area

Australia

### Consumption of electricity (MWh)

18,337.7

### Consumption of heat, steam, and cooling (MWh)

0

### Total non-fuel energy consumption (MWh) [Auto-calculated]

18,337.7

## C9. Additional metrics

### C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

## C10. Verification

### C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

### C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

#### Verification or assurance cycle in place

Biennial process

#### Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

#### Type of verification or assurance

Limited assurance

#### Attach the statement

 Bendigo Bank - Climate Active Audit Report 2020.pdf

#### Page/ section reference

Pages 2 & 3

Assurance has been completed by BDO in accordance with the Climate Active Standard for carbon neutral verification purpose

#### Relevant standard

Australian National GHG emission regulation (NGER)

**Proportion of reported emissions verified (%)**

98

## C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

---

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Biennial process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 Bendigo Bank - Climate Active Audit Report 2020.pdf

 Bendigo Bank - Climate Active Audit Report 2020.pdf

**Page/ section reference**

Pages 2 & 3

Assurance has been completed by BDO in accordance with the Climate Active Standard for carbon neutral verification purpose

**Relevant standard**

Australian National GHG emission regulation (NGER)

**Proportion of reported emissions verified (%)**

98

## C10.1c

**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

---

**Scope 3 category**

Scope 3: Purchased goods and services

Scope 3: Capital goods

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Scope 3: Waste generated in operations

Scope 3: Business travel

Scope 3: Employee commuting

**Verification or assurance cycle in place**

Biennial process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 Bendigo Bank - Climate Active Audit Report 2020.pdf

**Page/section reference**

Pages 2 & 3

Assurance has been completed by BDO in accordance with the Climate Active Standard for carbon neutral verification purpose

**Relevant standard**

Australian National GHG emission regulation (NGER)

**Proportion of reported emissions verified (%)**

98

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, but we are actively considering verifying within the next two years

## C11. Carbon pricing

### C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

Yes

### C11.2a

**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**



**Credit origination or credit purchase**

Credit purchase

**Project type**

Wind

**Project identification**

7624 Hebei Chengde Weichang Yudaokou Ruyihe Wind Power Project

Registry: ANREU

Serial No. 1,117,565,881 - 1,117,594,419

**Verified to which standard**

Emissions Reduction Fund of the Australian Government

**Number of credits (metric tonnes CO<sub>2</sub>e)**

28,539

**Number of credits (metric tonnes CO<sub>2</sub>e): Risk adjusted volume**

28,539

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

No, but we anticipate doing so in the next two years

## C12. Engagement

### C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

### C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

---

**Type of engagement**

Information collection (understanding supplier behavior)

### **Details of engagement**

Collect climate change and carbon information at least annually from suppliers

### **% of suppliers by number**

0.1

### **% total procurement spend (direct and indirect)**

3

### **% of supplier-related Scope 3 emissions as reported in C6.5**

21.51

### **Rationale for the coverage of your engagement**

While the majority of our emissions are already calculated based on consumption (e.g. kWh, GJ or Litres of fuel), we engaged with the most significant suppliers where emissions were calculated based on spend and requested that they provide the emissions footprint of the products and/or services that we had procured with them. While some suppliers have not yet been able to provide us with emissions, we have set the expectation that we require these over time and now include this as a tender requirement for larger suppliers.

While we have endeavoured to engage with relevant suppliers in our scope 3 emissions, we have 2700 suppliers in total, most of which are small (\$1000 and under) where carbon emissions would be challenging to obtain as they are local suppliers providing infrequent products and services such as a local bakeries, newsagencies and donations to local projects. While we engaged with more suppliers, we did not receive carbon data for some engaged suppliers in FY21 and have not been able to include them in the information collected totals. We have commissioned a baseline study of our advertising emissions which will be used for the next reporting period.

### **Impact of engagement, including measures of success**

We managed to obtain emissions from most significant suppliers where emissions would have otherwise been based on spend including IT equipment, Postage and Couriers. While some other suppliers were unable to provide emissions at the time, we have had some positive outcomes for example: we asked our stationery supplier if they would consider solar panels rather than their natural gas generator and they have since replied that they are installing solar panels and one of our media partners asked for our sustainability team to meet with them to increase their understanding.

