

Sustainability Report 2023

# The better big bank. connecting community and country



 Bendigo and  
Adelaide Bank

## Acknowledgement of Country

Bendigo and Adelaide Bank acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation and the Traditional Custodians of the land where we live, learn and work.

We pay our respects to Elders past and present as it is their knowledge and experience that holds the key to the success of future generations.

Artwork by Troy Firebrace, Yorta Yorta and Dja Dja Wurrung artist and educator



## Contents

- 2 Message from our Chair and Chief Executive Officer & Managing Director
- 4 Bendigo and Adelaide Bank
- 12 Sustainability strategy
- 18 Materiality
- 22 Customer satisfaction
- 34 Thriving regional and rural communities
- 44 Climate change
- 52 Financial crime risk
- 56 Data privacy and security
- 60 Maintaining a strong culture
- 72 Supplement
  - 73 Climate-related Disclosure
  - 92 Tax Transparency Disclosure
  - 95 ESG Data Summary
  - 106 Glossary

### Reporting on our progress: 2023 reporting suite

#### Annual Financial Report

- The Bank's statutory financial reporting
- Appendix 4G

#### Corporate Governance Statement

#### Sustainability Report

The Bank's report on its most material environment, social and governance (ESG) and sustainability issues, including:

- Climate-related Disclosure
- Tax Transparency Disclosure
- ESG Data Summary

#### Modern Slavery Statement

#### Workplace Gender Equality Agency report

#### About this report

This report is Bendigo and Adelaide Bank's third Sustainability Report and covers the 2023 financial year (FY23). We report annually following our full year financial results.

Where reference is made to 2023, we are referring to the 2023 Financial Year (1 July 2022 – 30 June 2023).

Where reference is made to 'the Bank', 'we', 'our' or 'us', we are referring to Bendigo and Adelaide Bank Limited and its wholly owned and controlled subsidiaries, unless otherwise specified.

Bendigo and Adelaide Bank Limited partners with Community Banks, which are not wholly owned nor controlled by Bendigo and Adelaide Bank Limited and the Bank does not have the power to govern their decision making. However, for completeness, the Sustainability Report contains the sustainability performance of the Community Banks that disclose their activity to us.

#### Contact us

Bendigo and Adelaide Bank Limited  
ABN 11 068 049 178

#### Registered head office

The Bendigo Centre,  
Bendigo VIC Australia 3550  
1300 236 344  
+61 3 5445 0666 (if calling  
from overseas)



#### Feedback

We invite stakeholders to provide feedback on our Sustainability Report. Please share your comments or questions with our team:

sustainability@bendigoadelaide.com.au



# Strengthening our commitment to ESG and Sustainability

From our earliest days on the Victorian goldfields, the Bank has worked hard to deliver positive outcomes for our customers and their communities.

By staying true to our values and our regional roots for 165 years, the Bank has earned the trust of our stakeholders, building on those early foundations with its purpose of feeding into prosperity, not off it.

This year we launched the Bank's inaugural Reflect Reconciliation Action Plan which is the first step in our reconciliation journey.

As part of this journey, the Bank's Executive and Board participated in cultural immersion experiences by the Dja Dja Wurrung peoples in the Bendigo region and the Kaurna peoples in the Adelaide region. These immersions left lasting impressions and provided space for us to better understand and acknowledge that while the gold rushes of the 1800s built the prosperity of these regions and our business, they also resulted in dispossession of Aboriginal people and land.

We do not underestimate the importance of our work ahead.

To maintain and keep building trust we must continue to evolve how we deliver on our purpose.

To support this, this year the Board approved our ESG and Sustainability Business Plan which builds on our ESG framework. Our plan provides detail on our various ESG initiatives and how we will implement them and clarifies how we will measure and be accountable for our performance.

We understand that climate change and its effects will increasingly impact our customers and the communities we support. We recognise the considerable climate-related risks and opportunities that exist as we navigate an economy in transition and are committed to supporting our stakeholders as they prepare for and adapt to the changing climate.

This year, we were proud to deliver the third and final year of our inaugural Climate Change Action Plan (**CCAP**). Over the last three years we have delivered close to 90 percent of the actions in the plan, nearly halving our Scope 1 and Scope 2 emissions since 2020.

We are now proud to announce our Climate & Nature Action Plan for 2024 to 2026. This plan will enable us to grow further as a trusted, regionally focused climate leader and it represents an uplift in integration and sophistication since our initial Action Plan. Importantly, it casts our eyes outward, to prioritise how we can help customers to reduce their emissions.

We also joined the Australian Sustainable Finance Institute (**ASFI**) – which aims to foster a more sustainable and resilient financial system – and became a signatory to the United Nations Global Compact (**UNG**C), a pact to both adopt and report on sustainable and socially responsible principles.

Our connection to community continues to remain core to our purpose. We know that communities thrive when local businesses and enterprises flourish. The Bank's philanthropic arm, the Community Enterprise Foundation, provided over

1,300 grants to worthy projects including essential disaster recovery initiatives. Our Community Bank model is now in its 25th year and has grown to encompass more than 300 branches which have returned over \$320 million in profits in the form of grants and sponsorships since the model's inception. The success of this model reflects our expertise in partnering with like-minded organisations to pursue shared goals.

This year we built on our partnership with the Regional Australia Institute by participating in a number of initiatives designed to address challenges and opportunities specific to regional areas. We also expanded our participation in government-led home equity schemes to help get aspiring homeowners, including those in regional areas, into homes faster.

The hard work put in by our Diversity and Inclusion team was recognised in a number of ways including the achievement of Bronze Tier status through the Australian Workplace Equality Index, an initiative by Pride in Diversity. This recognition is testament to the Bank's ongoing commitment to workplace diversity and inclusion for our LGBTIQ+ people and their allies. The Bank also participated in a pilot program designed to help reduce the employment gap for people with disability.

This year, we are disclosing our gender pay gap. This is a complex and important issue and we remain committed to closing the gender pay gap and creating a more equitable and inclusive future for our people.



**+1,300 grants**

provided to worthy projects by the Community Enterprise Foundation



**+\$320 million**

in profit has been returned in the form of grants and sponsorships

We are taking a holistic approach to risk management by fostering a strong risk culture, supporting our people and strengthening our governance, processes, controls and technology so we can create a better bank for all our stakeholders.

The landscape for fraud and cyber-crime continues to evolve. The Bank is working hard to proactively detect and prevent the unauthorised use of customer accounts and offer customers cyber security education and protection. We will continue to share more about our efforts in the future, and we remain strongly focused on advocating for a whole of system approach to combatting fraud.

Our people, our trusted brand and our authentic connection to community and regional Australia are enviable strengths and our competitive advantage. We remain committed to our vision to be Australia's bank of choice – for those who bank with us, work for us, partner with us and invest in us.

Yours sincerely,

**Jacqueline Hey**

Chair, Bendigo and Adelaide Bank

**Marnie Baker**

Managing Director & CEO,  
Bendigo and Adelaide Bank



Pictured:

Jacqueline Hey (Chair), Marnie Baker (CEO and MD)



Over the last three years we have delivered close to  
**90% of actions** in the Climate Change Action Plan

# Bendigo and Adelaide Bank



## About us

For more than 165 years, we have actively listened and responded to the needs of our customers and their communities.

Our history began in 1858 in Bendigo, Victoria when we responded to the sudden and rapid wave of migration, establishing the Bendigo Mutual Permanent Land and Building Society to enable housing for thousands of migrants seeking their fortunes.

Soon after, in 1877 South Australia's Hindmarsh Building Society was established, founded on the principles that home ownership was the cornerstone of a successful community and that owning a home should be possible for everyone.

Since then, more than 80 different organisations have come together to become the Bank we are today – an Australian owned, top 100 ASX listed company, with approximately 100,000 shareholders.



**For more than**

**165 years**

we have actively listened  
and responded to the needs  
of our customers

## Our impact

As Australia's most trusted bank,<sup>1</sup> we aim to set an example of how banking should be: progressive; sustainable and trusted.

Our vision is to be Australia's bank of choice, driven by our purpose to feed into the prosperity of our customers and communities, not off it. This purpose underpins everything we stand for and the action we take. We believe our success is driven by helping our customers and the communities in which they operate, to be successful.

Through partnering with local social enterprises across Australia, our Community Bank model enables the provision of banking services and the creation and retention of revenue in local communities that makes a real impact. This commitment to community helps make us Australia's better big bank, with around 5500 people directly employed by us, and around 1500 people employed by Community Banks, helping more than 2.4 million customers to achieve their financial goals.

Bendigo and Adelaide Bank's network of brands provide a wide range of products and services, including personal and business banking, financial planning, commercial mortgages and unsecured loans, and wealth management through investment products, insurance and superannuation.

## Our reach

Our reach comprises a national network of proprietary and Community Bank owned branches, joint ventures, partner distribution networks, a range of digital offerings and wealth products for senior Australians.



Our commitment  
to community has allowed  
us to help more than

**2.4 million  
customers**



## Our Brands

 **Bendigo Bank**

 **RURAL BANK**

  
**up**

 **AdelaideBank**

 **Bendigo and  
AdelaideBank**

 **COMMUNITY  
ENTERPRISE  
FOUNDATION™**

 **Leveraged**

1. Roy Morgan's Most Trusted Awards – Bendigo Bank.

## Our Community Bank model

In the late 1990s in response to changes in the banking environment, Bendigo and Adelaide Bank saw an opportunity for a new banking model – the Community Bank model. This model, based on the principles of shared value, recognised that partnering and sharing revenue with communities could enable their long-term sustainability and prosperity whilst also creating business value for the Bank through new markets.

Today, twenty-five years later, there are more than 300 Community Bank branches throughout Australia with whom we partner.

Please refer to *Thriving regional and rural communities* for more information.

## Playing an active role with government and our industry

The Bank engages with all regulators and all levels of government by participating in meetings, providing formal and informal correspondence, participating in roundtables, developing submissions to government consultations and appearing at inquiries.

At all times we seek to engage with these stakeholders to the highest standard of integrity. Our Anti-bribery and Corruption Policy sets out that we do not provide political donations to any individual or political party. From time-to-time, we may engage with political representatives directly or through our industry association memberships.

Engagement with industry associations forms an important part of our strategy and helps us identify emerging issues and advocate for changes in government policy. We work with them to drive progress on government policy within and across industries. This year, this included working with the Australian Banking Association (**ABA**) on the following:

- To increase transparency and accountability for consumer scams through the Scams Standard which is in development;
- Through engagement with the industry on the update of the ABA Banking Code of Practice;

- To uplift the industry's approach to climate action by contributing to the industry's climate roadmap and climate scenario work; and

- To develop the Branch Closure Support Protocol in response to recommendations from the Regional Branch Closure Taskforce. This will ensure better support for customers living in regional and rural Australia, enable better customer communication and increase transparency. We have since adopted and implemented the Branch Closure Support Protocol to uplift customer communication where branches are closed in regional and rural Australia.

We have also made pledges to the Regional Australia Institute reflecting our commitment to enable and enhance leadership capacity and capability in regional and rural Australia. We assist young people to access higher education opportunities through our scholarship program and grow the skills and experiences of young people in regional and rural Australia through our Work Integrated Learning Program. This program helps students grow digital skills and gain meaningful technology employment opportunities within regional and rural Australia. See *Thriving regional and rural communities* for more information.



## Recognition

We are proud of our role within Australia and our impact has been recognised through the following awards:

Presenter	Brand	Award and Placing
DBM Australian Financial Awards 2023	Bendigo Bank	Business Banking Awards – Most Recommended Business Bank Business Banking Awards – Finalist for Best Business Bank Customer Service Financial Products Awards – Finalist for Most Recommended First Home Buyers Loan Financial Products Awards – Finalist for Most Recommended Everyday Account Financial Products Awards – Finalist for Most Recommended Online Savings Account Financial Products Awards – Finalist for Most Recommended Deposit Account
	Rural Bank	Business Banking Awards – Best Digital Business Bank Business Banking Awards – Best Business Relationship Manager Business Banking Awards – Finalist for Most Recommended Business Bank Business Banking Awards – Finalist for Best Business Bank Customer Service
	Up	Consumer Banking Awards – Best Digital Bank Consumer Banking Awards – Most Recommended Bank
Mortgage & Finance Association of Australia	Adelaide Bank	State Excellence Awards 2023 (South Australia and the Northern Territory) – 1st Non-Major Lender Award
Money Magazine	Adelaide Bank	2023 Best of the Best Awards – Best-Value Flexible Home Loans - Major Bank
RateCity	Tic:Toc <sup>1</sup>	Gold Awards 2023 – Best Variable Home Loans Gold Awards 2023 – Best Refinance Home Loans Gold Awards 2023 – Best 3-Year Fixed Home Loans
RFI Global	Bendigo Bank	Gold Awards 2023 – Best 3-Year Fixed Home Loans
	Bendigo Bank	Australian Banking and Finance Awards 2022 – Most Trusted
	Up	Australian Banking and Finance Awards 2022 – Best Mobile Bank App Australian Banking and Finance Awards 2022 – Best Savings Account
Roy Morgan	Bendigo Bank	Most Trusted Brands Awards 2022 – Most Trusted Bank Most Trusted Brands Awards February 2023 – Most Trusted Bank Most Trusted Brands Awards February 2023 – 14th Most Trusted Brand Customer Satisfaction Awards, May 2023 – Highest Customer Satisfaction Rating for Home Loan Customers
	Rural Bank	Agribusiness Brand Trust Survey 2022 – 2nd Most Trusted Agribusiness Bank
	Tic:Toc <sup>1</sup>	Best Home Loan Innovation
FinTech Awards 2022		

1. Bendigo and Adelaide Bank has been in partnership with Tic:Toc since 2017 with the Bank holding a 26.4% equity stake in the company at 30 June 2023.

## Our strategy

### We remain grounded in our purpose of feeding into prosperity, not off it.

Our strategy explains the approach we are taking to succeed in the long term. How we execute on our strategy is guided by our strategic imperatives of reducing complexity and increasing productivity, uplifting and investing in the capability of our people and systems, and telling our story. Our vision, purpose, values and culture provide us with a clear identity that underpins the way we work and how we connect with all of our stakeholders.

We are in year two of our current strategy and since the last update to our Bank's Strategic Plan we have made significant progress in further refining target customer segments for the Bank. This includes refocusing our Business and Agribusiness banking strategy and identifying the key capabilities required to compete and succeed in an increasingly digital world. We have also reaffirmed our commitment to differentiate with an authentic focus on community, regional Australia and trust.

Recent economic conditions have required disciplined performance, agility and intense focus on key and emerging risks. This includes a focus on managing through a dynamic credit cycle and intense competition, scrutiny on liquidity and capital positions, and increasing incidence of fraud and cybersecurity events. We have managed our balance sheet and expenses prudently, strengthening our financial performance.

Importantly, in the last year we have implemented significant change. We have:

- Simplified our business and modernised technology so that we can be more responsive and adaptable to our customers' changing needs and expectations;
- Developed new digital products and improved accessibility of our existing offers across more customers' channels of choice; and

- Delivered the first year of our enhanced risk program that is focused on uplifting our risk management capabilities, culture and processes.

We will continue to be a customer and community focused organisation and do not take lightly our customers' trust and advocacy for us. We will also continue our emphasis on improving financial returns, executing our strategy and ensuring business sustainability. We will efficiently run the bank of today while we build the bank of the future.

**With our collective focus and effort, we will be in a better position to sustainably grow in our target segments, creating a bigger, better and stronger bank.**

## Our Vision

Australia's bank of choice

## Our Purpose

To feed into prosperity, not off it

## Imperatives

### Reduce complexity

### Invest in capability

### Tell our story



Customer Centric  
Operating Model

Digital by design, human  
when it matters



Customer Value  
Proposition

Based on trust,  
authenticity, knowledge,  
expertise, connection  
and personalised  
relationships



Growth and  
Transformation Strategy

Propelled by human,  
digital and community  
connections



ESG & Sustainability  
Business Plan

Managing ESG and  
Sustainability risks and  
opportunities

For our customers, people, partners, communities and shareholders



## Delivering value for our stakeholders

As Australia's better big bank, we recognise we play many roles in Australian life. In addition to being a banking services provider, we also employ people, procure goods and services and play an active role in communities across Australia, including through our Community Enterprise Foundation and our unique locally owned Community Bank model:

Who we are	Our enablers	Where we will focus our energy
<ul style="list-style-type: none"> <li>Proudly a relationship-driven bank with community at the core of who we are and why we exist</li> <li>Our values reflect our regional heritage and challenger spirit – authentic, genuine, relatable and purposeful</li> <li>Socially aware and environmentally responsible</li> </ul>	<ul style="list-style-type: none"> <li>Simple operating model and modernised technology</li> <li>Diverse, engaged and empowered workforce that is performance, impact and outcomes focused</li> <li>Safety of people, and security of data and information are non-negotiables</li> </ul>	<ul style="list-style-type: none"> <li>Highly trusted brand</li> <li>Customer focused on individuals and businesses where there is strong alignment with our values and purpose, and with needs commensurate to our size</li> <li>prioritise direct engagement with customers, 'digital by design, and human when it matters'</li> <li>Our risk appetite enabling profitable and sustainable growth</li> </ul>
Our identity - uniquely us		
Community	Regional	Trust
With a focus on feeding into prosperity, we seek to build more capable, resilient and self-determining communities through models such as our internationally recognised Community Bank model	As the only regionally headquartered ASX listed bank, our heart and soul, and our values remain firmly rooted in regional and rural Australia, where relationships are built on trust, care, and a strong sense of community	Being the most trusted bank <sup>1</sup> and maintaining our sustained reputational strength when compared to majors and tier 2 banks <sup>2</sup> is integral to our Bank's success and sustainability

To fulfil our vision and purpose, we engage with a broad range of stakeholders. While we have a strong presence in many communities across the country, we understand that each community is unique and has different priorities, goals and intentions.

Our values of teamwork, integrity, performance, engagement, leadership, and passion, establish our behaviours in our everyday work and articulate what sets us apart.

We acknowledge our responsibilities to all our stakeholders, both external and internal. To meet their varying needs, our engagement methods are also varied.

1. Roy Morgan 2023.

2. RepTrak 2023.



## Our customers

### How we engage

Through face-to-face interaction in branches, locally operated contact centres, mobile bankers visiting in-home, in-business and on-farm, via our website, applications, email, mail and social media, customer surveys, and the Customer Advocate Office.



## Our communities

Through direct engagement with the communities in which we operate, public meetings, conferences, collaborations and partnerships. Engagement through our unique Community Bank model, through our Community Enterprise Foundation and our Connected Communities program.



## Our shareholders and investors

Through our annual general meetings, full and half year results presentations, briefings, one-on-one and group meetings as appropriate, ASX announcements, investor and analyst briefings, credit rating reviews and conferences.

## 2023 Highlights



**Significant growth in new customers with 2.4 million customers** now banking with the Bank



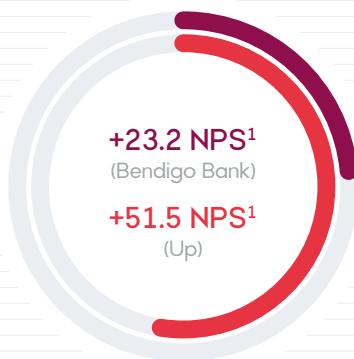
**Supported customers through product innovation including Regional Family Homebuyer Guarantee and NSW Shared Equity Home Buyer Helper**



**Expanded Rural Bank Natural Disaster Assistance Package** to support our farming customers impacted by floods



**Piloted digital inclusion pilot** in the Bendigo region with Good Things Foundation Australia



**25 years of Community Banking**



**\$32.9 million** in Community Contributions enabled by the Community Bank network this year



**\$14.6 million** in grants distributed by the Community Enterprise Foundation



**\$1.6 million** in disaster recovery funds distributed by the Community Enterprise Foundation



**\$1.1 million** supporting scholarships to help 289 students across Australia with their studies



**Launched our Reflect Reconciliation Action Plan**



**Exceeded social spend target by 115%** (target was \$1.9m and we reached over \$4.0m)

### Cash Earnings After Tax

**\$576.9 million**

**Up 15.3%**

### Net interest margin

**1.94%**

**Up 20 basis points**

### Return on equity

**8.62%**

**Up 90 basis points**

### Common Equity Tier 1

**11.25%**

**Up 157 basis points**

### Cost to income

**54.9%**

**an improvement of 420 basis points**

Please refer to our *2023 Annual Report* for more information.

<sup>1</sup>. Net Promoter Score (NPS). Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling average. Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.



## Our people

Through internal communication channels including Viva Engage (Yammer), virtual forums and meetings, email, video communication, e-newsletters, interactive online roadshow events, podcasts, town hall meetings, engagement surveys, face-to-face conversations between leaders and team members, and regular team, divisional and senior leadership meetings.



## Regulators and industry associations

Through regular meetings with executives and senior leaders, conferences and site visits as required.



**Achieved**  
**Bronze Tier status**  
through the Australian Workplace Equality Index (AWEI), an initiative by Pride in Diversity



**Better supported**  
**customers living in**  
**metropolitan, regional**  
**and rural Australia**



**Ranked**  
**13th out of the 33**  
participating organisations in the 2022  
Australian Network on Disability's Access  
and Inclusion Index (uplift of 3 points  
year-on-year)



**Released a new**  
**process architecture**  
**framework & standard**  
to improve the ways we support  
our obligations to managing risk



**Enhanced the scope of our**  
**safety performance**  
**lead indicator reporting**  
to include additional assurance  
around WHS training



**Engaged with industry**  
to update the  
**Banking Code**  
of Practice



**Successfully ran an**  
**electric vehicle (EV) Pilot**  
with our people and set EVs  
as the default vehicle for our  
sealed fleet



**Updated our**  
**Banking Executive**  
**Authority Regime (BEAR)**  
**accountability statements**  
and introduced new responsibility  
statements to clarify delegations



**Committed to enabling and enhancing**  
**leadership capacity and capability**  
in rural and regional Australia with the Regional  
Australia Institute

# Sustainability strategy



## Our sustainability approach

This year, the Bank continued to evolve its environmental, social and governance (ESG) and sustainability approach through the development of a Board approved, enterprise-wide ESG & Sustainability Business Plan.

The Business Plan builds on the previous ESG Framework and provides detail on ESG initiatives, clarifies accountabilities and includes public commitments to measure our performance. It demonstrates alignment to the Bank's vision, purpose and strategic imperatives and identifies how ESG and sustainability risks are managed.

We know that climate change will increasingly impact all of our stakeholders. For this reason, we have identified that focusing on climate change is a key opportunity for our business. By strategically supporting our customers, communities, people and business to prepare for and adapt to the impacts and opportunities of a changing climate, we can effectively deliver on our strategy, make a meaningful difference and create value.

Through effective management of key programs in our environmental, social and governance focus areas, we are living true to our social licence to operate and ensuring we are continuing to be a responsible and ethical business.

## ESG & Sustainability Business Plan

**Our Vision:** Australia's bank of choice

**Our Purpose:** To feed into prosperity, not off it

### Bendigo and Adelaide Bank Strategy

Reduce complexity

Invest in capability

Tell our story

### ESG and Sustainability Risk Management, Policies and Positions

#### ESG and Sustainability Business Plan

**Ambition:** To drive action towards a resilient and sustainable future to grow the prosperity of our customers, communities, shareholders and our people

#### Social Purpose Framework

**Ambition:** To deliver meaningful, sustainable social change in a way that also delivers value for our business

#### Climate Change

Supporting our customers, communities, our people and business to prepare for and adapt to the impacts and opportunities of climate change



#### Environment

Understanding and reducing environmental impacts and improving nature and biodiversity related outcomes throughout our value chain



#### Social

Identifying and managing issues and opportunities on a range of social topics impacting and shaping customers, communities and our people



#### Governance

Being a responsible and ethical business by ensuring high standards of corporate governance

The Business Plan is enabled across the business through prioritisation, robust ESG and sustainability governance, measurement of our performance, and maintenance of our trust and engagement through our actions and transparency.

## Sustainability governance

### ESG and sustainability is governed across the Bank, starting with our Board.

The Board Charter states that the Board, with assistance from the Board Audit Committee, oversees, considers and approves our ESG approach, including:

- Considering the environmental and social impact of our operations;
- Approving the ESG & Sustainability Business Plan and any associated policies;
- Approving on an annual basis the review of the our material topics – see *Materiality* for more information;
- Approving our approach to managing ESG risks (including climate change, biodiversity and natural capital risks);
- Approving the Climate Change Action Plan (annually);
- Approving ESG (and climate-related) disclosures included across the annual reporting suite;
- Approving our Modern Slavery Statement; and
- Monitoring the effectiveness of our governance practices.

#### Bendigo and Adelaide Board

Oversees the management of environmental, social and governance (ESG) risks and opportunities

Impact	Policy	Risk Management	Opportunities	Disclosure
Considers environmental and social impact of operations and activities	Approves the ESG Framework and associated policies	Approves the approach to managing ESG risks	Endorses ESG related opportunities from Executive	Approves ESG disclosures included across the reporting suite

#### Board Audit Committee

- Primary conduit to the Board for all ESG matters and reporting;
- Monitors the Bank's ESG risk profile (including emerging risks); and
- Receives and reviews ESG related reports from management.

Where required, other Board Committees will be engaged or made aware of papers on ESG topics that are relevant to their respective charters:

- Financial Risk Committee
- People, Culture and Transformation Committee
- Risk Committee

#### Executive

Responsible for determining which ESG risks and opportunities are most important for the Bank (material topics), what the appropriate management approach and strategy is for each of the identified material topics and reporting back to stakeholders on progress in these areas.

Executives have ESG linked KPIs.

Sustainability Council					Additional advisory forums
ESG capability building forum for material topics owners and key stakeholder contacts					
Climate Change Action Strategy Group	Diversity and inclusion Networks (Ben Pride and BENability)	Reconciliation Action Plan Working Group	Sustainable and Social Procurement Working Groups	Modern Slavery Working Group	Agribusiness Advisory Committee
					Community Bank National Council

## Collaborating for impact

To ensure we continue playing a role and collaborating for impact, this year the Bank joined the United Nations Global Compact (**UNGC**) and the Australian Sustainable Finance Institute (**ASFI**).

Our participation in the UNGC will enable us to accelerate and scale our impact as part of a global collective. It will also allow us to uplift the capability of our people and demonstrate our commitment to the Ten Principles of the United Nations Global Compact covering human rights, labour, environment and anti-corruption.

Through ASFI, we are committed to play our role to realign the finance sector to create a sustainable and resilient financial system. In addition to this, we also play an active role in the ABA's working groups, including those that consider climate risk, natural capital, human rights, modern slavery and corporate sustainability.

As a founding member of the Greater Bendigo Climate Collaboration, we have worked with and supported local government, business and La Trobe University on the region's intended pathway to zero climate emissions by 2030.



## External guidance focusing our approach

In delivering our ESG & Sustainability Business Plan, we take into account the following guidance:

### United Nations Sustainable Development Goals (SDGs)

This year, we continued to prioritise the four SDGs where we believe we can make the most impact. These are:



**SDG 5**  
Gender Equality



**SDG 10**  
Reduced Inequalities



**SDG 11**  
Sustainable Cities  
and Communities



**SDG 13**  
Climate Action

## Taskforce on Climate-related Financial Disclosures (TCFD) recommendations

Our 2023 Climate-related Disclosure is based on the recommendations and guidance of the TCFD and is included in the *Supplement* of this report.

## Monitoring emerging reporting standards

This year we have monitored emerging international sustainability reporting standards and the Australian Government's intent to mandate climate-related financial disclosure.

To ensure we are well-positioned to respond to emerging guidance, this report will wherever possible, report Bendigo and Adelaide Bank and Community Bank metrics separately.

We have mapped priority goals to our material topics and ESG data and continue to assess our progress towards these goals. We also recognise the importance of considering where and how our activities might impede the delivery of the SDGs.

## Global Reporting Initiative (GRI)

This report has been prepared with reference to the GRI Standards. The GRI Standards are globally accepted guidelines used by companies to report their sustainability performance. A GRI index for 2023 can be found on our website.



## Our commitments and performance

Our commitments support the delivery of our ESG & Sustainability Business Plan and help to track our performance.

Commitment	2023 Update	Progress
<b>Climate and Environment</b>		
Scope 1 and 2 emissions (market-based)	<p>In progress.</p> <p>Significant further reductions expected due to renewable electricity, EV uptake and office improvements.</p> <p>Bank total: -46%</p> <p>See the <i>Supplement</i> for more information.</p>	
Reduce absolute emissions by 50% by 2030 and 95% by 2040	<p>In progress.</p> <p>Scope 3 financed emissions will be externally assured and reported in 2024. Pre-assurance commenced in 2023.</p> <p>See the <i>Supplement</i> for more information.</p>	
Purchase 100% renewable electricity by 2025	<p>On track to meet FY25 target where the Bank has direct control of electricity procurement.</p> <p>We support the transition to renewable electricity procurement in Community Banks and sites where electricity procurement is outside of the Bank's direct control.</p> <p>Bank total: 33%</p> <p>Bank operations: 40%</p> <p>Community Bank operations: 21%</p> <p>See the <i>Supplement</i> for more information.</p>	
Maintain business travel emissions at 25% below 2020 levels	<p>Achieved and ongoing.</p> <p>67% below baseline.</p> <p>See the <i>Supplement</i> for more information.</p>	
90% statements to be delivered electronically by 2025 <sup>1</sup>	<p>In progress.</p> <p>67% below baseline.</p>	
Maintain carbon neutral status	<p>Achieved and ongoing. Please refer to the Climate Active Product Disclosure Statement available on our website.</p>	
No direct lending exposure to coal, coal seam gas, crude oil, natural gas, native forest logging projects <sup>3</sup>	<p>Achieved and ongoing. Please refer to the Climate Change Position available on our website.<sup>2</sup></p>	

In Progress On Track Complete

1. Reported data includes active Bendigo Bank customers and accounts.

2. Our most recent Climate Active Product Disclosure Statement (FY22) is available on our website. FY23 will be submitted and verified by Climate Active in October, after publication of this report.

3. This applies to all employees and all other parties acting for or on behalf of the Group that prepare credit applications and undertake credit decisioning.

Commitment	2023 Update	Progress
<b>Social</b>		
Gender diversity (40:40:20) at every level of the organisation by 2025	In progress.  Percentage of women: Board: 44.4%, Executive (KMP): 14%, Other Exec/General Managers: 37%, Senior Leaders: 42%, All Senior Leaders (other Exec/GM/Snr Leaders): 41%, Middle & Frontline Managers: 55%, All Leaders: 49%, All Employees (excl. Leaders): 63%, All Employees (incl. Leaders): 60%.  See <i>Maintaining a strong culture</i> for more information.	
Workforce representation: set baseline demographic metrics and aim for growth	Achieved. Baseline demographic metrics set.	
Inclusion: set baseline and aim for growth	Achieved. Baseline inclusion metrics set.  Inclusion score: 83%  This score is based on the four factors of inclusion – Respect, Belonging, Empowering and Fair Progression. The score is calculated using SPARK survey <sup>4</sup> responses to questions categorised within those four factors.	
20 point gap for Bendigo Bank annual relative NPS above the industry average	Achieved. Gap maintained.	
Maintain Community Bank investment	Maintained.  \$32.9 million contributed to Australian communities in 2023.	
<b>Governance</b>		
Reducing complexity: 3 brands by 2024	On track to meet 2024 target.  7 brands from a 2019 baseline of 13.	
Reducing complexity: 1 core banking system by 2024	On track to meet 2024 target.  4 core banking systems from a 2019 baseline of 8.	
Digitisation: 90% of customers actively e-banking by 2024 <sup>5</sup>	On track to meet 2024 target.  72% from a 2019 baseline of 58%.	
Digitisation: 50% of our applications in the cloud by 2024	On track to meet 2024 target.  33% of our applications are in the cloud from a 2019 baseline of 1%.	
Maintain CDP score of B	2022 score: B  Uplift from a score of C in previous year.	
Reputation measure: Maintain RepTrak Pulse gap of 8 points to the average of the four majors (ANZ, CBA, NAB, WBC)	Achieved. Gap maintained.  75.1 in June 2023. RepTrak Pulse is calculated by the RepTrak Company. Data is reported on a quarterly basis.	
Increase social supplier spend by 4% from 2022 actual spend	Achieved. Increased social spend by 115%.  2023 target was \$1.9m and we reached over \$4m in social supplier spend.	

 In Progress  On Track  Complete

4. The Bank's SPARK survey is completed by our people to measure and provide insights on the employee experience.

5. Covering approximately 92% of the Group customer base including Bendigo Bank and Up customers. Active e-banking customers defined as customer over 12 years old and used e-banking in last 3 months (Bendigo Bank) or last 1 month (Up).

# Materiality



## Materiality

Our operations continue to be impacted by a range of material topics from an economic, environmental, social and governance perspective.

Material topics are issues that hold stakeholder interest or concern as well as issues which can have implications on our ability to be successful to achieve our strategy.

Our ongoing materiality process helps us to:

- Understand the largest ESG related impacts to our business that we need to manage;
- Gain insights on what issues are important to our stakeholders and what their expectations are for us to address these issues; and
- Inform our strategy to fulfil our purpose.

Identifying and addressing our material topics supports greater consistency, comparability and transparency as advocated by globally recognised guidelines and frameworks for sustainability reporting.

## Materiality process

This year, we enhanced our materiality process through the development of a dynamic materiality approach, which assesses a range of factors:

Research and benchmarking	Material topics for testing	Engagement and testing	Prioritisation
<p>On an ongoing basis we consider:</p> <ul style="list-style-type: none"> <li>Regulatory environment</li> <li>Global benchmarking assessments</li> <li>International frameworks</li> <li>Customer complaints</li> <li>Internal registers</li> <li>Industry themes</li> <li>Investor and public sentiments</li> <li>Learnings from Post Implementation Reviews</li> </ul> <p>Annually, we create a long list of potential material topics with updated definitions, which are then tested through engagement with a range of business stakeholders.</p>	<ul style="list-style-type: none"> <li>Biodiversity and natural capital</li> <li>Business conduct and ethics</li> <li>Climate change</li> <li>Community engagement and impact</li> <li>Customer access, inclusion and wellbeing</li> <li>Customer satisfaction</li> <li>Data privacy and security</li> <li>Digital transformation</li> <li>Diversity and inclusion</li> <li>Employee culture and development</li> <li>Employee safety and wellbeing</li> <li>Financial crime risk</li> <li>Human rights and modern slavery</li> <li>Reconciliation and Aboriginal and Torres Strait Islander Australians</li> <li>Responsible investment</li> <li>Responsible lending</li> <li>Responsible remuneration</li> <li>Responsible sourcing and partnerships</li> <li>Risk management</li> <li>Sustainable financing</li> <li>Thriving regional and rural communities</li> </ul>	<p>Two-step engagement process completed using surveys and facilitated workshops:</p> <p><b>Step One:</b> tested the importance of material topics to our key stakeholder groups – customers (weighted at 50%), our people (weighted at 25%), the Community Bank National Council (weighted at 15%), and institutional investors (weighted at 10%).</p> <p><b>Step Two:</b> tested the importance to our operations – using insights provided from internal stakeholders with representation from each division.</p>	<p>The top five topics identified as being most material to our stakeholders and operations, became our material topics for 2023.</p> <p>While all topics identified are important, we ensure the following are prioritised:</p> <ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Thriving regional and rural communities</li> <li>Climate change</li> <li>Financial crime risk</li> <li>Data privacy and security</li> </ul>

## Addressing our material topics

Material topic	Definition	Strategic imperative	UN Sustainable Development Goals	Page
<b>Customer satisfaction</b>	<p>Maximising satisfaction of our customers by offering banking services that are simple, relevant and personalised, in addition to having a culture that places the customer first. Examples include, but are not limited to, appropriate fees and charges, and introducing simpler banking products and tools to support our customers' needs.</p>	<ul style="list-style-type: none"> <li>• Reduce complexity</li> <li>• Uplift and invest in our capability</li> <li>• Tell our story</li> </ul>		23
<b>Thriving regional and rural communities</b>	<p>Enabling the social and economic prosperity of regional and rural communities via the broader social impacts of banking. Understanding, measuring and communicating the value of banking to communities, including the self determination enabled from a human-centred, stable and supportive financial system in these economies.</p>	<ul style="list-style-type: none"> <li>• Uplift and invest in our capability</li> <li>• Tell our story</li> </ul>		34
<b>Climate change</b>	<p>Identifying, disclosing and managing our risks and opportunities in response to the impacts of climate change. Climate change risks include physical, transitional and liability risk, including those risks associated with our loan book and investments. Climate change opportunities refer to our response in mitigating, adapting and building resilience to climate change, as well as capitalising on climate change co-benefits.</p> <p>Examples of key opportunities are: supporting our customers and communities in mitigating, adapting and responding to climate change; resource efficiencies and cost savings; the adoption of low-emission energy sources; the development of new products and services; access to new markets; and building resilience along the supply chain.</p>	<ul style="list-style-type: none"> <li>• Reduce complexity</li> <li>• Uplift and invest in our capability</li> <li>• Tell our story</li> </ul>		44

Material topic	Definition	Strategic imperative	UN Sustainable Development Goals	Page
Financial crime risk	<p>Proactively managing the risks and incidences of financial crime (including anti-money laundering, counter-terrorism financing, scams and fraud, anti-bribery and corruption and sanctions) for our customers and the organisation. This is done by investing in appropriate systems, processes and understanding to enable identification and resolution of risks and incidents and to minimise their negative impacts.</p>	<ul style="list-style-type: none"> <li>• Reduce complexity</li> <li>• Uplift and invest in our capability</li> </ul>	 11 SUSTAINABLE CITIES AND COMMUNITIES	52
Data privacy and security	<p>Risk management that acts to prevent cyber security attacks and protect critical and sensitive data, including all personal information. This includes the appropriate use and sharing of data internally and externally, as well as the investment and implementation of governance, people processes, controls and technology to support this.</p>	<ul style="list-style-type: none"> <li>• Reduce complexity</li> <li>• Uplift and invest in our capability</li> </ul>	 11 SUSTAINABLE CITIES AND COMMUNITIES	56



# Customer satisfaction



## 2023 Highlights

### Net Promoter Score<sup>1</sup>

**23.2%**

for Bendigo Bank



Up is the  
**#1 most satisfied**  
digital bank for  
customers

(Canstar) and consistently the  
**#1 rated banking app**  
in the Apple App store  
and Google Play

### Net Promoter Score<sup>1</sup>

**51.5%**

for Up



Customer complaints  
increased 21%  
primarily due  
to scams

with a program in  
place to address

## Customer satisfaction

Our customers are at the heart of everything we do, and we are committed to ensuring their satisfaction by offering banking services that are simple, relevant and personalised.

We are proud to be voted as the most trusted bank in Australia.<sup>2</sup> Trust and customer satisfaction are not won, they are earned. We have achieved this by being proactive and actively listening to our customer base. This means making sure that the products and services we deliver are designed to meet their needs.

With our history as the first Australian bank to introduce mortgage offset accounts, we clearly value challenging the status quo and innovating for our customers. This is why our newer offerings, such as Up and the Bendigo Bank Express Home Loan have been resounding successes.

Being customer-first is about introducing new products and services and making sure that we are inclusive and fair in our approach. As a Bank, our focus is on financial wellbeing and we work to ensure that we are as accessible as possible.

Our customers have placed their trust in us, so we must continue to live up to our promise to them. Part of this promise is responding to feedback. When things don't go as planned, we look to remedy where appropriate and incorporate learnings into future process, and always endeavour to meet our customer satisfaction standards.

## Streamlining our approach

Our transformation into a bigger, better, stronger and more impactful business is built on solid foundations. We are the most trusted bank in Australia – our success and competitive advantage come from how we treat customers and our willingness to make a positive impact. We have a unique opportunity to build on these strengths, to continue to provide a differentiated approach to banking which is one that is 'digital by design and human when it matters'.