### **Comment**

## **C-FS12.1b**

**(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.**

**Type of clients**

Customers/clients of Banks

**Type of engagement**

Information collection (understanding client behavior)

**Details of engagement**

Run an engagement campaign to educate clients about your climate change performance and strategy

Run an engagement campaign to educate clients about the climate change impacts of (using) your products, goods, and/or services

Share information about your products and relevant certification schemes (i.e. Energy STAR)

Offer financial incentives for clients who reduce your downstream emissions (Scope 3) and/or exposure to carbon-related assets

**% client-related Scope 3 emissions as reported in C-FS14.1a**

0

**Portfolio coverage (total or outstanding)**

0

**Rationale for the coverage of your engagement**

Other, please specify

Engaged with customers who have agreed to be part of our survey community

**Impact of engagement, including measures of success**

In November 2020, we engaged with our MiVoice community, mainly retail and business customers, seeking feedback on our Climate Change Policy Statement and how customers would like us to support them to respond to climate change. We received 1188 responses which were overwhelmingly positive to our policy statement. There was strong alignment with what we are doing and what our customers want us to be doing and we responded to the community with information to assist them to see what action we were taking including the products we had available to support them.

In June 2021, we surveyed our agribusiness customers with similar questions which identified opportunities to support customers with carbon credit and sequestration requirements.

## C12.1d

**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

Community is one of our key partners in the value chain, with the Community Bank shared value business model with profits re-invested into the local community. Climate-related community engagement occurs through the support of various community initiatives to provide resilience, recovery, adaption and mitigation to the impacts of climate change. In FY21 the Community Bank partners utilising profits generated through the Bank's shared value model supported

more than 30 community climate action initiatives. Some of the initiatives supported during the 2020/21 reporting period include tree plantings and ecosystem regeneration, sustainable living skills sharing, energy efficiency, and rainwater tanks and solar panels for community groups

## C12.3

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

### Row 1

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers


Yes, we engage indirectly through trade associations

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

Yes

**Attach commitment or position statement(s)**

<https://www.bendigoadelaide.com.au/esg/environment/climate-change-policy-statement/>

 Climate Change Policy Statement.pdf

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

At present, Bendigo and Adelaide Bank has a largely reactive approach to direct government interaction at State and Federal levels. That is, our Bank will receive, review, and respond to requests from government to meet with elected representatives or bureaucrats on a case-by-case basis. The Bank's senior leaders also engage with government via industry groups (primarily the Australian Bankers Association and Business Council of Australia). These interactions are tracked by the Corporate Affairs team and reported on via the monthly Corporate Affairs Report which is viewed by the Executive, Board, and other senior leaders across the Group. The Bank's staff are bound by the Group's Communications Policy which outlines who is an authorised spokesperson and their responsibilities. This policy also ensures public comments are aligned and approved. Furthermore, all staff have access to our internal Climate Change Action Sharepoint site.

## C12.3a

**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

**Focus of policy, law, or regulation that may impact the climate**

Electricity grid access for renewables

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Australian Local Power Agency Bill 2021 and Australian Local Power Agency  
(Consequential Amendments) Bill 2021

**Policy, law, or regulation geographic coverage**

Regional

**Country/region the policy, law, or regulation applies to**

Australia

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

The Bank expressed strong support for the bill during the Government inquiry into the merits of the bill, submitting letters of support to the committee.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

## **C12.3b**

**(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.**

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**Trade association**

Business Council of Australia

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

The following has been extracted from the Business Council of Australia website  
For over a decade we have supported strong action on climate change:

- We support the science of climate change.
- We support the Paris Agreement and transitioning to net-zero emissions by 2050.
- If we can meet our emissions reduction targets without carryover credits then we should.
- We support the need for a market-based carbon price to drive the transition and incentivise investment in low and no-emissions technology.
- Technology needs to drive the transition which will not only get us to a net-zero emissions future but will also create new jobs, opportunities and industries and maintain Australia's competitiveness.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

---

**Trade association**

Other, please specify  
Australian Bankers Association

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We are not attempting to influence their position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

The ABA supports the view that climate change is a material, foreseeable, and actionable risk which will present challenges to the Australian economy if action is not taken. Banks have a key role to play in the management of physical and transition risks associated with climate change.

Each ABA member is undertaking specific actions tailored to the individual characteristics of their bank to address climate change. The banking industry in Australia supports the goals of the 2015 Paris Climate Agreement.

In addition to this the following information has been extracted from the ABA's website: The Australian Banking Association supports the goals of the Paris Agreement. We also support accelerating the reduction of emissions by 2030 and a balanced and orderly transition to a net zero emissions economy by 2050.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

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### Publication

In mainstream reports

### Status

Complete

### Attach the document

 annualreview2021.pdf

 annual-financial-report-2021.pdf

### Page/Section reference

Annual Review - page 38 PDF Attached. Online version available here:  
<https://www.bendigoadelaide.com.au/investor-centre/annual-review/2021-annual-review/>

Annual Financial Report – page 5, 13 , 24-27, 103

### Content elements

Governance

Risks & opportunities  
Emission targets  
Other metrics

### Comment

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### Publication

In mainstream reports, incorporating the TCFD recommendations

### Status

Complete

### Attach the document

 climate-related-financial-disclosures-report-2021.pdf

 sustainability-report-2021.pdf

### Page/Section reference

Sustainability Report - Page 43-52, 59

TCFD Report - Page 5-13

### Content elements

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

### Comment

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### Publication

In other regulatory filings

### Status

Complete

### Attach the document

 Bendigo and Adelaide Bank\_Ongoing Cert\_Year 2 FY2020-21\_PDS.pdf

### Page/Section reference



Climate active submission - Pages 8-17

<https://www.climateactive.org.au/buy-climate-active/certified-members/bendigo-and-adelaide-bank-limited>

### Content elements

Strategy  
Emissions figures  
Emission targets  
Other metrics

### Comment

## C-FS12.5

**(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.**

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Task Force on Climate-related Financial Disclosures (TCFD)	We are publicly recorded as a supporter for the TCFD and its recommendations. As such we are committed to taking action to build a more resilient financial system through climate-related disclosure. We released a TCFD report for the FY21 for the first time and plan to make this a regular part of our reporting suite.

## C14. Portfolio Impact

### C-FS14.0

**(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.**

#### Lending to all carbon-related assets

##### Are you able to report a value for the carbon-related assets?

No, but we plan to assess our portfolio's exposure in the next two years

##### Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

Other, please specify

Identified as work for subsequent years of our Climate Change Action Plan

**Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future**

As part of our Climate Change Action Plan we identified the work to measure our portfolio impact on climate in Year 2, the year after this reporting period. The Bank has not previously been able to analyse its portfolio impact on climate change. Following this reporting period the Bank is currently undertaking a piece of work to measure the carbon emissions of our portfolio to enable us to analyse the impact of our portfolio on climate change. In November 2021 (4 month after this reporting period) the bank made a commitment with SBTi to set a science-based emissions target for our loan portfolio. To prepare this target the bank is in the process of calculating its portfolio emissions using the PCAF (Partnership for Carbon Accounting Financials) method. Following this work the Bank should be in a better position to identify all of its lending to carbon-related assets and subsequently this value in the next two years.

### **Lending to coal**

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**Are you able to report a value for the carbon-related assets?**

Yes

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**

0

**New loans advanced in reporting year (unit currency – as specified in C0.4)**

0

**Percentage of portfolio value comprised of carbon-related assets in reporting year**

0

### **Lending to oil and gas**

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**Are you able to report a value for the carbon-related assets?**

Yes

**Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)**

0

**New loans advanced in reporting year (unit currency – as specified in C0.4)**

0

**Percentage of portfolio value comprised of carbon-related assets in reporting year**

0

## **C-FS14.1**

**(C-FS14.1) Does your organization measure its portfolio impact on the climate?**

	We conduct analysis on our portfolio's impact on the climate	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	No, but we plan to do so in the next two years	As part of our Climate Change Action Plan we identified the work to measure our portfolio impact on climate in Year 2, the year after this reporting period. The Bank has not previously been able to analyse its portfolio impact on climate change. Following this reporting period the Bank is currently undertaking a piece of work to measure the carbon emissions of our portfolio to enable us to analyse the impact of our portfolio on climate change. In November 2021 (4 month after this reporting period) the bank made a commitment with SBTi to set a science based emissions target for our loan portfolio. To prepare this target the bank is in the process of calculating its portfolio emissions using the PCAF (Partnership for Carbon Accounting Financials) method. The Bank should be in a position to report the emissions of it's portfolio within the next 2 reporting periods.