This year our transformation agenda has focused on accelerating business and customer outcomes to simplify, modernise and digitise the Bank. This has been done while supporting our people to continue to provide exceptional service and relevant solutions to meet customer needs and support the delivery of our strategy. We are working towards key transformation targets to help us move faster, reduce our costs and employee effort, and deliver sustainable value for our customers, our people and our shareholders.



**2.4 million**  
customers



1. Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling average. Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

2. Roy Morgan's Most Trusted Brands.

## Reducing complexity

We are working to simplify our business, as we believe simplification will save time and effort for our customers and reduce costs. This year we simplified by:

- Consolidating our brands by migrating all Delphi Bank customers, employees and business activities to Bendigo Bank and transitioning four of the five Alliance Banks to become part of our Bendigo Community Bank and Retail network. This has reduced core banking systems by three and retired over 200 products;
- Reducing our core banking systems to manage risks and reduce workload for our people, making it faster for us to deliver change and improvements; and
- Reducing our IT applications to remove complexity which also saved licensing costs.

	2024 Target	2023 Performance	2022 Performance	2019 Baseline
Brands <sup>1</sup>	3	7	10	13
Core banking systems	1	4	7	8
IT applications	325	401	491	650

1. Brand is defined as 'a commercial entity with a visual identity (unique logo and/ or lock up with the Bendigo Bank logo), trademarked and communicated to customers or other key stakeholders as part of our products and services'.

## Digitisation

Digitisation will make it easier for our customers, increasing their connectivity with us and speeding up processes. This year we focused on digitising our business by:

- Launching the term deposit sales feature in our e-banking platform for existing Bendigo Bank customers;
- Helping customers self-serve, evidenced by our increase in e-banking users and more customers signing-up for products online;
- Making further inroads towards an end-to-end digital lending experience for customers, through further scaling our digital home loan products UpHome and BEN Express and delivering digital verification of identity and document signing options; and
- Simplifying and standardising our policies and processes to help streamline our customers' digital journey. This will mean faster decision making and more automation with fewer touchpoints and manual rework.

	2024 Target	2023 Performance	2022 Performance	2019 Baseline
Active e-banking customers <sup>1</sup>	90%	72%	68%	58.3%
Median time to decision (home loans) <sup>2</sup>	<1 day	14 days	13 days	22 days
Automated credit decisioning (home loans) <sup>3</sup>	70% - 90%	~10%	~10%	0%
Digital sales <sup>4</sup>	60%	19%	21%	13%

1. Covering approximately 92% of the Group customer base including Bendigo Bank and Up customers. Active e-banking customers defined as customer over 12 years old and used e-banking in last 3 months (Bendigo Bank) or last 1 month (Up).

2. Median time to decision (home loan) relates to our Third Party Banking channel. Median time to decision (unconditional) includes pending and withdrawn loans. The actual average time to 'initial' (conditional) decision as published in BrokerPulse May 2021 excludes pending and withdrawn loans.

3. Includes loans originated through BEN Express and the Tic:Toc platform.

4. Percentage of sales by digital channels' includes Bendigo Bank and Up consumer core banking sales (Everyday Accounts, Term Deposits, Home Loans and Personal Loans).



## Modernisation

We are working to modernise our technology to respond to changing business and customer needs. This year we modernised technology by:

- Increasing the number of cloud-based applications we use, making it faster for us to implement changes and upgrades – from idea through to delivery, whilst maintaining strong data protection and security credentials. Cloud based applications also give us better access to new technology rather than having to develop everything ourselves and they allow us to store large amounts of data so we can reduce our physical data storage sites. This year, we migrated the Bendigo e-banking and Rural Bank internet banking platforms to the Google Cloud Platform; and
- Completing two major migration activities from legacy out-of-support gateways to a new application programming interface (**API**) platform to enable API modernisation

	2024 Target	2023 Performance	2022 Performance	2019 Baseline
Applications in the cloud <sup>1</sup>	50%	33%	20%	1%
Reuse of Application Programming Interfaces (APIs)	40%	43%	26%	0%

1. The proxy measure for 'Velocity of change' is defined as the percentage of applications in the Cloud, enabling faster change cycle times and code from idea into production.

## Digital by design, human when it matters

Across the country, digitisation is quickly changing how many of our customers access banking services. We have seen the number of over-the-counter transactions fall by 48.2% since 2015 with more customers choosing to bank online and over the phone.

We are working to meet these expectations and ensuring that our digital transformation meets evolving customer preferences. We are taking a measured approach and ensuring that we do not exclude customers who aren't able or don't want to bank online. We maintain our physical presence through branches, mobile bankers and our over 20-year-long partnership with Australia Post. Through Australia Post's Bank@Post initiative, every customer has access to banking services at over 3,500 Post Offices across Australia. This multi-channel approach ensures that customers can access face-to-face banking services as needed.

This year we worked closely with the ABA to enhance the banking industry's Branch Closure Support Protocol in response to recommendations from the Australian Government's Regional Branch Closure Taskforce. The uplift will better support customers living in regional and rural Australia. This Protocol will direct how we communicate with increased transparency when the decision is made to close a branch. We have adopted and implemented the it to strengthen customer protections for branch closures in regional and rural Australia.

## Supporting our customers through product innovation

This year, we continued to support our customers through a range of product innovations including:

### **Regional Family Homebuyer Guarantee**

A product for our customers in regional areas to own their own homes faster, with as little as a 5% deposit through the Federal Government's Regional First Home Buyer Guarantee.

### **NSW Shared Equity Home Buyer Helper**

Saving for a large deposit can be a daunting task for prospective homebuyers. The NSW Government is easing that burden through the Shared Equity Home Buyer Helper program, launched in January 2023.

This initiative is targeting single parents, single people aged 50 years and over, and first home buyers who are employed as key workers including teachers, nurses and police officers through an innovative shared equity model – if applicants have a 2% deposit saved, the NSW Government will contribute up to 40% for a new home or 30% for an existing home.

### **Qantas Money Home Loan**

A suite of competitive home loan products for owner occupiers and investors that are financed by the Bank. Qantas Frequent Flyers earn 100,000 Qantas points every year for the life of the loan. Applicants are assessed through one of our technology partners, Tic:Toc to offer customers a fast and easy digital application and approval process.

## Helping Upsiders build a financially sustainable future

Up is Australia's highest rated digital banking platform (consistently ranked #1 on Google Play and Apple App stores) with more than 700,000 customers, most of whom are under 35 years of age. In a rapidly changing financial world, 'Upsiders' are using Up to take control of their money and live life on their own terms.

Up makes saving money easy, with habit-changing tools like Maybuy, a savings-based alternative to 'Buy Now, Pay Later'. Up also safeguards customers with new tools for a new world, such as ways to block financial abuse and access to online gambling. Up continues to innovate so that our customers can enjoy a successful and sustainable future.

This year, over 10,000 Upsiders completed their first Save Up 1000 challenge. Prior to this, 1 in 5 customers had never held \$1,000 in savings. With Save Up 1000, challengers progressed through seven colourful levels to put away \$1000 over the course of a year. This program contributed just under \$100m in additional savings. 87% of those who finished the challenge this year, reported feeling "euphoric" or "really good" about their accomplishment.

### An Upsider's take on Save Up 1000

"Such a great way to encourage building small habits, especially for people (like myself) who haven't always had the best relationship with saving money."





This year,  
Rural Bank expanded its  
Natural Disaster Assistance  
Package to support  
our farming customers  
facing flood risk



## Helping Australian farmers grow

This year, Rural Bank expanded its Natural Disaster Assistance Package to support our farming customers facing flood risk. Understanding that different customers have different needs, the package offered to customers allowed them to either vary existing loans or access working capital funding. During the year, the types of assistance offered to agribusiness customers in Victoria, New South Wales, Queensland and Tasmania included:

- Loan repayment deferrals of up to 6 months;
- Waiving of interest rate reduction for early withdrawals on term deposits prior to maturity; and

- Waiving 'loan break' charges for customers with a fixed rate who use an insurance payment to pay out their loan. This was offered to all customers, including agribusiness customers.

Rural Bank's Relationship Managers are critical to our success and managing our relationships with our agribusiness and farming customers on-farm and through our network.

Our Relationship Managers, along with the broader Rural Bank team, regularly keep our customers and the market up to date through the:

- Annual Farmland Values Report – this is the longest running analysis of the farmland market in Australia and provides in-depth analysis of farmland transactions at the national, state and local levels;
- Annual Agricultural Trade Report – analysing export trends for 12 major agricultural sectors;
- Agriculture Outlook Report – half-yearly updates providing an in-depth perspective on supply, demand and price outlooks for Australia's major agricultural commodity sectors;
- Monthly Insights Report – commentary on production and pricing trends on the performance of six key agricultural commodities, providing producers with a timely overview of current trends and an outlook for the coming months;
- Beyond the Farm Gate Podcast – an on-the-ground podcast shining a light on Australians who work, live and breathe agriculture; and
- Updated Animal Welfare and Livestock Farming Position, which is also available through our website.



## An inclusive and accessible banking experience

We are dedicated to creating an inclusive and safe space for all our customers, community members and our people and we do this by listening and acting. Key highlights this year include:



**Rainbow sponsor  
of the Bendigo Pride Festival**

This festival is a three-week arts and culture festival highlighting the diversity of the Greater Bendigo region.

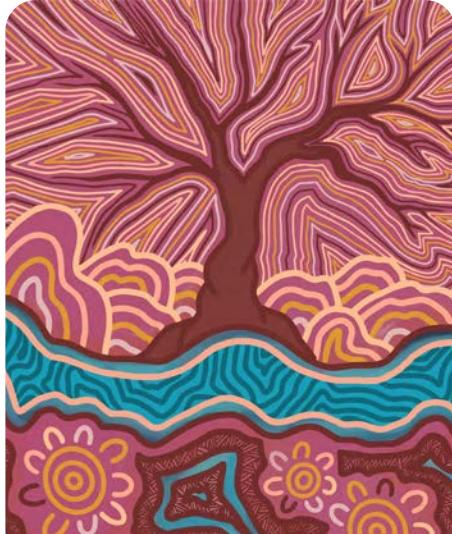
While we have been a platinum sponsor since 2020, this was the first year of being the Rainbow sponsor.



**New 'Welcome' decals  
for our entire network**

To celebrate International Day Against Homophobia, Biphobia, Interphobia and Transphobia (**IDAHOBIT**) we distributed decals to let everyone know that we welcome and celebrate LGBTIQ+ diversity.

In a further visual display of support, we are proud to offer Pride Tees to employees so we can all show our allyship with our LGBTIQ+ community.



**Reflect Reconciliation  
Action Plan (RAP)**

We launched our inaugural RAP, which reflects our commitment to strengthening relationships between Aboriginal and Torres Strait Islander peoples and non- Indigenous peoples, for the benefit of all Australians. Please refer to *Thriving regional and rural communities* for more information on our RAP launch.

As a show of respect for the Traditional Owners of the land that we live and work on, our branches proudly display an Acknowledgement of Country decal. This small but important step is a visual display that recognises Aboriginal and Torres Strait Islander Peoples as Traditional Owners.



**Richard Fennell (RAP Champion and Chief Customer Officer Consumer), Marnie Baker (CEO & MD), Cassandra Lewis, General Manager Djaara and Peta Hudson Djaara Traditional Owner at the launch of the Bendigo and Adelaide Bank Reflect Reconciliation Action Plan in April**

## An accessible experience for all our customers

We are committed to supporting our customers with accessibility needs and have commissioned an independent third-party assurance by Vision Australia to ensure our internet banking websites and mobile applications meet accessibility standards.

We have also enhanced our website to assist customers who need additional help to understand and access our complaints processes. To complement our existing National Relay Service and Interpreter Service offerings, this year we:

- Partnered with Scope (Aust) Ltd to develop our Easy English Customer complaint guide;
- Produced an Auslan video of our complaints guide for members of the deaf community; and
- Produced our complaints guide in seven different languages in partnership with Language Loop.

### Case Study: Digital inclusion pilot in the Bendigo region



A Good Things Foundation participant receiving digital training  
Photo credit: Good Things Foundation

Good Things Foundation Australia is a social change not-for-profit, tackling one of the most pressing issues of our time - the digital divide. Whether it's staying connected with families or friends, booking healthcare appointments, using online services or banking – digital technology is everywhere. We partnered with Good Things Foundation on a proof-of-concept digital literacy referral pilot program for our customers in the Bendigo, Victoria region.

The Foundation supported our people to identify fifty customers who needed digital skills support and referred them to one of the participating program partners. They were then provided with friendly, digital skills support in a comfortable location.

The participants learned about how to interact online. They felt more connected to us and their skills and confidence improved. They were satisfied with the support provided to them and were interested in continuing their digital learning journey. Our staff learned more about the importance of digital inclusion.

The learnings are informing an expanded 12-month digital literacy referral program across regional Australia.

People on a low income, or with low levels of education, unpaid carers, living with a disability, First Nations, migrant/refugees or over the age of 65 are more at risk of being left behind in a digitised society."

Good Things Foundation  
Pilot Report 2023

Photo credit: Bri Hammond



## Meeting our customers' individual needs

Each year, we run a campaign to identify customers who qualify for a Basic Bank Account (concession account) in line with Australian Competition and Consumer Commission's request that Banks contact eligible customers to inform them about Basic Bank Accounts. This ensures our customers are offered the right products and services to meet their individual needs.

We invite eligible customers to call us or visit a branch to discuss transitioning their account. Eligible customers are those who receive regular government benefits, have an eligible government concession card, currently operate a standard bank account and have paid fees of greater than \$10 over a three-month period.

Efforts are prioritised to those who are paying over \$10 in fees per month or who are in regional and remote postcodes. When making contact, we remain aware of our obligations under the Federal Government's anti-hawking provisions. Our customers have told us that they appreciate our proactive approach in contacting them.

This year's campaign commenced on 13 December 2022. Whilst previously we had only attempted phone contact for eligible customers, this year we also made email contact to reach as many customers as possible. This has resulted in a total of 43,209 customers contacted via phone or email since 13 December 2022. We also introduced the option for customers to request a call back and 9.71% of customers who were contacted via email requested one. We transitioned 3,642 customers to our Basic Bank Account as a result of our annual campaign.

*"I called Ray and had a chat with him about his accounts. I have changed his Everyday Retirement Account to an Easy Retirement Account to avoid the \$3 card fee. He will also be coming into the branch to open an Easy Saver Account to get some more interest for his money. He is happy and thankful for the call today."*

Customer Service Officer  
(CSO)

## Announcing our intent to develop a Financial Inclusion Action Plan (FIAP)

This year, we made the commitment to develop a Financial Inclusion Action Plan (**FIAP**). A FIAP will help us better support our customers, our communities and our people. Financial inclusion is central to our operations and we are proud to make this announcement with a Statement of Commitment from our Chief Executive Officer & Managing Director.



**3,642**  
customers

were transitioned to our Basic Bank Account as a result of our Annual Campaign



## Our Statement of Commitment to Financial Inclusion

Bendigo and Adelaide Bank's vision is to be Australia's bank of choice and we remain focused on our purpose of feeding into the prosperity of the community, and not off it. We believe our success is driven by helping our customers, and the communities in which they operate, to be successful. As part of our commitment, we are pleased to join the Financial Inclusion Action Plan (**FIAP**) program led by Good Shepherd Australia New Zealand.

We believe that financial knowledge and access to appropriate financial services are a cornerstone of thriving communities and in today's digital world, financial and digital inclusion go hand in hand. Financial inclusion is a pathway to bridge inequality in our society.

We are dedicated to building long-term relationships with our customers based on authenticity, knowledge and trust and through our network of brands and partnerships we genuinely connect to communities. The implementation of a FIAP will provide greater financial security and control for our customers, including vulnerable customers, and in turn build more capable, resilient and self-sufficient communities.

We are proud to partner with Good Shepherd as we develop and publish our Foundation FIAP in 2023, to better support our customers, staff and the broader community to realise their financial goals.

Our FIAP will formalise our commitments to improving financial inclusion in the following key action areas:

Action Areas	Our Commitments
<b>Products and Services</b>	<ul style="list-style-type: none"> <li>• We will continue to promote good practice and review our processes so we can better support customers who may be experiencing vulnerability.</li> <li>• We are focused on ensuring inclusive access to our Bank's products and services.</li> <li>• We will support our customers through challenging times and providing financial difficulty assistance. We recognise that unexpected events or changes outside of customers' control will occur such as loss of employment, a relationship breakdown, suffering an illness or injury, being affected by a natural disaster or a downturn in their business.</li> <li>• We will provide support to customers to improve their financial literacy and promote good financial habits.</li> <li>• We are committed to exploring 'Safety by Design' principles of service provider responsibility, user empowerment and autonomy and transparency and accountability, and to consider adopting them when designing products and services.</li> </ul>
<b>Financial Capability</b>	<ul style="list-style-type: none"> <li>• We will invest in initiatives that enhance financial literacy, digital skills and achieve financial wellbeing.</li> <li>• We will continue to support initiatives that aim to upskill vulnerable groups, such as Rural Women Online.</li> <li>• We will continue to enable diversity and inclusion through our strategy, Belonging at BEN.</li> </ul>



Action Areas	Our Commitments
<b>Understanding of Financial Vulnerability</b>	<ul style="list-style-type: none"> <li>We are committed to consulting and engaging with stakeholders to better understand and support vulnerable members of the community.</li> <li>We are committed to exploring how we can better support Aboriginal and Torres Strait Islander peoples.</li> <li>We will continue to review training modules to ensure all our staff understand financial vulnerability.</li> </ul>
<b>Economic Security</b>	<ul style="list-style-type: none"> <li>We will partner with local enterprises across Australia through our Community Bank model which enables the provision of banking services and the sharing of revenue with local communities.</li> <li>We will be guided by our Social Purpose Framework which sets out a refined direction for how we are thinking about social change, ensuring we have greater alignment between our core purpose and targeted social impact outcomes.</li> <li>As set out in our Social Impact Procurement Strategy, we will continue to deliver positive social outcomes through our procurement processes and be guided by our Supplier Code of Conduct, which sets out our minimum expectations on ethical, environmental, and social standards for our suppliers.</li> <li>We are committed to achieving gender diversity (40:40:20) across all levels of the organisation by 2025.</li> <li>Together with Get Skilled Access, we will undertake a recruitment review to assess the accessibility and inclusion of the recruitment pipeline and all touchpoints of the recruitment process for candidates with disability.</li> </ul>

**Marnie Baker**

Chief Executive Officer & Managing Director  
Bendigo and Adelaide Bank

**Stella Avramopoulos**

Chief Executive Officer  
Good Shepherd Australia New Zealand

## Listening to our customers

Listening to our customers is critical to ensuring that we can deliver on our purpose. Our Customer Advocate listens to and represents the various voices of our customers and responds to escalated complaints and feedback.

We ensure our feedback is investigated and analysed to identify trends and opportunities for improvement. The process is led by our Customer Advocate who:

- Advises and guides the business on fair dispute resolution outcomes, with a particular focus on sensitive and complex cases;
- Identifies systemic issues and opportunities to enhance products, services, systems and processes within the Bank; and
- Drives customer-centric decision making through insights and data.

## Responding to and resolving complaints

We monitor customer complaints on an ongoing basis to understand how we are performing on customer satisfaction and value. This year, we received 51,242 customer complaints which was a 21% increase on 2022. This can primarily be attributed to the prevalence of scams, globally and domestically, which increased throughout the year.

Our top four complaints this year included:

### 1. Victim of scam/fraud;

We take fraud prevention very seriously and we continue to deploy numerous sophisticated strategies to help identify, detect, and prevent fraud.

### 2. General service delay experienced when contacting our call centre;

We acknowledge the increase in call volumes and continue to work towards rolling out projects that when complete, will reduce call volumes by approximately 10%. Combined with our investment in operational excellence, digital and self-service options, we will see an improvement in the wait times for customers.

### 3. Technical problems – e-banking (including outages);

Due to the number of customers being migrated as we upgrade e-banking security and replace traditional security tokens with modern multi-factor authentication (MFA) technology, we have seen an increase in complaints from customers experiencing issues whilst upgrading. We will always provide communications to our customers to advise of planned maintenance outages, however there are at times unforeseen outages that affect our customers' abilities to access their e-banking.