## C-FS14.3

**(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?**

	Actions taken to align our portfolio with a 1.5°C world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	No, but we plan to in the next two years	While the Bank does have exclusionary policies in place for lending to fossil fuels, the bank has not taken specific further action to align its portfolio with a 1.5°C world. The Bank is currently undertaking a piece of work to measure the carbon emissions of our portfolio. Once the Bank has an understanding of the emissions of our lending portfolio, we plan to set a science-based target and start undertaking targeted initiatives to align our portfolio with this goal. In November 2021 (4 month after this reporting period) the bank made a commitment with SBTi to set a science-based emissions target for our loan portfolio. To prepare this target the bank is in the process of calculating its portfolio emissions using the PCAF (Partnership for Carbon Accounting Financials) method. The Bank should be in a position to report the emissions of its portfolio and initiatives in place to align this with a 1.5°C world within the next 2 reporting periods.

## C15. Biodiversity

### C15.1

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues
Row 1	No, but we plan to have both within the next two years

### C15.2

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, but we plan to do so within the next 2 years

### C15.3

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years

### C15.4

**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years

### C15.5

**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
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Row 1	No, we do not use indicators, but plan to within the next two years	
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## C15.6

**(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
No publications		

## C16. Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### C16.1

**(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	Managing Director	Director on board

## FW-FS Forests and Water Security (FS only)

### FW-FS1.1

**(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?**

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	No, but we plan to within the next two years	The bank has no direct exposure to native forest logging and has policy preventing lending to this sector. We also have modest amounts of lending to arborists and customers engaged in forest regeneration work. As such we have not identified forests as a material issue to the

		organisation. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly the board may then have oversight of this issue.
Water	No, but we plan to within the next two years	While the bank does have some exposure to water markets, particularly through its agricultural lending portfolio, it is more from a lens of water availability and supply and considered in credit applications. Water may be used as loan security. At this stage, water related issues are dealt with at management levels rather than board-level. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022 is expected to include Natural Capital and accordingly the board may then have oversight of this issue.

## FW-FS1.1c

**(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?**

### Forests

#### **Board member(s) have competence on this issue area**

Not assessed

#### **Primary reason for no board-level competence on this issue area**

Other, please specify

We'll assess this as we expand the next iteration of our Climate Change Action Plan to include Natural Capital considerations.

#### **Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future**

As discussed in the previous question, the bank has no direct exposure to native forest logging and policy preventing lending to this sector. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital. Accordingly we can look to assess the board's competence with respect to forest related issues at that time.

### Water

#### **Board member(s) have competence on this issue area**

Yes

#### **Criteria used to assess competence of board member(s) on this issue area**

We have at least one board member with direct industry experience of this area through their regional and farming background. The next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital. Accordingly we can look to assess the board's competence with respect to water related issues at that time.

## FW-FS1.2

**(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.**

**Name of the position(s) and/or committee(s)**

Risk manager

**Reporting line**

Risk – CRO reporting line

**Issue area(s)**

Water

**Responsibility**

Both assessing and managing risks and opportunities

**Coverage of responsibility**

Risks and opportunities related to our banking portfolio

**Frequency of reporting to the board on forests- and/or water-related issues**

As important matters arise

## FW-FS2.1

**(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?**

	<b>We assess our portfolio's exposure to this issue area</b>	<b>Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future</b>
Banking - Forests exposure	No, but we plan to within the next two years	The bank has no direct exposure to native forest logging and has policy preventing lending to this sector. As such we have not identified forests as a material issue to the organisation. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we will then look to assess our portfolio's exposure to forest related risks and opportunities.
Banking – Water exposure	No, but we plan to within the next two years	As discussed in the previous questions, while the bank does have some exposure to water markets, particularly through its agricultural lending portfolio, it is more from a lens of water availability and supply and considered in credit applications. Increased oversight is likely to come into place following the next Climate Change Action Plan where Natural Capital is planned to

		take a bigger focus, and accordingly we will then look to assess our portfolio's exposure to water related risks and opportunities.
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## FW-FS2.2

**(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?**

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	No, but we plan to do so within the next two years	The bank has no direct exposure to native forest logging and has policy preventing lending to this sector. As such we have not identified forests as a material issue to the organisation. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we will then look to consider forest related information about our clients as part of our due diligence and risk assessment process.
Banking – Water-related information	Yes	

## FW-FS2.2a

**(FW-FS2.2a) Indicate the forests- and/or water-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision making.**

### Portfolio

Banking (Bank)

### Information related to

Water

### Type of information considered

Scope and content of water policy

Water withdrawn from water stressed areas

### Process through which information is obtained

Directly from the client/investee

### Industry sector(s) covered by due diligence and/or risk assessment process

Food, Beverage & Tobacco



**State how these forests- and/or water-related information influences your decision making**

For our agri business customers, we assess at a client level the quantity of water they hold in lending decisions as a business operation risk

## FW-FS2.3

**(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?**

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	No	Not yet evaluated	The bank has no direct exposure to native forest logging and has policy preventing lending to this sector. As such we have not identified forests as a material issue to the organisation. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we will then look to assess inherent forest related risks in our portfolio that may have a substantive financial or strategic impact on our business.
Water	Yes		

## FW-FS2.3a

**(FW-FS2.3a) Provide details of forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk1

**Portfolio where risk driver occurs**

Banking (Bank) portfolio

**Issue area risk relates to**

Water

**Risk type & Primary risk driver**

Acute physical

Drought

**Primary potential financial impact**

Increased credit risk

**Risk type mapped to traditional financial services industry risk classification**

Credit risk

**Company-specific description**

The bank has a significant agribusiness exposure which has some dependency on the availability of irrigation water. As climate change progresses the risk of drought increase which will have significant impact on the productive capacity of our customers in the agricultural sector and in turn increase the risk of default to the bank.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

Unknown

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact figure**

The bank has undertaken pilot scenario analysis of two geographic regions within its agri-business lending portfolio. The selected regions have similar farming activities (winter cropping) however are in distinctly different geographies. They were selected to allow a comparison of outcomes and develop a deeper understanding to inform future scenario analysis activities across the portfolio. While this provides insight into the potential financial impact of increased drought there are limitations from the narrow focus on winter cropping and two geographies within the agri-business lending portfolio. This process will need to be expanded before an estimated financial impact figure can be provided

**Cost of response to risk**

**Description of response and explanation of cost calculation**

The Bank has recognised this as a significant risk and is currently undertaking exploratory work with partners to work out how best to approach this risk. The Bank is investigating a number of proposals to understand and manage this risk but at this stage have not committed to a specific response, and as such do not have a cost of response to this risk at this time.

#### Comment

## FW-FS2.4

**(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?**

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	No	Not yet evaluated	The bank has no direct exposure to native forest logging and has policy preventing lending to this sector. As such we have not identified forests as a material issue to the organisation. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we will then look to assess inherent forest related opportunities in our portfolio that may have a substantive financial or strategic impact on our business.
Water	No	Not yet evaluated	Opportunities around water in our portfolio, particularly in the agricultural sector, are being developed nationally but the bank is yet to explore how these opportunities fit with us. The focus of the work done in this space so far has been around understanding climate-related risks and opportunities. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we will then look to assess inherent water related opportunities in our portfolio that may have a substantive financial or strategic impact on our business.

## FW-FS3.1

**(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization's strategy and/or financial planning?**

### Forests

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**Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning**

Yes, we take these risks and opportunities into consideration in the organization's strategy

**Description of influence on organization's strategy including own commitments**

The bank identified the risk around native forest logging and as such has put in place a policy which prevents lending to projects in this sector to avoid the forest related risks.

**Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning**

As the Bank has no direct exposure to native forest logging and a policy against lending to this sector it is not considered in financial planning

### Water

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**Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning**

Yes, we take these risks and opportunities into consideration in the organization's strategy and financial planning

**Description of influence on organization's strategy including own commitments**

The Bank does assess at a client level the quantity of water they hold in lending decisions as a business operation risk for our agri business customers, there are no specific procedures in place to around water quality and control from the local environment. As Natural Capital becomes a larger focus of the bank this is likely to change but it is not expected to happen in the next two years.