### 4. Hoax/SMS phone call/email

Customers and non-customers let us know when they receive what appears to be a hoax SMS, phone call or email purporting to be from the Bank or other organisations. Where the Bank has been impersonated, these reports allow us to act quickly to have fake websites, phone numbers and emails removed or blocked to ensure the fraudster actions are ceased.

## External dispute resolution

The Australian Financial Complaints Authority (**AFCA**) is an independent, external dispute resolution body which handles and looks to resolve complaints. Some customers escalate their complaints to AFCA after they have engaged in our internal dispute resolution process and have not reached their desired outcome. Alternatively, some customers choose to engage directly with AFCA to resolve their issue. In line with other financial institutions, we are seeing an increase year-on-year of new cases received by AFCA relating to the Bank.

This year, AFCA received 1,137 cases linked to the Bank which was a 71% increase on 2022. The increase in cases received this year was primarily due to the prevalence of scams and fraud.



## Thriving regional and rural communities



## 2023 Highlights



**25 years**  
of Community Banking



**\$32.9 million**  
in Community Contributions  
enabled by the Community  
Bank network this year



**\$14.6 million**  
in grants distributed by the  
Community Enterprise Foundation



**\$54.1 million**  
donations received by the  
Community Enterprise Foundation  
– this is the largest annual figure  
received to date



**Developing and piloting a  
Community Impact Hub**  
to measure the impact  
and outcomes communities  
are achieving in partnership  
with us



**\$1.6 million**  
in disaster recovery funds  
distributed by the Community  
Enterprise Foundation



**\$1.1 million**  
towards scholarships to help  
289 students across Australia  
with their studies

## Thriving regional and rural communities

**Our purpose of feeding into prosperity, not off it, is our guiding light, informing who we are and who we want to continue to be.**

Our business activities deliver real value and create a positive difference in our community, positively impacting the health and wellbeing of our customers and the places that they live, work and play. Our commitment to community, the Community Bank model, the philanthropic donations and the many social investments and partnerships that occur across our business, help bring our social purpose to life each day.

We believe in enabling communities to flourish. This belief underpins our profit-with-purpose, social enterprise Community Bank model. Regional and rural communities are integral to this. We understand that different communities have different needs and that the people that live in these communities are best placed to understand and address their needs. We support people within local communities to realise outcomes for their own community.

**Whilst regional and rural communities are an area of focus for us, our national footprint means that the work we do impacts Australians across the nation.**

**Our actions, investments and partnerships span regional, rural, metropolitan and urban communities and the figures below reflect our impact on all communities across Australia.**



We distributed  
**1,343 total  
grants**



**Michelle Clark, the first Community Bank customer, opening an account at Minyip on 26 June 1998**  
**Photo credit: David Ward, Warracknabeal Herald**



## 25 years of Community Banking

This year, we celebrated 25 years of our Community Bank model. Founded in 1998 in Rupanyup and Minyip Victoria, the model originated with the recognition that all communities deserve access to banking services. At its core, this model is about community partnership. By partnering with local community enterprises, we have been able to establish Community Bank branches across the country and generate shared value for millions of Australians.

The internationally recognised model has grown from a concept designed to empower communities at risk of losing face-to-face banking services to a network with \$20 billion in loans and \$31.3 billion in deposits with more than 300 branches.

In this anniversary year, the Community Bank model returned over \$320 million in the form of sponsorships and grants to the communities in which they operate, since inception of the model. Community Bank funding often attracts co-investors such as local, state and federal governments creating a multiplier effect on the capital generated.

Communities thrive when local businesses and enterprises flourish. Our model helps communities take charge of their own financial destinies. Working together, we have built community infrastructure, strengthened creativity, diversity and teamwork across communities, improved educational outcomes for future generations and created healthy and safe places for Australians to live and work.

We want to continue to do this important work. We have reshaped our social investment approach by developing a new application, assessment and reporting tool, called the Community Impact Hub. It's an online tool to help us manage and measure our social impact investments and tell a collective and compelling story about our commitment to helping communities thrive. Subject to successful completion of the pilot with selected Community Banks, we will begin to rollout the Hub across the business network in 2024. We anticipate that not only it will make the management of social investments and activities easier, but will bring even greater good to communities, facilitate collaborative opportunities and improve our employee value proposition.

As the banking industry continues to evolve, customer relevance and innovation remain paramount. By staying customer-centric and embracing innovation and fostering partnerships with our communities, we will be well positioned to continually help shape the future of banking.

*"As the custodians of one of Australia's most successful social enterprise movements, we are pleased to celebrate the amazing outcomes achieved in the last 25 years and look forward to working together to evolve and adapt this unique model for the next generation."*

**Sarah Franklyn**

**Community Bank National Council Chair**

**On track to return over**

**\$320 million**

in the form of sponsorships and grants to the communities in which they operate

**A celebration of 25 years  
Community Banking**



## Case Study: Inspiring community-owned, social enterprise models



Bendigo Bank has donated \$60,000 to Creators of Community Ownership

Photo credit: David Rogers Photography

Last year, a former Community Bank board member noticed that their Bega Valley, New South Wales community was at risk of losing access to healthcare and medical services. Inspired by their time on the board and our Community Bank model, they decided to help develop a similar model to help save rural medical clinics and prevent other essential services from having to close.

The Community Bank Pambula and Bega joined together to contribute \$60,000 in seed funding. From this, the Creators of Community Ownership was born.

Creators of Community Ownership's model of community ownership mirrors Bendigo and Adelaide Bank's Community Bank model. On 1 October 2023, Creators of Community Ownership will take ownership of a local doctor's clinic in Eden, New South Wales that was at risk of closure. Creators of Community Ownership will run the clinic's day-to-day operations, meaning local doctors can focus on treating the local community, people can retain their jobs and the local people can continue to access healthcare – all whilst ensuring revenue is reinvested into the Bega Valley.

This initiative is the proof of concept for a model that can help other communities facing loss of vital services and it won Best Social Enterprise in the Bega Circular Valley Challenge in October 2022 and is part of the iAccelerate program, which is a business accelerator and incubator program run by the University of Wollongong. The Community Bank Pambula and Bega will continue its support of this social enterprise.

## Our Social Purpose Framework

Our Social Purpose Framework brings our community-commitment to life by leveraging our role in banking to support communities to be vibrant, healthy and dynamic places to live and work. It helps us to transform social investment into real business value and a positive contribution to society. When our communities and partners thrive, we thrive too.

Focus	Connected and empowered communities	Financial and digital inclusion	Climate and disaster resilience				
Description	<p>Communities know their own needs best, so we focus on providing communities with infrastructure, skills and networks to address local social issues.</p> <p>We deliver most of our initiatives in this focus area through our Community Bank network and scholarship programs</p>	<p>Financial knowledge and access to appropriate financial services are a cornerstone of thriving communities. And in today's digital world, financial and digital inclusion go hand-in-hand.</p> <p>We are focused on ensuring inclusive access to our Bank's products and services and investing in initiatives that build financial literacy and digital skills.</p>	<p>The impacts of climate change, including natural disasters will disproportionately impact the most vulnerable in our community and be magnified across the country.</p> <p>We are focused on supporting customers and communities to build climate change and natural disaster resilience.</p>				
Selected initiatives	<ul style="list-style-type: none"> <li>• Community Banking model</li> <li>• Islamic finance partnership</li> <li>• Social procurement</li> <li>• Rural Gathering</li> <li>• Scholarships</li> <li>• Regional Australia Institute (RAI) partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Regional First Home Buyer Guarantee</li> <li>• Victorian Homebuyer Fund</li> <li>• Good Things Digital Literacy Pilot</li> <li>• Initiatives associated with Financial Inclusion Action Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Green loans</li> <li>• Flood appeals</li> <li>• Long-term disaster recovery grants</li> <li>• Greater Bendigo Climate Collaboration</li> <li>• Climate Change Action Plan</li> <li>• Electric vehicle fleet pilot</li> </ul>				
Change	Communities are enabled to address local social issues	Communities that are financially literate, digitally connected and can access appropriate financial services	Communities that are prepared for climate change and disasters				
Enabled by	Community Enterprise Foundation	Capacity Building and Social Enterprise Focus	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Impact Measurement and Reporting</td> <td style="padding: 5px;">Communication and Education</td> <td style="padding: 5px;">Partnerships and Collaboration (including government)</td> <td style="padding: 5px;">Community Banking</td> </tr> </table>	Impact Measurement and Reporting	Communication and Education	Partnerships and Collaboration (including government)	Community Banking
Impact Measurement and Reporting	Communication and Education	Partnerships and Collaboration (including government)	Community Banking				

## Community Enterprise Foundation

The Community Enterprise Foundation (**Foundation**) was established in 2005 as the philanthropic arm of the Bank and plays a key role in bringing our social purpose to life.

With its partners, the Foundation has invested time, resources and funds into Australian communities who need it the most, distributing over \$175 million in grants and scholarships since its inception.

The Foundation enables organisations to raise money for projects and initiatives to build vibrant and sustainable communities. Our wide-reaching branch network and online presence facilitates donation collection to maximise impact.

Its community-led approach helps to build a stronger and more resilient community. The team is experienced in natural disaster recovery and this year they raised funds for the 2022 Victorian and NSW Flood Appeals.

Its trustee, Sandhurst Trustees, is committed to good governance and ensures donated funds are returned to the community after considering advice from our community partners.



**\$80 million**

**In corpus**



**\$54.1 million**

**in contributions**



**\$14.6 million**

**in grants distributed**



**153,000**

**donors**

The Foundation facilitates a wide range of grants for eligible charities and not-for-profit organisations. Grants are distributed via structured charitable grants to support communities and organisations across Australia.

## Case Study: Connecting a rural Western Australian community through radio



**Collie Radio presenter, Greg Pye, in the old studio**

**Photo credit: Collie Radio Station**

Helping people stay connected to their community has been important to the volunteer-led Collie Community Broadcasting Association for the last eighteen years.

The station has proven its value to the Collie, Western Australia community by providing them with information, entertainment and comfort. By working with the local police force they have helped find a lost child and saved the life of a woman with dementia who went missing during a storm. It was also one of the few community radio stations that stayed on air during the COVID-19 lockdowns, which was particularly valuable to isolated residents with limited connectivity or mobility.

When the station's premises were listed for demolition, the community faced losing access to vital community information. The Community Enterprise Foundation partnered with Community Bank Collie, local industry and local government to contribute \$390,000 towards the construction of the station's new fit-for-purpose home, which is expected to be completed by December 2023.

The local community has been involved along the way, informing programming going forward and identifying new talent to join the core team of presenters which will inject fresh enthusiasm and momentum into the future.

**Blazeaid rebuilding fences after the Rochester Flooding**

Photo credit: Blazeaid



### Case Study: Supporting flood recovery in Rochester, Victoria

#### Climate-related disasters

When disaster strikes, we know that affected customers and communities can be adversely impacted. To better support them, the Foundation is responsible for fundraising appeals to support recovery efforts.

We recognise the road to recovery can be long, and that medium- and long-term support is just as important as short term and immediate relief. We are in it for the long haul.

In late 2022, people in south-eastern Australia returned to their flood-hit homes and businesses, not knowing what they would find. For the residents of Rochester, Victoria, the devastation was so bad that they didn't know what to do next.

To support the community in its recovery, the Community Enterprise Foundation partnered with the Elmore, Lockington and Rochester Community Banks to help get Rochester residents back on their feet.

From funds raised through the Flood Appeal, the Foundation contributed \$190,000 to provide relief to around 3,000 impacted people. This included supporting those who experienced housing loss or damage, holding respite camps for community members who needed a break, establishing food security in the area, investing in infrastructure for community activities and supporting rebuilding initiatives like Blazeaid.

## Supporting regional and rural students

Our scholarship program is one of Australia's largest privately funded programs and it forms a significant part of the Foundation's activities. As part of our commitment to the regions, we are partnering with others to Rebalance the Nation, pledging our support to the Regionalisation Ambition 2032. We have made two pledges:



### We pledge

to invest **\$240,000** over the next two years to offer eight Work Integrated Learning Program placements for La Trobe University (Bendigo) students to grow digital skills and employment opportunities in rural and regional Australia.



### We pledge

to grant **\$700,000** to **200 scholarship recipients** over the next two years to help young rural and regional Australians access higher education and training opportunities.

## 2023 Highlights



**289 students**

supported



**\$1.1 million**

in support

## Since 2007



**1,605 students**

supported

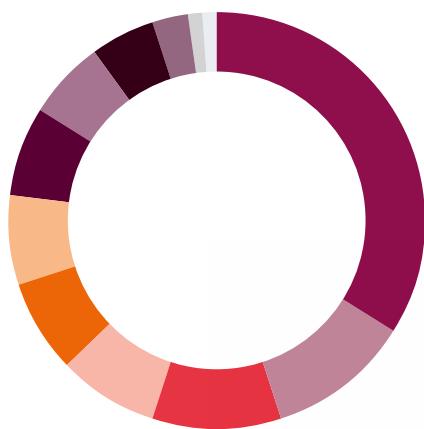


**\$12 million**

in support

The scholarship program supports regional and rural students, Aboriginal and Torres Strait Islander students, students aspiring to make an impact in the agribusiness sector and students from disadvantaged backgrounds. The financial support assists with the costs of accommodation, travel, course materials, study equipment and tutoring. Our Community Bank network plays an integral role in the program, contributing significant funds and using their close community relationships to promote the program to communities across Australia.

### Scholarship funding was allocated to these sectors in 2023



● Health	<b>34%</b>
● Society & Culture	<b>11%</b>
● Education	<b>10%</b>
● Secondary School	<b>8%</b>
● Natural & Physical Sciences	<b>7%</b>
● Creative Arts	<b>7%</b>
● Agriculture, Environmental & Related studies	<b>7%</b>
● Engineering & Related Technologies	<b>6%</b>
● Management & Commerce	<b>5%</b>
● Architecture & Building	<b>3%</b>
● Information Technology	<b>1%</b>
● Other	<b>1%</b>



## Case Study: Supporting further education

First time tertiary students, Ella Redman and Mohamed Al Saghir, have trodden very different paths, but are now both proud recipients of our scholarships.

Following an eye condition which resulted in multiple surgeries and prolonged absences from school, Ella's ability to study for long periods was significantly affected. Her access to public transport to travel to university was also limited, creating an additional barrier to undertaking tertiary study for her chosen profession.

This year, Ella was awarded our Bendigo Bank Indigenous Scholarship and is studying law at Macquarie University. She is looking forward to making a difference to the lives of many people, but especially other First Nations people. The scholarship has allowed her to relocate closer to university and is helping her to realise her dreams of changing the notion of justice for Aboriginal people.

Like Ella, Mohamed also faced significant barriers to continuing his education.

When Mohamad arrived in Australia as a Syrian refugee in 2018, tertiary study seemed like an impossible dream. He worked hard to learn English, before being accepted into Criminology at the Australian National University.

The scholarship will help ease the financial pressure of studying and allow Mohamed to focus on his course work. As the first in his family to study at university, he is hoping to assist, translate and support his community in legal matters.

## Power of partnerships

We understand the power of community partnerships, which is why so much of what we do is about empowering others – we are looking for real and lasting change.

Our commitment is demonstrated by our partnership with the Australian Council of Social Services (**ACOSS**) to deliver their Australian Community Sector Survey. The survey examines changes in the operating environment of community organisations, major issues of concern to these organisations and looks at how the sector is responding to community need. It provides data for advocacy for increased funding and policy change to support the social sector.

In recognition that the strength of the social enterprise sector is fundamental to the growth of regional and rural communities, this year we also:

- Sponsored Rural Gathering, a satellite event of the Social Enterprise World Forum exploring community-led rejuvenation through social enterprise;
- Funded local projects with income generated by customer banking; and
- Supported climate and disaster resilience initiatives.

Our ongoing partnership with Victorian Women's Trust delivered digital literacy skills to rural women, acknowledging the importance of digital literacy as a fundamental component of daily living in contemporary society.

This year, through the Rural Women Online program, 12 open day sessions were held across regional Victoria including in four bushfire affected areas. For the period of 1 July 2022 to 31 January 2023, the open days engaged roughly 600 women, after which 75 women accessed the mentoring program.



**Sharnie Curnow (Head of Social Purpose),  
Justine Minne (Head of Community Banking)  
and Nicole Rooke (Head of Planning & Execution)**  
from Bendigo and Adelaide Bank at Rural Gathering.

**Allan Murray, Duduroa Dhargal**  
**Traditional Owner speaking at the Rural Gathering**  
**Social Enterprise World Forum 2023**



## Strengthening relationships through our Reconciliation Action Plan (RAP)

In April this year we launched our Reflect RAP on the land of the Dja Dja Wurrung People in Bendigo Victoria. Our Chief Executive Officer and Managing Director, Marnie Baker and our Chief Customer Officer – Consumer Banking, Richard Fennell were joined by special guest Cassandra Lewis, General Manager of the Dja Dja Wurrung Aboriginal Corporation to launch our first RAP. The event celebrated what reconciliation means to us and our customers, as well as the communities in which we live and work.

This plan, endorsed by Reconciliation Australia, is the first step in our reconciliation journey. It will support us in understanding, exploring and measuring where and how we can have the most meaningful impact and lay firm foundations for reconciliation across the Bank in the years to come. You can read our RAP on the Bendigo and Adelaide Bank website.

To launch our RAP and commemorate this milestone, we engaged Yorta Yorta and Dja Dja Wurrung artist and educator, Troy Firebrace to create a piece of art that symbolised the importance of and the start of our journey towards reconciliation.

### Case Study: Troy Firebrace



**Richard Fennell (RAP Champion & Chief Customer Officer, Consumer Banking), Troy Firebrace, Cassandra Lewis, General Manager Djara and Marnie Baker (Chief Executive Officer & Managing Director)**

**Photo Credit:** Leah Ladson

Troy Firebrace is a proud Yorta Yorta and Dja Dja Wurrung artist and educator. Born in Shepparton Victoria, Troy was always drawn to art and painting at school, but an absence of Aboriginal history and education in his schooling lead him on a path to becoming an educator too.

Troy has a Bachelor in Creative Arts (Fine Arts) and a Masters of Teaching (Secondary). He has exhibited at Kaiela Arts in Shepparton Victoria, Dudley House in Bendigo Victoria and at the Melbourne Museum. Troy lives in Bendigo with his family.

*"The artwork focuses on three elements of Bendigo and Adelaide Bank: Community, Impact and Journey."*

*As an Aboriginal person, it's my interpretation of the Bank's ambitions and commitments, and feeling the truth in their words, which has let me step forward with trust in my creation.*

*Community is the connection the Bank is forming by learning about community and country. Ensuring the Bank's choices align with the beliefs, ambitions and respect of the community in which the Bank embeds itself. An authentic connection.*

*Impact is the result of the good, honest work the Bank strives for. The importance of relationships and quality service not only creates an open dialogue with the community, but also has a positive impact on the sustainability of the places they serve. The commitment of honest change for better impact.*

*Journey is the path of collective learning as a whole community. There is no one side-benefiting from the other. The direction of the pathway is open to the whole community and that leads to prosperity. The truest form of partnership. The Bank's ambitions are not solely of profit or just talk of finance. They are the model in which real communities are formed; where a simple "hello" becomes "how are you?" A question of investment in someone's life, free from creed, race or status. A question grounded in country."*

# Climate change



## 2023 Highlights



**Successfully implemented final year of our Climate Change Action Plan 2021 – 2023**  
achieving nearly 90% of actions and developed its next iteration, the Climate & Nature Action Plan 2024 – 2026



**Introduced new risk metrics for quarterly reporting**  
relating to our operational Scope 1 and 2 emissions and physical risk in residential mortgages



**100% renewable energy**  
powered all branches where we had direct control of electricity procurement



**Undertook a climate risk assessment**  
for a sample of our material exposures and suppliers



**Successfully ran an Electric Vehicle (EV) Pilot**  
and set EVs as the default vehicle for our sealed fleet



**CDP score of B**  
(uplift from C in previous year.  
CDP – formerly the Carbon Disclosure Project, is an external assessment of a company's climate performance)

## Climate change

We are committed to playing our part in the transition to net zero emissions. We will work to build climate mitigation and adaption into our business and support our customers and their communities to create climate resilient futures.