**Financial planning elements that have been influenced**

Provisions or general reserves

**Description of influence on financial planning**

Water availability or supply is considered in credit assessment for agribusiness customers to determine loan serviceability.

## FW-FS3.2

**(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?**

## Forests

### Scenario analysis conducted to identify outcomes for this issue area

No, we have not conducted any scenario analysis to identify outcomes for this issue area, but we plan to in the next two years

### Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future

The bank has no direct exposure to native forest logging and has policy preventing lending to this sector. As such we have not identified forests as a material issue to the organisation. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we will then look to conduct scenario analysis to identify forest outcomes

## Water

### Scenario analysis conducted to identify outcomes for this issue area

Yes, we have conducted scenario analysis, but we have not identified any outcomes for this issue area

### Type of scenario analysis used

Climate-related

## FW-FS3.3

**(FW-FS3.3) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?**

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	No, but we plan to address this within the next two years	The bank has no direct exposure to native forest logging and has policy preventing lending to this sector. As such we have not identified forests as a material issue to the organisation. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we will then look put in place products and services to enable clients to mitigate deforestation.
Water	Yes	

## FW-FS3.3a

**(FW-FS3.3a) Provide details of your existing products and services that enable clients to mitigate deforestation and/or water insecurity.**

**Product type**

Corporate loans

**Taxonomy or methodology used to classify product(s)**

Internally classified

**Description of product(s)**

We lend for worthwhile purposes and have approved finance for customers to acquire water assets to secure its availability and protect their productive capacity/mitigate their risk to water. We have lent for building dams on farms, irrigation pipe laser levelling for cotton, soil development for improved moisture retention as some examples.

**Product enables clients to mitigate**

Water insecurity

**Type of activity financed, invested in or insured**

Sustainable agriculture

Water resources and ecosystem protection

**Portfolio value (unit currency – as specified in C0.4)**

% of total portfolio value

## FW-FS3.4

**(FW-FS3.4) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?**

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	No, but we plan to include this issue area within the next two years	The bank has no direct exposure to native forest logging and has policy preventing lending to this sector. As such we have not identified forests as a material issue to the organisation. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we will then look put in place policy framework for forest related requirement that clients need to meet.
Water	No, but we plan to include this issue area within the next two years	As discussed in the previous questions, while the bank does have some exposure to water markets, particularly through its agricultural lending portfolio, it is more from a lens of water availability and supply and considered in credit applications. The Bank does not have any specific policy frameworks for water related requirement that clients need to meet, policy framework for water related requirements that clients need to meet however, the next iteration of our Climate

		Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we will then look put in place products and services to enable clients to mitigate water insecurity.
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## FW-FS3.5

**(FW-FS3.5) Does your organization include covenants in financing agreements to reflect and enforce your forests- and/or water-related policies?**

	Covenants included in financing agreements to reflect and enforce policies for this issue area	Explain how the covenants included in financing agreements relate to your policies for this issue area	Explain why your organization does not include covenants for this issue area in financing agreements and any plans to address this in the future
Forests	No, but we plan within the next two years		<p>The Australian Banking Code of Practice precludes us from imposing non-financial covenants on the majority of our customers which would therefore limit our ability to consider imposing climate-related covenants.</p> <p>We have a policy in place preventing lending to native forest logging which limits our exposure to forest related risks.</p> <p>The next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we can explore if any forest related covenants are relevant for customers that fall outside the Australian Banking Code of Practice.</p>
Water	Yes	Notwithstanding that the Australian Banking Code of Practice precludes us from imposing non-financial covenants	

		on the majority of our customers which would therefore limit our ability to consider imposing climate-related covenants, where agribusiness customers have water rights that we hold security over, there are obligations within their loan agreements to not sell their water rights without our consent.	
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## FW-FS4.1

**(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?**

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	No, but we plan to within the next two years	The bank has no direct exposure to native forest logging and has policy preventing lending to this sector. We also have modest amounts of lending to arborists and customers engaged in forest regeneration work. As such we have not identified forests as a material issue to the organisation. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we may begin to engage with clients on forest related issues.
Clients – Water	Yes	

## FW-FS4.1a

**(FW-FS4.1a) Give details of your forests- and/or water-related engagement strategy with your clients.**

### Type of clients

Clients of Banks

### Issue area this engagement relates to

Water

### Type of engagement

Education/information sharing

### Details of engagement

Engage with clients on measuring exposure to water-related risk

### Portfolio coverage of engagement



8.3

### Rationale for the coverage of your engagement

Engagement targeted at clients with increased water-related risks

### Impact of engagement, including measures of success

Our agribusiness customers are reliant on water for farming activities and we may engage with them with respect to factors such as rainfall and water rights.

## FW-FS4.3

**(FW-FS4.3) Does your organization provide financing and/or insurance to smallholders in the agricultural commodity supply chain?**

	Provide financing and/or insurance to smallholders in the agricultural commodity supply chain	Primary reason for not providing finance and/or insurance to smallholders	Explain why your organization does not provide finance/insurance to smallholders and any plans to change this in the future
Row 1	No, and we do not plan to in the next two years	Not a strategic focus	Our farming customers are based Australia and operate at a commercial scale. To the best of our knowledge, the definition of smallholders is not relevant in this context.

## FW-FS4.4

**(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?**

	Direct or indirect engagement that could influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact this issue area		
Water	No, but we plan to in the next two years	Important but not an immediate priority	The next iteration of our Climate Change Action Plan, to be developed in late 2022 is

			expected to include Natural Capital and accordingly engagement on water may be considered within this.
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## FW-FS5.1

**(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?**

	We measure our portfolio impact on this issue area	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	No, but we plan to in the next two years	Other, please specify No lending to sector	The bank has no direct exposure to native forest logging and has policy preventing lending to this sector. We also have modest amounts of lending to arborists and customers engaged in forest regeneration work. As such we have not identified forests as a material issue to the organisation. However, the next iteration of our Climate Change Action Plan, to be developed in late 2022, is expected to include Natural Capital and accordingly we may consider measuring the impact of our portfolio on forests.
Banking – Impact on Water	No, but we plan to in the next two years	Lack of tools or methodologies available	As discussed in the previous questions, while the bank does have some exposure to water markets, particularly through its agricultural lending portfolio, it is more from a lens of water availability and supply and considered in credit applications. The Bank is currently exploring how to measure climate related impacts of its portfolio which is still a developing space. As this becomes more progressed the bank expects to be able to expand this to more specifically target the portfolio impacts on water security but at this stage the tools/methodologies are not available. Further, the next iteration of our Climate Change Action Plan, to be developed in late 2022 is expected to include Natural Capital and accordingly our impact on water may be considered within this.

## FW-FS5.2

**(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?**

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	We have approximately 0.01% of our credit exposure within the forestry, logging and forestry support services. None is to native forest logging projects while there is finance to arborists, forest regeneration and plantation timber. While the exposure is immaterial, it is disclosed within the Agriculture, forestry and fishing industry concentration figure in our Annual Report. The next iteration of our Climate Change Action Plan, to be developed in late 2022 is expected to include Natural Capital and accordingly we may choose to report this exposure separately.
Lending to companies operating in the palm oil products supply chain	No		
Lending to companies operating in the cattle products supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	We have exposure to the cattle products supply chain via our financing of agribusiness. While the exposure is included within, the Agriculture, forestry and fishing industry concentration figure in our Annual Report it is not reported separately. The next iteration of our Climate Change Action Plan, to be developed in late 2022 is expected to include Natural Capital and accordingly

			we may choose to report this exposure separately.
Lending to companies operating in the soy supply chain	Yes	No, but we plan to assess our portfolio's exposure to this commodity in the next two years	We have a nominal exposure to the soy products supply chain via our financing of agribusiness. While the exposure is included within, the Agriculture, forestry and fishing industry concentration figure in our Annual Report it is not reported separately. The next iteration of our Climate Change Action Plan, to be developed in late 2022 is expected to include Natural Capital and accordingly we may choose to report this exposure separately.
Lending to companies operating in the rubber supply chain	No		
Lending to companies operating in the cocoa supply chain	No		
Lending to companies operating in the coffee supply chain	No		

## FW-FS6.1

**(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

### Publication

No publications

### Status

### Attach the document

**Page/Section reference**

**Content elements**

**Comment**

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

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