Our approach to how we manage and respond to climate change is shaped by our Board-endorsed Climate Change Action Plan and Climate Change Policy Statement. Guided by these, we identify opportunities to respond, mitigate and adapt to climate change. As our customers and communities are at the heart of what we do, we support them with tools to take climate change adaption and mitigation into their own hands.



## A strategic approach to climate action

This year, we continued to take a strategic approach to the management of climate change across our business. The following policies, strategies and initiatives have guided our approach:

### Climate Change Policy Statement

A Board-approved, public position outlining our position on climate change, aligned to limit warming to 1.5 degrees as per the Intergovernmental Panel on Climate Change (IPCC) report and COP26 UN Climate Conference.

Our Policy Statement outlines excluded sectors of coal, coal seam gas, crude oil, natural gas and native forest logging. It also details our commitment to continue to support individual and business customers and communities which may rely on those excluded sectors for their livelihood and economic sustainability.

### BENZero

BENZero is the approach we will take, to reduce absolute emissions by 50% by 2030 and 95% by 2040 (from a 2020 baseline) across both our operational and financed emissions, whilst supporting our customers to be successful.

### Climate Change Action Plan 2021 - 2023

Our climate action strategy, driving activity across the business with defined executive accountability to achieve our public commitments. In 2024, we will be launching our Board-approved Climate & Nature Action Plan 2024 - 2026.



#### A climate integrated business

Effective and integrated risk management and opportunity realisation throughout our business.



#### Climate resilient customers and communities

Build preparedness for physical and transitional impacts in the communities we serve.



#### Reduced emissions and natural impact

Real-world reductions in emissions and impacts on nature – in our business and with our customers.



#### Trust

Continue to grow trust through governance, authentic engagement and transparent disclosure.

### Public Climate Commitments

No direct lending exposure to coal, coal seam gas, crude oil, natural gas, or native forest logging projects. <sup>1</sup>	Maintain carbon neutral status.	Purchase 100% renewable energy by 2025.	Reduce Scope 1 and 2 operational emissions 90% by 2025 and 92% by 2030.	Reduce absolute emissions by 50% by 2030 and 95% by 2040 across both operational and financed emissions.	90% statements to be delivered electronically by 2025.	Will work to maintain business travel emissions at 25% below FY20 levels.
--	---------------------------------	---	---	--	--	---

1. This applies to all employees and all other parties acting for or on behalf of the Bank that prepare credit applications and undertake credit decisioning.

### Climate-related Disclosure

Our Climate-related Disclosure for 2023 can be found in the *Supplement* of this report.

## Climate Change Action Plan 2021 – 2023 Scorecard

Our Climate Change Action Plan is our climate action strategy. It drives activity across the business with defined executive accountability to achieve our public commitments.

It was a three-year strategy, which concluded on the 30 June 2023 and achieved the following outcomes:

### 2021 – 2023 Achievements

#### Reduce our footprint

- Conducted a successful EV pilot and now EVs are the default vehicle for our sealed fleet.
- 53 sites had solar installed, including branches and the Bendigo Centre.
- From 1 July 2023, all sites where we have direct control of electricity procurement were powered by renewable energy.
- Engaged with our top suppliers seeking acknowledgement of our Supplier Code of Conduct and supplier specific emissions.
- Implemented a uniform recycling program.
- Developed and implemented an employee engagement plan focused on reducing employee commute and working from home emissions.

#### Support our customers

- Actively participated in the Greater Bendigo Climate Collaboration and supported the development and launch of the Bendigo Roadmap to Net-Zero.
- Through the Foundation, funded two climate related projects which utilised funds raised through disaster appeals in 2023.
- Updated the pricing of our Green Loans to encourage the uptake by customers of personal loans for energy efficiency resulting in a significant increase in uptake both in number of customers (>500%) and value (>800%).
- Using the Partnership for Carbon Accounting Financials (PCAF), developed a methodology to calculate our financed emissions.

#### Understand and manage the risks

- In 2023, introduced climate related risk appetite settings for our Scope 1 and 2 emissions and percentage of renewable energy procured.
- Undertook a climate risk assessment for a sample of our material exposures and suppliers.
- Introduced two new risk metrics for quarterly reporting, relating to physical risk in residential mortgages.
- Developed an approach and criteria to consider climate in our business and agribusiness lending assessment process.
- Embedded the climate change action accountabilities into KPIs for Executives and Senior Leadership Group through a 'People and Planet' category in our executive remuneration framework.

#### Be transparent

- Developed the next iteration of the Climate Change Action Plan; the Climate & Nature Action Plan for 2024 - 2026.
- Improved our CDP score to a B (from C the previous year).
- Monitored changes to reporting expectations and delivered additional reporting as required.
- Disclosed our climate performance against TCFD recommendations since 2021.
- Launched our Climate Change Policy statement.

## Case Study: Powering our fleet with renewable energy



Electric vehicles (EVs) emit approximately one-fifth of the emissions compared to petrol-fuelled vehicles. Last year, we commenced an EV Pilot Program across our business as an opportunity to help us achieve our BENZero reduction targets.

The Pilot involved ordering and trialling the EVs, installing at-home charging stations and determining how we would reimburse employees' electricity bills. Our expert partners at SG Fleet labelled the program "cutting-edge".

We asked four of our people to trial the Nissan Leaf for the pilot. Due to its success, we have commenced work on a broader EV strategy, which includes transitioning our entire sealed road fleet to EVs where possible. This transition will occur on a rolling basis going forward as leases come up for renewal.

## Case Study: Listening to and learning from our homebase

**Saul Griffith speaking at the Greater Bendigo Climate Summit**

**Photo credit:** Shane Carey



We are a founding member of the Greater Bendigo Climate Collaboration – a collaboration designed to put Bendigo on the path to net-zero emissions by 2030 by bringing businesses, community organisations, households and schools together for climate change action, supporting the Bendigo Victoria region on the path to zero climate-changing emissions by 2030.

The Collaboration launched in July 2022 and in May 2023, the inaugural Greater Bendigo Climate Summit was held. The Summit featured a discussion on topics such as community involvement in climate action, transport and local carbon offsets.

Additionally, the summit hosted a keynote speech from Dr Saul Griffith, an engineer, inventor and advocate of renewable electricity, who has founded a dozen technology companies and authored three books in just over 20 years.

We joined the CEO Roundtable and hosted a public 'listening post'. They spoke to customers and members of the local community. The experience was invaluable as it helped us better understand community concerns, such as the need for a just and fair transition.

**"Ultimately the event was a fantastic opportunity to socialise elements of our Climate & Nature Action Plan, test our strategic thinking, and to connect with BEN's roots."**

**Josh Stevens**  
(Senior Manager Climate Action)  
**Bendigo and Adelaide Bank**

## Climate & Nature Action Plan 2024 - 2026

We will be launching our Board-approved Climate & Nature Action Plan in 2024. Please refer to Climate-related Disclosure in the *Supplement* of this report for more information.



**75,000**  
Upsiders opted for a  
digital card saving over  
**380kg of**  
plastic

## Environmentally conscious banking

This year, Up's digital-first approach to spending allowed Upsiders to choose whether they want to use plastic cards. We have found that many don't. Since launching this initiative in March 2022, over 75,000 Upsiders have chosen a digital-only experience, instead of using a bank card which has saved over 380kg of plastic.

Up has also released an environmentally friendly physical card for joint accounts which is forged from 82% recycled materials. One dollar from every card distributed will go towards Up's partnership with the Seabin Project, which supports a dedicated Up Seabin in Manly, New South Wales (NSW).

Seabins are effectively rubbish bins for the ocean – automated bins that collect floating rubbish, oil, fuel and detergents. In addition to removing debris and litter from the ocean, the Seabin Project collects data to better understand the health of our waterways and inform future marine litter reduction programs. To date, this Seabin Project unit in Manly, NSW has captured almost two tonnes of marine litter.

**Up released an  
environmentally friendly  
physical card forged from  
82%**  
recycled materials

Up Seabin Project  
Manly, NSW



**Impacts of the flooding in the Rochester region in October 2022**

Photo credit: Alistair Walker



## Partnering to address natural peril risk

As a long-standing partner of Insurance Australia Group (IAG) through their CGU Insurance brand, we work closely with IAG to help better understand natural peril risks to properties in Australia.

Following the Victorian floods at the end of 2022, the Insurance Council of Australia found that the flood event resulted in more than 19,600 insurance claims, with Rochester being the worst impacted community.

In April, with IAG, we attended the Rochester Flood Stakeholder Engagement Forum in regional Victoria to help us understand how to better support our customers who have been affected by floods in the future.

This year we also implemented a process to minimise "bill-shock" for customers in extreme flood risk areas who would likely receive a significant insurance premium increase at renewal.

We worked with CGU Insurance to gain a holistic view of a customer's specific circumstances, which allowed us to provide them with a tailored response leveraging CGU Insurance's Wellbeing Team, the customer's bank branch and the expertise of our Financial Awareness Support Team (FAST).

Around 70 customers were contacted, with us receiving an overwhelmingly positive response regarding our proactive approach.

## Case Study: Healing people and Country

Supporting community-led bushfire resilience is an area of focus for the Community Enterprise Foundation as we work with communities on long-term bushfire recovery strategies.

This year we worked with Bega Local Aboriginal Land Council in New South Wales to rehabilitate the culturally significant forest between Gulag and Mumbulla Mountain – areas which had been completely burnt during the Tathra Bushfires in 2018.

The Land Council is responsible for caring for Country through its ranger program.

By supporting its program with a \$29,797 grant, Aboriginal rangers were able to spend 12 months undertaking habitat enrichment work to halt further loss of culture and heritage.

Their key goal was to help threatened species repopulate in damaged areas, which required the creation of safe nesting spaces. Rangers worked with a local arborist and ecologist to identify species that needed support and they created new hollows in trees for species to stay safe from predators. They also gathered seeds from vulnerable native plants for a seed bank and native tree and bush tucker nursery.

This regeneration of bushland is projected to result in around 500 trees being planted, which will offer native wildlife protection and shelter.

The grant has also helped build the capacity of young people in the ranger program by exposing them to different aspects of the job, creating employment opportunities and getting more people onto Country. Land rehabilitation and ongoing sustainable land management practices are helping to grow a sense of purpose and ensuring that local knowledge is passed down to future generations.



## Procuring for environmental benefit

This year, we completed Climate Risk Assessments on 100% of our material suppliers in line with our Action Plan to help us better understand and engage our suppliers on environmental issues. We also continued to lobby state governments for corporate public transport deals to meet the needs of our people, encourage them to use lower emissions transport options and support a hybrid working environment.

Our ongoing partnership with Winc, a founding member of Supply Nation, allows us to continually supersede older products for more environmentally friendly options. Approximately 55% of the stationery items we order from Winc are environmentally friendly product options.

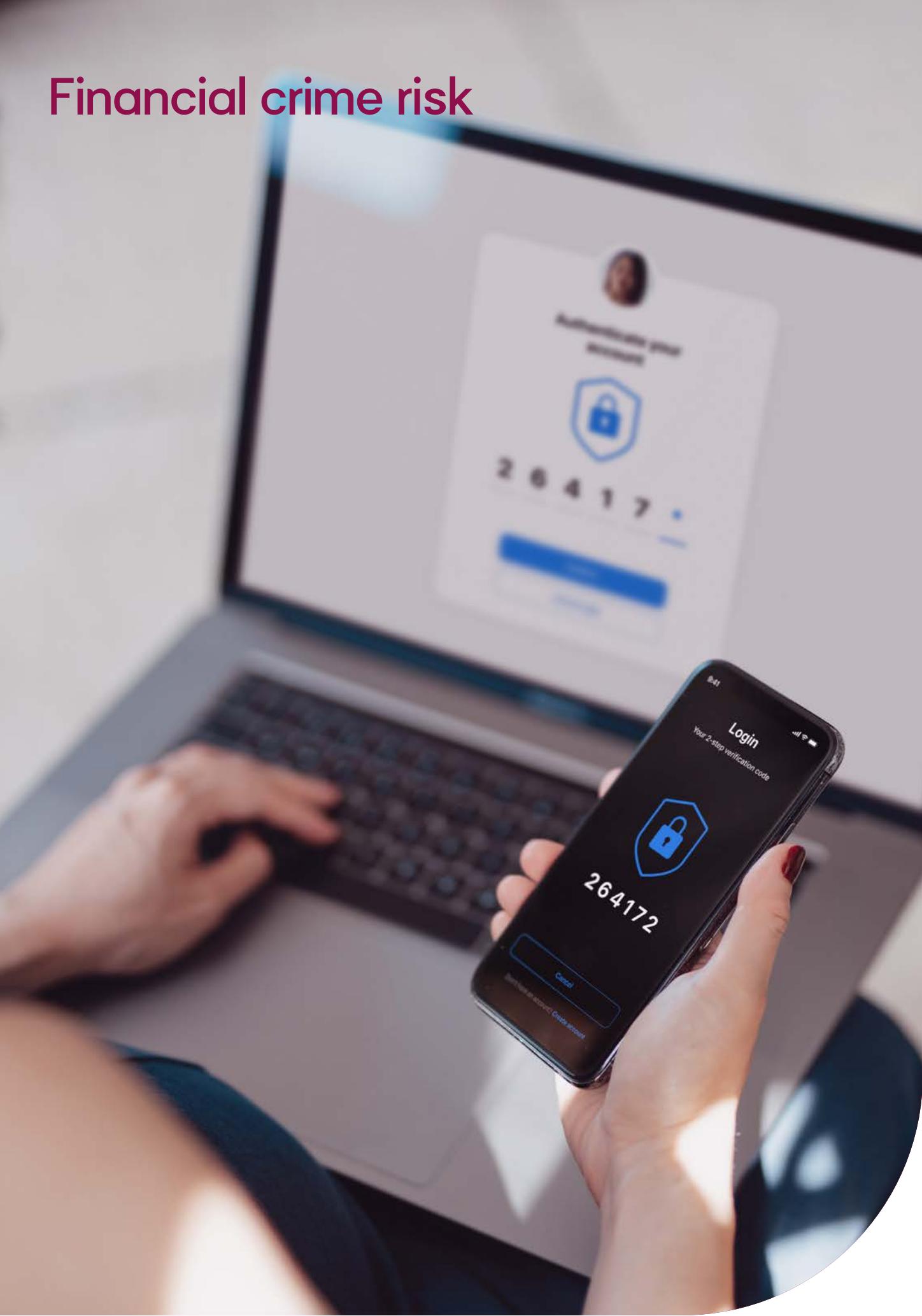
We also introduced more environmentally friendly items into our Bendigo Bank promotional materials.

These included:

- Seed sticks and recycled pencils, which feature our RAP Indigenous artwork;
- Money tins with Bank-specific landmarks to replace our plastic Piggy money boxes; and
- Greenfleet tree certificates available for our people to purchase. Each certificate represents a native tree planted by Greenfleet in a biodiverse forest that is protected for up to 100 years.



# Financial crime risk



## 2023 Highlights



Joined the **industry-wide Fraud Reporting Exchange (FRX)** to help us prevent scams and recover funds when scams do occur



**Enhanced behavioural biometrics technology** to proactively detect and prevent the unauthorised use of customer accounts for Bendigo Bank



Collaborated with other Fintel Alliance members to reduce financial crime and create a more resilient financial system



Embedded our **Fraud Reduction Program** to address the increasing financial crime risk landscape



**Education campaigns supporting customers** to identify scams and take action



**Strengthened** the capability of our people to understand red flags and help customers

## Financial crime risk

We know that our customers are increasingly being impacted by incidences of financial crime. This includes anti-money laundering, counter-terrorism financing, scams and fraud, anti-bribery, corruption and sanctions. We are committed to proactively managing these risks for our customers and our organisation and there is always more we can do.

This is done by investing in appropriate systems, processes and knowledge to enable identification and resolution of risks and incidents and to minimise their negative impacts.

As a Bank, we manage risk every day. We understand that financial crime presents a risk to our day-to-day operations, as well as the welfare of our people, customers and communities.

Our stakeholders have placed their trust in us, and it is important that we uphold this by detecting, preventing and minimising risk to them. To do this, we take a risk-based approach to assessing potential criminal behaviour. By applying a variety of controls, training our people and upgrading technology and processes, we can keep our organisation safe, which in turn means a safer financial system and community.





## Taking action against financial crime

We understand that financial crime remains a key concern for our customers and communities. It undermines prosperity, trust and wellbeing.

The threat of financial crime is not unique to our Bank and is seen as an increasing challenge across the banking industry and wider economy. This year we have seen an increase in the threat landscape, particularly following public instances of data theft and geopolitical uncertainty.

We manage and monitor the areas of money laundering, terrorism financing, sanctions, bribery and corruption, and scams and fraud. We are a member of the Fintel Alliance, a public - private collaboration between banks, law enforcement and AUSTRAC to share information and complete joint investigations into areas of concern.

## Our people as the first line of defence

This year, we introduced a program of activities under the banner of 'Special Ops'. This program provides critical knowledge to our people in customer facing roles, so they have greater awareness of operational risks and can better manage them.

The Special Ops program was designed to raise awareness of scams and fraud risks. As part of this, we updated policies, procedures and forms to make it easier for customer facing staff to identify and mitigate risk of scams and fraud. This included new processes for telegraphic transfers, updating ID requirements for cash withdrawals and adding an additional line of defence requiring that Branch Managers and Regional Managers check for current issues.

The team also focused on Anti-Money Laundering (AML) risks and the need to Know Your Customer (KYC), designing training packs for managers and their branches to better understand AML risks. These were rolled out to all branches and training was mandatory.

We fight financial crime by continually looking for ways to improve and uplift our policies, processes, systems and capability across the Bank, which is evidenced by recent and continued uplift in fraud detection tools, monitoring and investigative techniques.

## Protecting against fraud and scams

We continue to innovate and improve protections against online fraud for our customers and the Bank. One of the ways we are doing this is through the launch of behavioural biometrics technology. This will help us proactively detect and prevent the unauthorised use of customer accounts and reduce customer and Bank losses. We have also updated our Privacy Policy to account for behavioural biometrics data collection and use.

Whilst we have implemented technical measures and uplifted our people's knowledge and capabilities to address this, it is equally important that our customers treat their personal information and security credentials seriously. We all have a role to play in protecting against fraudulent behaviour.

To help our customers protect themselves, we keep them updated on the latest scams and have developed publicly available resources. We have also joined the industry-wide Fraud Reporting Exchange (**FRX**) which will help banks prevent scams and recover maximum funds when customers have paid scammers.

FRX facilitates the quick reporting of fraudulent payments enroute or transferred to another bank, which will disrupt fraudsters and scammers by allowing the reporting of scam payments in close to real time, boosting the likelihood that funds can be frozen and returned to customers.

We have also:

- Mobilised the Fraud Reduction Program to address the increasing financial crime risk landscape;
- Updated our websites to heighten scam awareness and promote our annual Scam Awareness week;
- Sent emails to customers to educate them on how to identify scams and what to do if they receive suspicious emails or texts;
- Uplifted knowledge internally to ensure our front-line staff know what red flags to look for and how to help customers to respond; and
- Continued to strengthen our Anti-Money Laundering and Counter Terrorism Financing Policy and Sanctions Policy.

## Engaging ethically

We are continually strengthening our financial crime practices, processes and systems to keep abreast of the increasing threat landscape. There has also been significant change across industry with regulatory reform in the anti-bribery and corruption, anti-money laundering and counter terrorism financing areas, including the recent establishment of the National Anti-Corruption Commission (**NACC**).

In anticipation of the introduction of the NACC, we have updated key policies to reflect changing compliance requirements, including our Conflicts of Interest Policy, Gifts and Entertainment Policy and Whistleblower Policy. We have also enhanced our Anti-bribery and Corruption Policy to reflect our approach to political engagement.



# Data privacy and security



## 2023 Highlights



Participated in the ABA's response to the Attorney General Department's Privacy Act Review Report 2022



Targeted capability uplift for our people

throughout the year focusing on Cyber Awareness Week, Scam Awareness Week and Privacy Awareness Week



Participated in the Australian Retail Credit Association's submission

to the Office of the Australian Information Commissioner's consultation on the Independent Review of the Privacy Act (Credit Reporting)



Providing a highly secure banking experience

through mobile device security and the addition of biometric security features for Bendigo Bank e-banking customers

## Data privacy and security

We appreciate that the success of our business is largely dependent upon a relationship of trust being established and maintained with past, current and prospective customers, shareholders and other individuals with whom we conduct business. We continue to collect and manage personal information with a high degree of diligence and care.

We are committed to ensuring the continued integrity and security of personal information we collect. The privacy, safety and security of our customers and their data is of the utmost importance to us.

This year, across geographies and sectors, we have seen an increase in cyber security threats and fraudulent behaviour. While no one is immune, we recognise there are steps we can all take to mitigate risk.

Our response is multi-faceted and includes upgrading technology, consideration of how we train and educate our people and stakeholders, and constantly working to improve our risk culture, controls and governance processes across our business.

### Prioritising privacy to protect customer data

In the day-to-day running of our business, we collect and store customers' personal information. As a Bank we are committed to safeguarding this information and have the responsibility to do so under the Privacy Act. We do this by:

- Providing mandatory privacy training for all staff, both during onboarding and annually;
- Participating annually in the Office of the Australian Information Commissioner's (**OAIC**) Privacy Awareness Week. This year's theme was 'Back to Basics';
- Publishing our Privacy Policy and other associated policies and documents on all our websites;

- Complying with our obligations under the Australian Privacy Principles;
- Continually improving data literacy across the organisation;
- Embedding data ownership responsibilities across the Bank, which includes data protection and handling;
- Ensuring that our data and information is appropriately classified; and
- Conducting regular audits to ensure that only required staff have access to sensitive data.



## Preventing cyber security risks

Our holistic threat and risk-based strategy to cyber security is focused on building and maintaining a strong culture that supports our people to continuously enhance our governance, processes, controls and technology. This approach is critical to:

- Protecting customer data;
- Delivering safe and secure services to our customers and communities;
- Meeting our regulatory and legal obligations; and
- Supporting organisational transformation and change.

A strong emphasis is placed on the culture and people aspects of cyber security, driven through our embedded cyber security education and awareness program. This enterprise-wide program encompasses a variety of formal and informal activities for our workforce, including mandatory training, a phishing drill program, learning and education sessions and regular communication on cyber security topics through internal and external communication channels. We also hold targeted campaigns across the organisation for Cyber Awareness Week, Scam Awareness Week and Privacy Awareness Week throughout the year.

We invest in technology to support our cyber security strategy and we continue to implement new security and identity management technologies as part of our broader digital transformation. This reduces the likelihood of customer fraud and identity theft. As well as uplift the trust our stakeholders place in our digital engagements and streamline customer access.

Using these new technologies, coupled with secure digital engagement systems, we leverage modern authentication techniques to bring a best-of-breed, yet familiar and trusted experience for our customers:

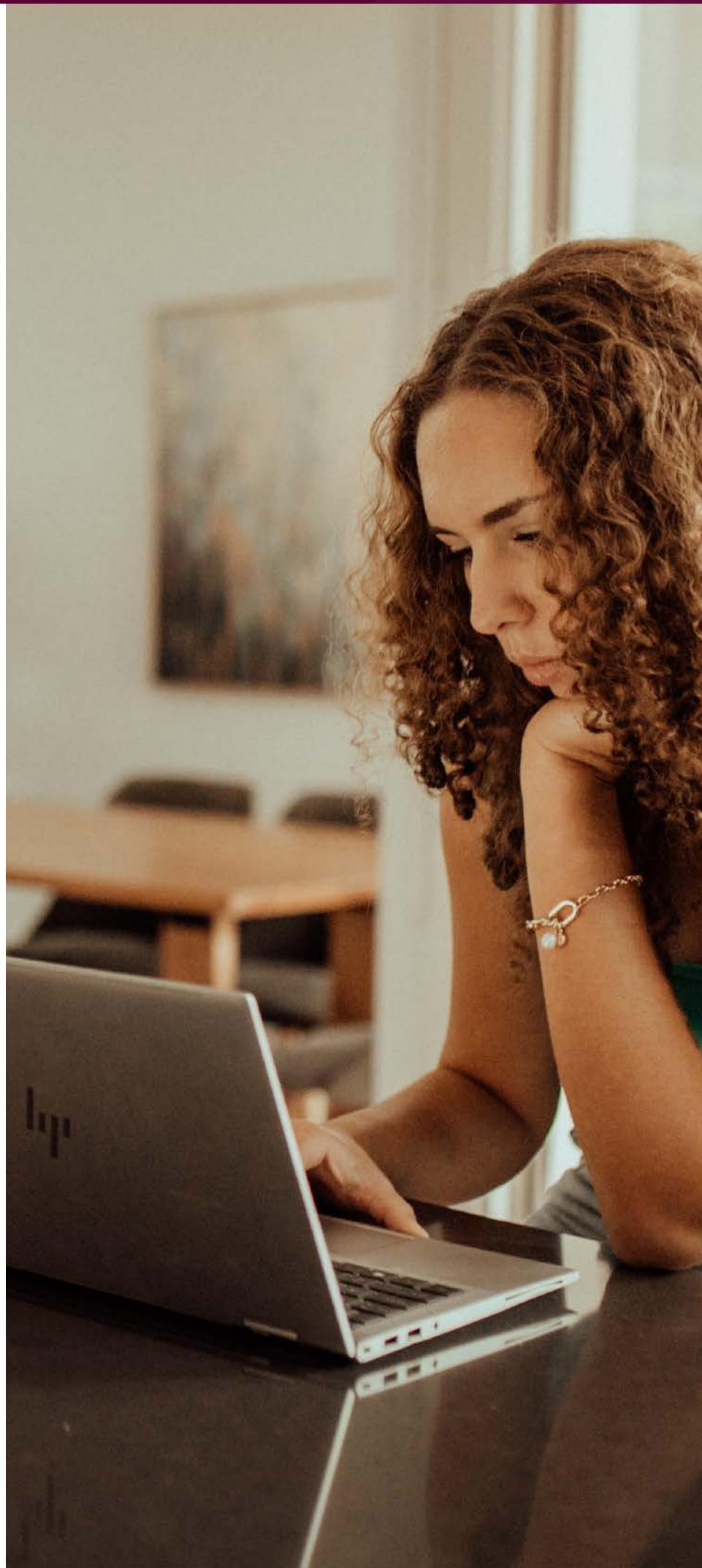
- We are taking advantage of mobile device security and biometric features to provide a highly secure and straightforward banking experience. Biometric features have been made available to all Bendigo Bank e-banking customers and this will be rolled out to the rest of our brands over the coming year; and
- We are using smarter and simpler multi-factor authentication to protect trust among our customers.

## Data governance and integrity

Our Group Data Office has advanced a program of work to help drive greater understanding of data integrity and establish greater accountability across the organisation for the management of critical data.

In the past 12 months, this has included the establishment of a holistic data management framework, with an uplift in policies and standards, and clarity around roles and responsibilities in relation to data. Data governance technology platforms have also been implemented, to manage and monitor our data definitions, ownership, lineage and quality.

The Group Data Office is integral to our ability to make data driven decisions by enabling business teams to have strong data foundations and improving data literacy and skills.



# Maintaining a strong culture



Bendigo and Adelaide Bank  
team members at a BEN Live  
event in Adelaide SA

Photo Credit: Eleisa Hancock

## Maintaining a strong culture

In order to retain our social licence to operate, we need to maintain our strong culture – one that is values-driven and risk-orientated. Our culture ensures our people and stakeholders are united by their shared attitudes, values and behaviours.

Empowered people create empowered communities. We consistently promote teamwork, integrity, performance, engagement, leadership and passion. We pride ourselves on our commitment to conduct business ethically and to the highest possible standard. We believe diversity in experience, mindset and background inspires our best ideas, helps us challenge the status quo and to identify better ways of working.

By embedding an aligned culture at every level of the organisation and throughout our value chain, we will be able to deliver on our vision to be Australia's bank of choice by feeding into prosperity, not off it.

## Continually uplifting our risk management

We are in the business of risk, so managing risk is everyone's business. We help manage risks on behalf of our customers. As we grow, it is important we continue to invest and deliver increasingly mature risk management practices. We know that this is critical to making us a better bank and continuing to maintain and grow the trust of our stakeholders.

To do this we will be vigilant, confident and prepared to identify, raise and respond to risks and issues when they arise to protect and meet the needs of our customers, regulators, all other stakeholders and our Bank.

We will continue to improve and embed our risk frameworks and practices to be a better, stronger bank by proactively investing in the enhancement of our risk capability across our people, governance, risk and compliance and data.

This year our focus has been on revisiting our risk foundations, and ensuring they set us up for a successful future.

## Strengthening our three lines of defence model

Our three lines of defence model separates the duties we perform to help us deliver safe and compliant products and services to our customers. The model applies the principle that we "aren't the only ones to review our work. We will always have a second and sometimes a third set of eyes involved. This year, we further refined this model by updating our definition of the three lines of defence and raised the capability of our people through learning and development to better understand the role they play.

## Process improvement and efficiency

This year we released a new Process Architecture Framework and Standard, which provide guidance for process mapping. This will help us improve the ways that we work to support our obligations when it comes to managing risk and to make our processes more efficient.

## Clearer roles, responsibilities and accountability

We have updated our Banking Executive Authority Regime (**BEAR**) accountability statements and introduced new responsibility statements to make it clear where responsibility has been delegated. Similarly, we are undertaking work to make our risk appetite more accessible to the whole organisation so our people have a clear understanding of what is expected of them.

This year we established the Sustainability Council, which is chaired by the Head of ESG & Sustainability and is comprised of senior leaders from across the business. Its purpose is to strategically examine and guide the management of ESG risks and opportunities across the Bank and build the ESG capability of our people.

Ryan Brosnahan (Chief Transformation Officer) along with other Board and Executives and Djaara Elders at Leanganook on Dja Dja Wurrung land participated in a smoking ceremony as part of a cultural immersion experience





## Bringing our people together

We take a strategic approach to empowering, informing and engaging our people, supporting our leaders and developing capabilities. We believe our people know their own customers and communities the best, so they are best placed to understand what's important.

We engage across brands, geographies and divisions to energise one another. There are times when we have serious and important content to communicate, and times when we welcome the opportunity to have fun. We share our big wins, our little wins and where we have tried and learned along the way. Using internal platforms and channels we bring to life the stories of our people, customers and communities through virtual and in-person events; learning and immersion sessions; leadership forums; Executive roadshows; working groups; employee networks; morning and afternoon teas; social media interactions; news updates; podcasts; and newsletters.

## Uplifting our people capabilities

We are committed to our people's career growth, which means supporting them with the right culture, capabilities, skills and learning opportunities to help them succeed. We provide our people with learning and development opportunities to help them have the skills required for today and be ready for the changing demands of tomorrow.

Learning happens in many different ways, every day: through practice, people and programs. Some learning is mandatory and must be completed on a regular basis as part of our commitment to compliance, and we also encourage our people to participate in formal and informal learning that is of interest to them and helps them grow their careers.

BEN U is our own fresh approach to a corporate university, putting our people front and centre of their development. It has adopted the philosophy of 'learn every day' recognising that learning is often in the moment and occurs best in the flow of work.

BEN U provides access to learning and development that may be role specific, keeps our bank safe, builds our leaders and prepares for the essential capabilities for the future. It has a range of channels to enable learning including:

- Virtual classrooms;
- A learning experience platform; and
- Deep immersive events.

These allow us to reach all employees across our network to enable individuals and their leaders to engage in their development in a way that suits them.

myBEN U, our learning experience platform, is the 'front door' to learning and continues to exceed expectations in terms of learning activity and reach. It will continue to enable organisational performance through focusing on the people capabilities that are differentiating, enduring and strategically important.

## Belonging at BEN

We want our people to bring their whole selves to work and to be proud of what makes them unique. We believe that by doing this, our customers and communities will also feel welcome, respected and valued.

This year, we embarked on our new three-year strategy to enhance diversity and inclusion for our people, customers, and communities. Each of us has a role to play and by focusing on diversity and inclusion we are creating positive change by:

- Being more commercial and service orientated;
- Anticipating and adjusting to changing community sentiment;
- Meeting stakeholder expectations, including investors; and
- Attracting and retaining great employees.

Belonging at BEN – Bendigo and Adelaide Bank’s Diversity and Inclusion Strategy					
Strategic pillars					
<b>Workforce Diversity</b> A workforce that is diverse and representative of the communities we operate in across level and function.	<b>Leadership Capability &amp; Commitment</b> Our leaders are change agents and champions with responsibilities for achievement of our D&I goals.	<b>Inclusive Workplace &amp; Culture</b> Our employees are safe and well, supported and connected, empowered to contribute fully to work practices and rewarded fairly for their contributions.	<b>Customers</b> We leverage different perspectives, ideas skills and experiences to improve our products, attract new customers and enhance the customer experience.	<b>Community</b> We extend our diversity efforts outwards to support the employment and wellbeing of marginalised groups in the communities we operate in.	<b>Governance &amp; Progress</b> Our diversity and inclusion efforts result in measurable change and meet internal and external governance expectations.
Priority dimensions					
Progress the implementation of existing action plans for priority dimensions housed under the overarching Belonging at BEN strategy.					
Measurable objectives					
<b>Gender</b> Gender Diversity (40:40:20) at every level of the organisation.	<b>Workforce representation</b> Set baseline demographic metrics and aim for growth.		<b>Inclusion</b> Set baseline and aim for growth.		

## Inclusive workplace and culture

Diversity of experience, mindset and background inspires our best ideas, helps us to challenge the status quo and to identify better ways of working. In a dynamic operating environment, diversity makes a difference.

We are continuing to build a culture where our employees – no matter who they are or how they identify – are safe, supported, connected and empowered to bring their whole selves to work and to contribute to making Bendigo and Adelaide Bank the bank of choice.

## Understanding who we are

Our first in-house demographic survey was launched in November 2022 to measure and understand the diversity of our workforce, establish a baseline and compare findings to national benchmarks. The results will play a key role in delivering our Belonging at BEN Strategy, our Measurable Objectives and how we engage with our people. All of our people were invited to participate in the voluntary survey with a participation rate of 45%.

## Senior leaders leading the way

Our leaders are change agents within our organisation and they champion inclusion through their day-to-day actions. Our leadership and action set the tone, and over the past twelve months, a number of our Executive leadership team have been actively championing priority dimensions of the Belonging at BEN Strategy.

Each Executive plays an active role in the championing, education, awareness raising and driving change required in their priority dimension. Our Senior Leaders are also playing an active role in chairing and sponsoring our Employee Network Groups, acting as allies and raising awareness.

Our people are passionate about inclusion and our Employee Network Groups play an important role in driving an inclusive culture and delivering on our Belonging at BEN strategy. They are voluntary, employee-led groups that bring together team members who share an interest in a specific dimension of diversity. We have a range of Employee Network Groups, including:

- BEN Pride – our network for LGBTIQ+ employees and their allies.
- Women in Business – our forum dedicated to driving gender equality.
- BEN Ability – our access and inclusion network.

This year, we introduced a new network – Mob at BEN for our Aboriginal and Torres Strait Islander employees.

## Building respect and understanding with Aboriginal and Torres Strait Islander communities

As an Australian company with a long-standing history, we recognise that we have an important role to play in reconciliation. We will drive delivery of the RAP by focusing on promoting and practicing respect, building relationships and investing in development opportunities with and for Aboriginal and Torres Strait Islander employees, customers and communities.

Our most recent opt-in demographic survey conducted this year, found that employees identifying as Aboriginal and/or Torres Strait Islander increased from 0.6% in 2022 to 1.3% in 2023 which brings the Bank closer to the Australian workforce average of 1.7%.

Our Executive and Board recently participated in cultural immersion sessions to “walk on country” and engage with Aboriginal cultures in the local regions of Bendigo, Victoria and Adelaide, South Australia. The Dja Dja Wurrung cultural immersion experience connected our leaders to a deep sense of understanding and respect for the land, its people and cultural traditions.

## Working towards a more accessible workforce

This year we announced our participation in **Recruitable**, an Australian Government funded \$2.43 million pilot program to reduce the employment gap for people with disability.

The program changes attitudes to hiring people with disability and makes the process easier and inclusive for all. The program is a partnership with Get Skilled Access, Randstad and La Trobe University. To date, we have:

- Conducted education sessions with key senior decision makers, including Senior Leaders, Recruitment, Work Health and Safety and Hiring Managers;

- Undertaken a review of our recruitment practices – assessing the recruitment pipeline and process for candidates with disability. Recommendations from this review will be used to improve our approach; and
- Hired two full time employees using the program framework.

As a result of our improved response, we ranked 13th out of the 33 participating organisations for 2022 in the Australian Network on Disability's **Access and Inclusion Index (Index)** – a considerable improvement on our 2020 results (increase of 3 points).

While our focus on accessibility is heading in the right direction, we acknowledge that there is more work to do. The findings of the Index and internal engagement with our people are informing our next Access and Inclusion Plan which is scheduled to be released in late 2023. Our current plan is available on our website.

## AWEI Bronze status

We achieved Bronze tier status through the **Australian Workplace Equality Index (AWEI)**, an initiative by Pride in Diversity. Pride in Diversity rigorously evaluates practices at Australia's top organisations with the index regarded as the national benchmark on LGBTIQ+ workplace inclusion.

2023 marks the first year that we have been recognised with Bronze status.

This recognition is the culmination of more than a year of work from the BEN Pride Committee, our Diversity and Inclusion team and our Pride Network across the Bank and underscores the importance the organisation places on creating a safe, inclusive and empowering environment for our LGBTIQ+ people, customers, partners and communities.

## A focus on targets and commitments

As an ongoing commitment to gender equality, we signed up to the HESTA 40:40 Vision in 2022. We have pledged to achieve gender balance of 40 per cent identifying as women, 40 per cent identifying as men and 20 per cent any gender in our Executive leadership by 2030.

To achieve this, we have set the following interim targets:

- 2024 Target: 50% female representation in the Senior Leader Talent Development Cohort; and
- 2027 Target: 50% female representation on the Critical Role Register (ready now and future ready).<sup>1</sup>

The interim targets reflect a focus on building a strong female pipeline for our Executive roles by growing our talent pipeline and representation across roles that are determined as critical for business continuity.

The HESTA targets work alongside our Measurable Objectives, which were developed to measure the progress of the Belonging at BEN Strategy and have been approved by the Board.

For the first time, our Measurable Objectives extend beyond gender to also focus on Workforce Representation and Inclusion.

Further information on our progress can be found in the Bendigo and Adelaide Bank Corporate Governance Statement.

### Measurable Objectives

Focus	Measurable Objective	Cohort	2023 Performance (Female %)	2022 Performance (Female %)
<b>Gender</b>	Gender diversity (determined as 40:40:20) at every level of the organisation by 2025	Board	44.4% <sup>2</sup>	50% <sup>3</sup>
		Executive (KMP)	14%	16.7%
		Other Executive and General Managers	37%	33.7%
		Senior Leaders	42%	38.2%
		All Senior Leaders (Other Executive, General Managers, Senior Leaders)	41%	37.4%
		Middle and Frontline Leaders (Other Leaders)	55%	52.6%
		All Leaders (includes Executive, Other Executive, General Managers, Senior Leaders and Middle and Frontline Leaders)	49%	46.1%
<b>Workforce Representation</b>	Set baseline demographic metrics and aim for growth	All Employees (excluding leaders) including Professional, Sales, Clerical and Administration	63%	63.7%
		All Employees (including leaders)	60.0%	60.2%
<b>Inclusion</b>	Set baseline and aim for growth	—	Baseline set	—
		—	Baseline set SPARK survey - inclusion score: 83% <sup>4</sup>	—

1. Acknowledging the specific number of roles available, the Bank aims to achieve the above target for at least 80% of roles.

2. Margaret Payn will join the Board in September 2023 and Jim Hazel will retire in October 2023. Once these changes come into effect, female % on the Board is expected to increase to 55.6%.

3. 2022 Board figure does not include the Managing Director. The 2023 figure does.

4. The inclusion score is based on the four factors of inclusion – Respect, Belonging, Empowering and Fair Progression. The score is calculated using SPARK survey responses to questions categorised within those four factors. The Bank's SPARK survey is completed by our people to measure and provide insights on the employee experience.

## Gender pay at the Bank

We are committed to ensuring that remuneration (including base pay and benefits) is structured and applied in a fair way, embodying the remuneration principles outlined in the Group's Remuneration Policy. Striving for fair remuneration requires an understanding of our gender pay gap and we focus on ensuring that people in like roles with similar levels of experience are paid fairly.

The Bank has a proud history of employing Australians in regional and rural areas. We have a higher proportion of females employed in regional areas throughout our Australia-wide network in customer service roles, which contributes to economic participation and growth for those individuals and communities. This regional footprint is also one of the factors which impacts our gender pay gap.

The Workplace Gender Equality Agency (WGEA) gender pay gap is the difference between the average earnings for men and women, expressed as a percentage of men's average earnings. WGEA calculates the gender pay gap<sup>1</sup> by:

- Using total remuneration, including superannuation, overtime, bonuses and other additional payments; and
- It includes full-time, part-time and casual employees (converted into annualised full time equivalent earnings).

## Our current pay gap

Through annual reporting to WGEA, our WGEA gender pay gap is reported as 23.3%<sup>2</sup>. This is a 0.5% improvement from 2022.

In 2023 we undertook detailed analysis, supported by external experts to understand what is driving the gender pay gap across key cohorts. Through this review, it was found that in addition to our regional footprint, our workforce composition and gender distribution are key drivers of the gender pay gap.

We have a large retail network with a majority of customer-facing roles performed by women who are paid in accordance with Bendigo and Adelaide Bank Enterprise Agreement. Senior roles and/or specialised roles at higher salary levels tend to have higher male representation and work to address this is underway through our focus on and commitment to 40:40:20 gender representation.

We recognise that the gender pay gap is complex and there is more work to be done. We will now use the findings and recommendations from the external review to form a strategy to address the gender pay gap. Our first priority is on communicating with and educating our people to understand the complexities associated with the gap, which will help inform how it is addressed.

## Responsible remuneration

For the 2023 performance year we introduced a new reward framework which creates a stronger link between the reward outcomes and the impact we deliver for all our stakeholders.

The reward framework supports the delivery of our strategy through the attraction, motivation and retention of talented people. The framework is aligned to our strategy of reducing complexity, investing in capability and telling our story, and focuses on customer connection and investment in the community.

Our approach recognises that when people make a meaningful impact, it is rewarded. Likewise, when standards fall short or individuals' actions do not align with our values, there are appropriate consequences.

The short-term incentive plan in which Executives and some Senior Leaders participate has an equal weighting between financial and non-financial measures.

The non-financial measures are grouped in five key categories:

- **Customer** – making sure we meet our customer expectations in terms of responsiveness, ease of engagement and satisfaction.
- **Community** – growing our impact in the community through supporting our Community Bank partners and their growth.
- **People** – enabling an engaged and diverse workforce.
- **Planet** – delivering our Climate Change Action Plan and progressing on our journey to net zero.
- **Risk** – building the capability and culture that will allow us to thrive and grow.

Financial measures focus on delivering long-term sustainable growth. Our long-term incentive plan now includes an added Reputation Measure (RepTrak) to ensure we continue to meet community expectations.

With all these changes we have retained our long-held principles regarding remuneration, including:

- We do not have any employee incentives that are directly linked to products and the achievement of sales targets; and
- We weight remuneration towards base pay which aligns to our culture and reduces the risk of poor culture and misconduct.

In 2024 we will continue to embed our approach to performance, reward and recognition, by ensuring our frameworks drive a culture of performance and accountability.

1. Gender pay gap is calculated using this formula:  $\text{Gender pay gap} = \frac{(\text{Average remuneration of men} - \text{average remuneration of women})}{\text{Average remuneration of men}} \times 100$

2. Data based on WGEA Compliance Reporting guidance. Data at 1 March 2023.

## Health, safety and wellbeing

We deeply value our people's health and wellbeing. Work Health and Safety (**WHS**) is critical to the operation and success of our business. We are committed to providing safe and healthy workplaces for all our customers, people and visitors.

This commitment means taking all reasonably practicable steps to ensure the health and safety of people involved with our business.

In June 2023, after extensive review and consultation, we introduced Sonder, a confidential wellbeing program to support our people on medical, safety, or mental health needs. Available online, by phone or in person, Sonder provides medical support, safety support, assistance managing stress, anxiety, burnout and fatigue, family and relationship support, mental health support, financial support and support if travelling remotely.

We are proactively working to further improve our education, policies and processes to support a culture and workplace free from bullying, discrimination and harassment. We ensure that our people are aware of our conduct and behavioural expectations via our Code of Conduct and through a range of communications, information and training sessions.

Our Wellbeing@BEN calendar supplements the support we provide. We continue to enhance our offerings and make them available to our Community Bank partners.

Lead and lag indicators help us measure and understand our safety performance. Lag indicators measure our response to incidents that have already happened and lead indicators provide us with early warning signals of potential safety risks. We continue to monitor safety performance through these to the Board quarterly.

Lead indicators <sup>1</sup>	Lag indicators <sup>2</sup>
<p>This year, we enhanced the scope of our lead indicator reporting to include additional assurance around WHS training.</p> <p>All lead indicators were performed to the expected standard.</p>	<p>The Lost Time Injury Frequency Indicator (<b>LTIFR</b>)<sup>3</sup> increased to 1 for 2023, due to an increase in the number of accepted time lost claims.</p>

1. Lead indicators relate to WHS training and induction modules, Executive commitment, WHS consultation.
2. Lag indicators relate to WHS incidents reported within 24 hours, and WHS incidents managed within 48 hours performed to the expected standard.
3. LTIFR is a measure of the frequency at which accepted lost time claims are submitted by an organisation. LTIFR is not an indicator of the severity of a claim nor an indicator of the length of time that is lost.

## Governance culture

We continue to ensure that our decision making is risk based and responsible, drawing on deep industry-specific knowledge. Our operations are underpinned by robust governance and our Bank-wide compliance management system protects our people and stakeholders.

We maintain an ethical culture of integrity, transparency and accountability through the obligations outlined in our Code of Conduct (**Code**). The Code is a charter designed to ensure our people are fully aware of their obligations as employees, to their colleagues, our customers, partners and communities. It is supported by specific and detailed policies, procedures and frameworks. We work to strengthen our processes around compliance, risk and audit, and industry guidelines on an ongoing basis.

Our foundation for good governance comes from our policies, systems, risk management and leadership. While there are a number of regulatory requirements we must follow as part of being a financial services provider and ASX listed company, there are also numerous voluntary codes we subscribe to.

Key codes and guidelines we adhere to include, but are not limited to:

- AusPayNet's Frameworks;
- ABA Banking Code of Practice (**BCoP**);
- Australian Financial Markets Association's (**AFMA**) Code of Conduct;
- Australian Securities and Investments Commission's (**ASIC**) ePayments Code;
- Business Council of Australia's (**BCA**) Australian Supplier Payment Code;
- Financial Services Council's Standards;
- Insurance in Superannuation Voluntary Code of Practice;
- Payment Card Industry Data Security Standard (**PCI DSS**);
- Services Australia and the Department of Veterans' Affairs' – Code of Operation;
- Standards Australia – International Organisation for Standardisation;
- State and Territory Family Law Guidelines; and
- Web Content Accessibility Guidelines (**WCAG**).



## Uplifting governance capability

Whilst policies, systems and leadership are integral to build the foundation of good governance, it is our people who live these principles in all aspects of their day-to-day work. As such, education is a core part of our governance strategy. We have a suite of mandatory online learning that our people are required to complete to a satisfactory level on an ongoing basis. This helps ensure our people are aware of their responsibilities, how they contribute to good governance and the tools available to speak up and ensure they feel safe in doing so.

This year we have made improvements to our compliance monitoring core capabilities, tools and processes. Our improved Compliance Monitoring Process has strengthened how we develop our people's capabilities, focus on the key risks and reach better compliance outcomes.

## Managing our supply chain

We continue to partner with suppliers to ensure stakeholder value is maximised on a sustainable basis. Our focus is on understanding how environmental, social and governance risks may impact supplier business operations and working together to address potential issues.

We engage with critical suppliers on an ongoing basis to ensure preparedness to meet potential disruptions to their business operations. With the focus on supply chain management remaining at the forefront of our purchasing decisions we can ensure we deliver value for money, solution-fit, sustainability and innovation for the Bank. As we continue to improve how we procure goods and services, we are partnering with our current suppliers and other market leading organisations to create a more sustainable footprint through our supply chain.

## Procuring for social benefit

In April 2023, we completed a review of our Social Impact Procurement Strategy. It underpins and guides our efforts to enhance supplier diversity and inclusion – we believe that supporting diverse suppliers creates positive social and economic impacts in communities across the country.

This year, we have worked with our suppliers to foster the inclusion of social suppliers in their supply chains. We have also actively engaged with suppliers who already support social suppliers to consider adding them to our value chain. Facilitated by our recently implemented Source to Pay tool, Coupa, we can improve our supplier onboarding on governance activities including more robust contract management capabilities, whilst highlighting social suppliers to our internal stakeholders to help them procure more consciously.

## Building long-lasting relationships

We work to encourage ongoing and meaningful engagements with suppliers. Our partnerships with Social Traders and Supply Nation help us execute our supplier strategy.

This year, we hosted workshops with Social Traders and Supply Nation to create more opportunities for social suppliers in our supply chain. Some highlights this year include:

- Adding an Indigenous-owned dealership, to our fleet services category. We worked closely with our fleet management services provider, LeasePlan, to have the dealership added to our panel. We now order vehicles from those dealerships and to date have ordered six vehicles from them. This is a meaningful contract as it shows how business can influence suppliers to procure from socially responsible businesses;
- Our asset buyback services are now supplied by an Indigenous IT business;
- Adding Social Enterprise Group, a Social Traders certified business, to our panel of print suppliers; and
- Adding Position Promo, a Supply Nation certified business to our panel of promotional item suppliers. They supply our brands with a range of promotional items, printed our Reflect RAPs and some promotional items for our RAP launch.

In light of our strong social spend performance in 2022, we reviewed our 2023 targets, increasing targets where appropriate. Updated targets are reflected below:

Social Impact Procurement Strategy 2023 targets	Target	2022 Performance
Increase spend with Social Suppliers <sup>1</sup>	\$2.0 million	\$4.1 million
Increase number of Social Suppliers	30	35
Attend/host forums (in-person or virtual) on Social Procurement	10	12

1. The Bank uses recognised sources including the B-Corp, Social Traders, Supply Nation and Kinaway business directories to define the suppliers included as Social Suppliers. These sources may expand over time as other recognised sources become available to us.

## Making timely payments

We understand the importance of revenue streams for businesses, particularly for small businesses and we take responsibility to pay our suppliers in a timely manner.

This year, 92.3% of our small business suppliers were paid within 30 days. Whilst this result is on par with the previous reporting period (93.2%), we are continuously striving to maintain and improve our timely payment performance.

We submit reports on our payment terms and practices to the mandated Australian Government's Payment Times Reporting Portal (PTRS). This PTRS Framework has also helped us improve our payment procedure. After noticing a slight increase in payment times made over 30 days, we updated our Supplier Payment Policy based on the PTRS framework, committing to internally investigate invoices paid over 30 days to ensure timely payments to small businesses.



## Modern slavery

We understand that modern slavery can occur in many forms and encompasses eight types of serious exploitation including trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour. Child labour includes situations where children are subjected to slavery or similar practices, or engaged in hazardous work, such as forced labour, child labour, domestic servitude, sex trafficking, and human trafficking. We also note that Asia Pacific is the highest risk region globally for Modern Slavery occurrence. We acknowledge that modern slavery is about risk to people.

We use the guidelines set out in the UN Guiding Principles on Business and Human Rights (**UNGPs**), which identify that companies may adversely impact human rights either through their own activities or as a result of their business relationships.

Our approach to reducing the risk of modern slavery within our operations is guided by our Group Anti-slavery and Human Trafficking Policy. This policy outlines our commitment and process for managing the impacts of our business activities and operations and the governance and oversight in place to support these commitments. It is supported by our Modern Slavery Statement (released annually) and our

Code of Conduct and Supplier Code of Conduct. Following the release of our Supplier Code of Conduct last year, we have communicated it with 127 of our high-risk suppliers. We work with supply chain transparency experts, FRDM, to ensure we fully examine our supply arrangements and identify modern slavery risks.

The 2022 Monash University *Modern Slavery Disclosure Quality Ratings ASX 100 Companies Update 2022* report identified that our Modern Slavery Statement significantly improved from previous years. We scored a B (improved from a score of E previously).



## Speaking up

Ensuring our people feel safe at work is critical. Key to this is ensuring we have mechanisms in place for our people to raise concerns.

Our Speaking Up Program, which includes the operation of our Whistleblower Policies, addresses this. This Program supports a culture of integrity and ethical behaviour and provides employees and stakeholders with clear channels to raise concerns. The Group Whistleblower Policy and the Community Bank Whistleblower Policy set out clear processes and the protections available for those who want to raise a concern regarding suspected misconduct (reportable conduct). Suspected misconduct covers a range of issues including an activity, conduct or state of affairs that is illegal, unethical or improper, or is a significant breach of the Code of Conduct or another Bank policy.

To ensure this Program is understood by our people, we provide them with:

- A biannual online training program on the Speaking Up Program and the Whistleblower Policy;
- Specialised intranet pages covering information on topics such as conduct, respect and bullying in the workplace and a focus on challenging the status quo;
- Internal resources providing information on why it is important to raise concerns, links to our externally managed anonymous concerns reporting service and answers to frequently asked questions; and
- Frequent internal communication on the importance of contributing to a safe, respectful and positive work environment, and the avenues they can use to raise any concerns they have.

Our external independent whistleblower service has reported a decrease in concerns raised since last year. The concerns over the past year include potential conflicts of interest, compliance with policies, bullying and harassment and workplace health and safety.

Whistleblower case by type	2023	2022	2021
Bullying and harassment	6	2	2
Concerns regarding competence	0	0	2
Conflict of interest	3	3	0
Discrimination	0	0	2
Employment terms and condition	0	2	0
Forgery / page substitution	0	0	1
Inappropriate conduct	0	1	7
Leadership	1	1	0
Lending	-	-	-
Other – money laundering	0	1	0
Other – no additional information	-	-	-
Policy compliance	6	2	5
Recruitment	0	2	1
Restructure	0	0	3
Sexual harassment	0	1	0
Workplace health and safety	1	2	1
Workplace conflict	0	1	0
<b>Total</b>	<b>17</b>	<b>18</b>	<b>24</b>

## Complying with the regulatory environment

This year we have uplifted our processes to better meet ASIC breach reporting expectations. We carefully considered *ASIC Report 740 Insights from the reportable situations regime: October 2021 to June 2022* and we are updating our governance risk and compliance systems and processes to enhance our ASIC breach reporting. We expect the enhanced system to be in place in early 2024.

# Supplement

## Contents

Climate-related Disclosure	73
Tax Transparency Disclosure	92
ESG Data Summary	95
Glossary	106



## Climate-related Disclosure

**Our purpose is to feed into the prosperity of our customers and communities, not off it. Responding to climate change is a real opportunity for us to realise this purpose and deliver on our strategy.**

We recognise the considerable climate-related risks and opportunities. These are present for our customers, communities, our people and other stakeholders as we navigate climate change and an economy in transition. We are well-positioned to support those stakeholders to prepare for and adapt to the changing climate.

This year, we were proud to conclude the third and final year of our inaugural Climate Change Action Plan (Action Plan). The last twelve months saw several key achievements including:

- A 13% reduction in Scope 1 and Scope 2 emissions (location-based).<sup>1</sup>
- Improved clarity, alignment, and accountability in delivering our climate strategy across the business. This includes:
  - Embedding climate metrics in our Executive Reward Framework;
  - A new emissions target; and
  - The use of our Climate Change Policy Statement in customer decisions.
- Improved risk management with new climate risk metrics, new risk appetite settings and policy updates;
- Climate risk assessment of material suppliers, identification and initial engagement with our top 25 largest lending customers in our Business Banking and Agribusiness portfolio; and
- Eligibility review of our Green Personal Loans.

Between 2021-2023 we delivered nearly 90% of the actions in the Action Plan. We have reduced our Scope 1 and 2 emissions by 46% (market-based) since 2020, maintained our carbon neutral status, became an active member in a suite of climate-related collaborative forums and improved our climate-related risk management and governance. Critically, the Action Plan saw us introduce BENZero – our net zero approach – as well as our first climate-related reporting based on the Task Force on Climate-related Financial Disclosures (**TCFD**) recommendations.

The Action Plan built the foundations for the next three years of our climate action approach. In the final months of 2023, we developed, validated and approved its next iteration, the Climate & Nature Action Plan 2024 – 2026 (**CNAP**).

The CNAP will enable us to grow as a trusted, regional climate leader and represents an uplift in maturity and improved integration since the introduction of the first Action Plan in 2021. The plans have set a prioritised approach to reducing financed emissions and better support our customers.

We're proud of our progress over the last three years and note the scale and opportunity of the transition underway and we reiterate our commitment to playing our part.



We have reduced our Scope 1 and 2 emissions by

**46%**  
**(market-based)**  
since 2020

1. The location-based method reflects the average emissions intensity of the electricity grids where the Bank's energy consumption occurs. It does not account for the Bank's deliberate procurement of renewable electricity.

## BENZero

BENZero is our plan to lead by example and reduce absolute emissions by 50% by 2030 and 95% by 2040 (from a 2020 baseline) across both our operational and financed emissions, whilst continuing to support our customers.

We recognise that our customers and communities are at different stages in the climate transition and we remain mindful of the broader environmental and social economic context. We are supportive of industry bodies and advocate for favourable policies that ensure our customers and communities can make this transition. To achieve these targets, we welcome and support government and industry initiatives to ensure our success.

Whilst the focus of BENZero is on climate change mitigation by reducing emissions, actions will be undertaken to support our customers and communities to adapt and respond to climate change, wherever they may be on their transition journey.

Our people will use their knowledge and actions to reduce our footprint and support our customers to do the same. We are therefore committed to educating our people, so they can help our communities.

In 2022 our financed emissions were calculated to 30 June 2020. The calculations are closely aligned to the Partnership for Carbon Accounting Financials (**PCAF**) methodology and reviewed by a third-party consultant against the Science Based Targets Initiative (**SBTi**) and PCAF.<sup>1</sup> Further detail on our financed emissions is available in the *Metrics & Targets* section of this disclosure, as well as BENZero and our Financed Emissions Methodology, available on our website.

## An ongoing commitment

Climate science and its implications are evolving, as are the standards and guidance we follow and the expectations of our stakeholders.

Our commitment, outlined in our Board-approved Climate Change Policy Statement has served to guide several decisions throughout the year. It has helped us examine customer and project financing and provide guidance around credit decisions for organisations which were auxiliary to the fossil fuel or native logging industries. In each instance our processes were effective in raising, monitoring and responding to the issue, with appropriate internal stakeholders engaged for input and governance procedures implemented to effectively manage.

We take a responsible and engagement driven approach to updating our commitments and policies on an ongoing basis.



**BENZero is our plan to lead by example and reduce absolute emissions**

1. Minor deviations from PCAF Calculation methodologies are documented in Bendigo and Adelaide Bank (BEN) Financed Emissions Methodology.

## BENZero Absolute Emissions Target

**50%**  
by 2030\*

**95%**  
by 2040\*

\* From a 2020 baseline

## Governance

Oversight and management of climate-related risks and opportunities are embedded within our governance structure. The structure consists of the Bank's Board and its Committees, as well as the Executive Committee. The Bank approves the Group's climate strategy and oversees its implementation by senior management.

In order to appropriately manage the risks and opportunities of a changing climate for our business, the following governance structure has been established:

<b>Bendigo and Adelaide Board</b> Oversight of our management of climate-related risks and opportunities through strategy, risk management and operations. The ultimate decision making and approval body for our ESG & Sustainability Business Plan, our Climate Change Action Plan and group-wide policy.				
Impact	Policy	Risk Management	Opportunities	Disclosure
Considers environmental and social impact of operations and activities	Approves the ESG Framework and associated policies	Approves the approach to managing ESG risks	Endorses ESG related opportunities from Executive	Approves ESG disclosures included across the reporting suite
<b>Board Audit Committee</b>		<b>Board Committees</b> When required, other Board Committees are engaged on climate related topics that are relevant to their respective charters:		
<ul style="list-style-type: none"> <li>Primary conduit to the Board for all Climate Change Action Plan matters and reporting.</li> <li>Monitors our climate change related risk and opportunities profile (including emerging risks and opportunities).</li> <li>Reviews and endorses climate related reports from management.</li> </ul>			<ul style="list-style-type: none"> <li>Board Financial Risk Committee.</li> <li>Board Risk Committee.</li> <li>Board People, Culture and Transformation Committee.</li> </ul>	
<b>Executive</b> The Executive Committee is accountable for implementing the Climate Change Action Plan and each Executive has specific accountabilities for delivering action. Overall, the Executive Committee has accountability and oversight of the governance, strategy and risk management activities across the business relating to climate change.				
<b>Internal climate-related forums</b> Responsible for implementing the Climate Change Action Plan and enabling the business to manage climate-related risks and opportunities.			<b>Additional advisory forums</b> Provide external advisory and stakeholder views to us on climate change and other material topics. <ul style="list-style-type: none"> <li>Community Bank National Council</li> <li>Agribusiness Advisory Committee</li> </ul>	
Climate Change Action Strategy Group (CCASG)	Sustainability Council	Relevant Management Committees	Sustainable Procurement Working Group <i>(formalised governance to be established in 2024)</i>	Agribusiness Climate & Nature Working Group

## Bendigo and Adelaide Bank Board

The Board of the Bank holds ultimate oversight of the management of climate-related risks and opportunities and how they are reflected in our strategy. It is the ultimate decision making and approval body for our ESG & Sustainability Business Plan, our CNAP and group-wide policy, all of which help us manage our climate considerations.

The Board Charter specifically outlines the Board's responsibility for climate including:

- Annual approval of our material topics (of which climate change is included);
- Annual approval of the Action Plan;
- Annual approval of the ESG and climate-related disclosures;
- Approval of our approach to managing ESG risks (including climate change, biodiversity and natural capital risks); and
- Approval of our risk appetite, including climate-related risk.

Climate-related considerations are not part of Board remuneration or incentives.

## Delegations on climate oversight

The Board is assisted by the Board Audit Committee in the oversight, consideration and approval of our ESG & Sustainability Business Plan which includes our strategic approach to climate change. The Board Audit Committee receives scheduled half yearly updates on progress against the Action Plan and the Board receives annual updates. Additionally, the Board Audit Committee conducts an assessment and makes a recommendation to the Group People, Culture and Transformation Committee on the performance against the climate-related criteria in the Executive Reward Framework.

Roles and responsibilities of other Board committees with respect to climate matters include:

- **Board Financial Risk Committee** reviews and monitors our approach to managing financial risks including those associated with climate change through physical risks and transition risks;
- **Board Risk Committee** assists the Board by providing oversight of our risk profile and risk management framework in relation to non-financial risks which includes climate-related impacts on our operational risk profile; and
- **Board People, Culture and Transformation Committee** is responsible for reviewing and recommending to the Board our Remuneration Framework and Remuneration Policy and for aligning Executive remuneration with strategic priorities, including in relation to climate matters. The performance measures for the 2023 Short Term Incentive reward for Executives include a 'People and Planet' category which contains climate-related measures aligned with the Climate Change Action Plan.

The Board is also supported by our Group Internal Audit function to review climate related data and processes in accordance with the Bank's Strategic Audit Plan.

The Board has maintained continued oversight of our approach to climate change throughout the reporting year. This includes:

- Monitoring the delivery of the third and final year of the Action Plan;
- Reviewing and approving the CNAP;
- Approving the updated ESG & Sustainability Business Plan, which identifies addressing climate change as a strategic opportunity for us. The Business Plan has evolved from the previous ESG Framework; and
- Reviewing and approving updates to climate risk measurement and management as noted in the Risk Management section.

## Climate expertise and capability

Our Board drives the long-term stewardship of the Bank. To support this, it is important that the Board has the capability to oversee our approach to managing climate-related risks and opportunities.

Our Directors are required to have deep experience across multiple skills identified in the Board Skills Matrix. Within the Matrix, climate-related expertise is captured within the Social and Environmental skill (please see our *2023 Corporate Governance Statement* for further detail). The Matrix supports the Board to self-assess and review its collective skills and expertise to ensure the composition of the Board meets our needs. Five Directors have been assessed as having high competency, knowledge and experience in the Social and Environmental skill.

An external review was undertaken by an independent consultant in 2022 as a supplementary exercise to support the annual skills self-assessment process. Both the internal and external Board review confirmed that our Board collectively possesses an appropriate standard of expertise across all required skill matrix themes.

## Bendigo and Adelaide Bank Management

The Board delegates the responsibility of assessing and managing climate risks and opportunities to the Bank's Executive Committee.

The Executive Committee is accountable for implementing the Action Plan and each Executive has specific accountability for delivering actions relevant to them. Overall, the Executive Committee has accountability and oversight of the governance, strategy and risk management activities across the business relating to climate change.

## Delegations on climate management

The delivery of the Action Plan requires organisation-wide collaboration and effort. The Executive Committee manages connected teams across the Bank, including:

- **ESG & Sustainability** - climate subject matter experts accountable for the development and delivery of climate strategy, governance and performance across the Bank;
- **Group Risk** - specialised in climate scenario analysis, credit risk and risk governance;
- **Business Banking and Agribusiness Banking** – relationship and data owners, engaged in the climate risks and opportunities facing customers and providing input into Bank decisions;
- **Products & Analysis** – product and pricing development, including our Green Personal Loans;
- **Consumer Banking** - relationship and data owners, engaged in the climate risks and opportunities facing consumer customers and providing input into Bank decisions;
- **People & Culture** – facilitate delivery of climate capability uplift across the business and ensure appropriate frameworks (for example the Executive Reward Framework) reflect climate change;
- **Corporate & Public Affairs** – oversee external relationships and climate collaboration; and
- **Procurement** – key owners of supplier relationships, the delivery of the Bank's renewable electricity targets and supplier risk assessments.

This delivery is supported by several forums where climate risks and opportunities are considered. The Sustainability Council is a forum to examine and guide the management of ESG risks and opportunities across the Bank, including climate change. The Board and Executive Committee have a standing invitation to attend.

The Climate Change Action Strategy Group's (**CCASG**) purpose is to inform and assist in the development of a comprehensive climate action strategy with the aim of driving our transition to net zero, while helping to identify and review key risks and opportunities, deepen our understanding of climate impacts, facilitate communication and monitor climate action initiatives. The outputs from CCASG feed into submissions and recommendations made to our Executive Committee, Board Committees and Board.

The CCASG is supported by the Sustainable Procurement Working Group, the Agribusiness Climate and Nature Working Group and other forums within the Bank where climate change is considered.

## Rewards and incentives

This year, we introduced a 'People and Planet' category to the Executive Reward Framework weighted at 10% of variable reward remuneration. The category includes metrics across employee engagement, diversity and inclusion, and metrics linked to our climate change strategy. The overall category was partially achieved. In relation to the climate change targets, we achieved two of the three included targets:

1. Maintain a carbon neutral Bank (achieved).
2. Maintain FY23 Scope 1, Scope 2, and Scope 3 operational emissions below 2022 levels (achieved).
3. Purchase 60% renewable electricity (not achieved in 2023<sup>1</sup>).

## Climate-related priorities in 2024: Governance

- Explicitly introduce ESG and Climate Change accountabilities to Banking Executive Accountability Regime (**BEAR**) statements and Responsibility Statements of those who report to the Executive Committee.
- Cascade accountabilities further into divisional business plans, operations, and Key Performance Indicators.
- Transition the CCASG into the CNAP Delivery Group and strengthen the governance, accountability and attestation functions.
- Build internal capability to understand and strategically address climate-related risks and opportunities, including hiring a climate-specific role in the Business and Agribusiness division.
- Review the Climate Change Policy Statement.
- Maintain authentic and collaborative engagement with industry bodies and presence at public events at regular intervals.
- Focus on divisional governance and ownership of climate-related data supported by enabling systems and processes.

<sup>1</sup>. The renewable electricity target was not achieved in FY23. However, renewable electricity contracts commenced on 1 July 2023 which are expected to increase overall renewable electricity consumption to approximately 53% from the first day of FY24.

## Strategy

Our climate strategy is expressed in our Climate Change Action Plan (**CCAP**). It ensures that risks and opportunities are captured, that we understand implications for the Bank and stakeholders and that we're equipped to make management decisions on that basis.

This year, we were proud to conclude the third and final year of our inaugural CCAP. It prepared the foundations for the next three years of our climate action approach captured in the CNAP.

## Climate Change Action Plan 2021 – 2023 (Action Plan)

The CCAP outlined the initiatives we have implemented over three years to improve our climate outcomes, drive cultural change, engage our people and customers, enhance our climate change governance and risk management framework and report on our climate change performance. The CCAP delivered actions through four pillars:

### 1. Reduce our footprint

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

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

### 2. Support our customers

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

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

### 3. Understand and manage the risks

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

- Assigning oversight of climate change strategy to the Board;
- Integrating climate change risk into our risk management, strategy and business planning processes;
- Undertaking climate scenario analysis to assess potential risks and opportunities and integrating the outcomes into our business planning; and
- Building a culture of commitment and accountability to realise our Action Plan.

### 4. Be transparent

Disclose our climate-related performance by:

- Expressing support for the TCFD and developing climate-related disclosures based on its recommendations;
- Tracking and disclosing our climate-related metrics and performance; and
- Openly communicating our Action Plan, outcomes and learning.



## CCAP Performance

Between 2021-2023 we delivered nearly 90% of the actions in the CCAP. We have reduced Scope 1 and Scope 2 emissions by 46% (market-based) since 2020 through several initiatives including renewable electricity procurement and deliberate reductions in the use of electricity, gas, and fleet fuel.

We launched BENZero and have maintained our carbon neutral status, became an active member in a suite of climate-related collaborative forums and improved our climate-related governance.

In this reporting year the Bank has further reduced Scope 1 and 2 (location-based) emissions by 13%, developed since the prior reporting period, developed climate-related Risk Appetite Settings, included CNAP accountabilities into Executive Committee and Senior Leader Key Performance Indicators (KPIs), improved our CDP score from a C to a B, submitted our BENZero targets for verification by the SBTi and continued climate-related stakeholder engagement.

## Continuing action

Several actions contained in the CCAP were underway but not completed by 30 June 2023. These actions have been included in the next iteration of the Action Plan (the CNAP) and include:

- Uplifting our organisation-wide climate training;
- Exploring the feasibility of an internal carbon price;
- Innovating our debt instruments;
- Integrating physical climate risk data into our mortgage loan processes; and
- Better integrating climate change risk considerations into business and agribusiness lending.

We also deliberately suspended an action to introduce live carbon emissions calculations for Up customer transactions. This decision was reached after stakeholder engagement identified customer concerns around the methodology for estimating emissions and its associated implications.

Finally, we did not achieve an action to deliver investment into a climate adaption, mitigation or transition projects in line with our Social Purpose Framework, although similar projects were delivered through our Community Enterprise Foundation. Please refer to *Thriving regional and rural communities* for more information.

## Climate & Nature Action Plan 2024 – 2026 (CNAP)

In the final months of this year we developed, validated and approved the next iteration of our climate strategy, the CNAP.

It is structured into four outcomes with associated goals and Executive Committee accountability to drive our growing maturity in the climate space. It will enable collaborative action and has been developed to address increasing stakeholder expectations and evolving regulatory requirements.

For the first time it also explicitly includes nature as part of the solution and establishes our aspiration to have a positive impact on nature and biodiversity. This includes better understanding of where and how our business and customers impact natural capital, biodiversity and ecosystem services.

## Risks and opportunities

### Business impacts

Climate change and its associated impacts is a material issue for the Bank. We are seeing increasing climate impacts on our customers, over several years. Examples include residential or commercial customers impacted by acute climate events such as floods with flow-on impacts such as increasing insurance premiums.

Our business has not been materially impacted to date, however, we anticipate greater impacts over time. We are conscious that these impacts are felt by real people, experiencing the intersection of climate hazard, exposure, and vulnerability. Managing these impacts is an important part of our risk management.

### Strategy impacts

The CNAP has been developed to address growing stakeholder expectations and emerging regulatory requirements and focuses action on reducing financed emissions and better supporting our customers.

We released our Green Personal Loans twenty years ago. A revision of pricing in 2022 saw a significant increase in uptake of our Green Personal Loans, both in number of customers (>500%) and value (>800%). Of these customers, nearly half are new customers to the Bank. Of these new customers, most have opened a new account other than the Green Loan, such as home loans or savings accounts. This growth illustrates the value of a growing a sustainable finance offering.

This year, we conducted a review of these products, as a regular check of our portfolios to ensure they are compliant with the relevant criteria. It was found that 100% of loans were compliant.

As outlined earlier, we are working to deliver BENZero, targeting a 50% absolute emissions reduction by 2030, and 95% reduction by 2040 and is validating these targets with the SBTi. This approach is aligned to our broader business strategy and while BENZero is focused on climate change mitigation by reducing emissions we will continue to support our customers and communities to adapt and respond to the impacts of climate change.

### Financial planning impacts

Ensuring climate-related risks and opportunities are effectively managed is a priority for us. This includes understanding the cost implications from current and future green product offerings, carbon offsetting, education, capital expenditure, retail locations, data requirements and expert labour.

In line with our focus on risk management, we continue to assess the implications of climate risk on financial planning.

### Climate-related priorities in 2024: Strategy

- Become a more climate integrated business by uplifting governance processes. This will have impacts on how we engage with stakeholders and plan for the Bank's future.
- Use improved financed emissions granularity to prepare sector specific emissions projections.
- Leverage understanding of financed emissions and physical climate risks as input into strategic processes.
- Build climate and nature capability in our people.
- Continue to collaborate in industry groups to share and gain insights into emerging practices.

### Risk management

ESG risk has been classified as a material risk for the Bank and climate change risk is classified within ESG risk as a material topic. Climate change risk presents through:

- **Physical risks** – include long-term chronic risks like drought and acute event-based risks from natural peril events like bushfires and floods (either may cause damage to assets, property, people and/or customers' cash flows);
- **Transition risks** - arise in the transition to a low-carbon economy through policy, regulatory settings, technological innovation, social adaptation and market changes; and
- **Liability risks** - litigation potential from inadequate consideration or response to climate change.

The Bank is predominantly exposed to climate change risk through our lending activities, and we also have exposures through our supply chains and assets such as branches and offices.

The process for identifying, assessing and managing climate-related risks is integrated into our enterprise-wide risk management approach, starting with our Group Risk Management Framework. They are managed through the Three Lines of Defence Model.

For more information on our Group Risk Management Framework please refer to *Risk Management Framework, Material Risks and Business Uncertainties* in the *Annual Report*.

### Lines of Defence Model

A clear and embedded Three Lines of Defence model underpins our Risk Management Framework, which is defined by:

- Specific roles and accountabilities allocated across the organisation to perform, monitor and test risks and internal controls;
- Formal framework structures that dictate identification, monitoring, reporting and escalation of risk;
- Risk management practices designed to protect organisation and shareholder value; and
- Independence across structural and practical arrangements.

Climate-related risk is managed through the Three Lines of Defence model in accordance with the Risk Management Framework.

Line of Defence	Definition	Ownership
<b>First Line of Defense (1LoD)</b>		
Accountability	<p>1LoD includes most front facing and operations-based staff.</p> <p>This includes Executives and all staff of those divisions, staff members with delegated authority to make decisions (including sales staff), including any staff conducting risk management activities as part of operational teams.</p>	Ownership of the business outcomes, risk and compliance obligations, risks, and controls.
<b>Second Line of Defense (2LoD)</b>		
Independent Challenge	<p>2LoD is made up of specialised risk, compliance, and subject matter expert resources, who are responsible for the development of risk frameworks and policies and providing independent oversight and challenge.</p> <p>2LoD includes any specialist areas responsible for setting and monitoring adherence with enterprise-wide standards.</p>	<p>Ownership of the design and operation of the risk management framework and the extent to which it is fit-for-purpose to enable the business to manage risk.</p> <p>Setting the rules which are to be applied consistently across the organisation and are designed to ensure compliance or manage/reduce risk.</p>
<b>Third Line of Defense (3LoD)</b>		
Assurance and Review	<p>3LoD is made up of Group Internal Audit (GIA) and the co-sourced internal audit provider (PwC).</p> <p>3LoD is independent of management with a direct reporting line to the Board Audit Committee (BAC). The GIA team have unfettered access to the 1LoD and 2LoD people, systems, and processes which allows for objective, transparent, and credible assessment and reporting of the internal risk and control environment.</p> <p>External audit fulfils a 3LoD role but is independent to GIA.</p>	Ownership of the execution of the Board Audit Committee-approved assurance program.

Please refer to 2023 Corporate Governance Statement for more information on our Risk Management Framework.

Solar panels on the roof of Community  
Bank Lockhart & District  
in Lockhart NSW



## Identifying and assessing climate-related risks

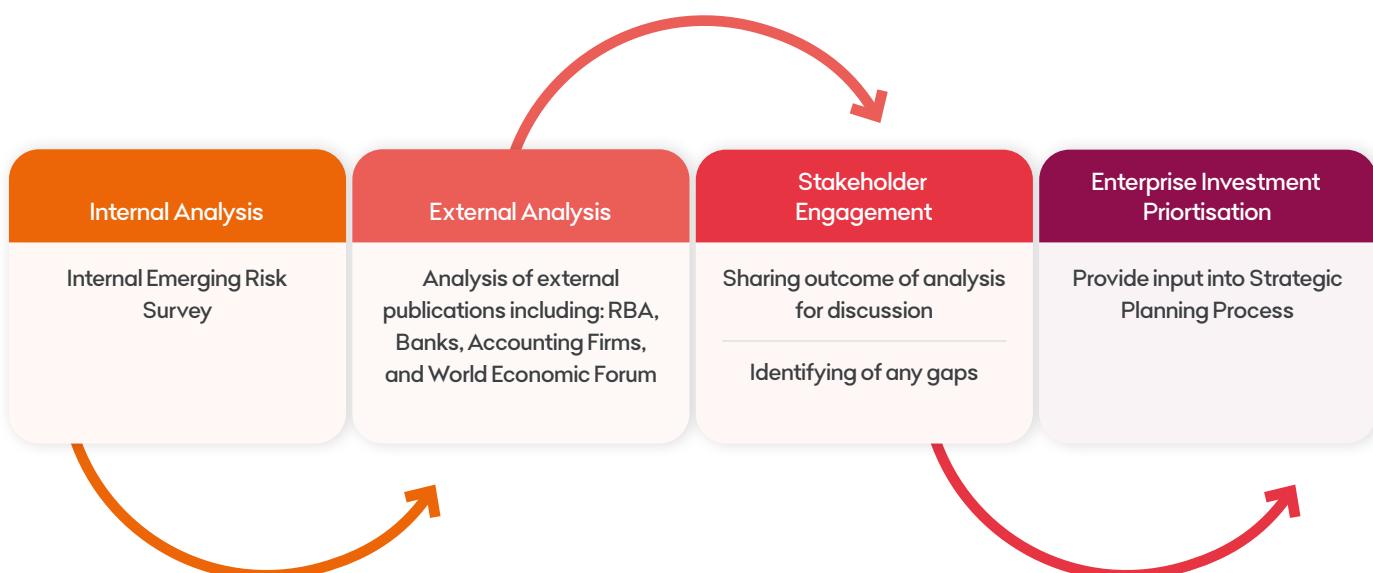
### Emerging risks

We undertake an "Emerging Risk" assessment each year, encompassing internal and external analysis with over 100 internal stakeholders to assess which emerging risks are considered to be significant to the organisation over the short term (current) and long term (5-10 years).

Stakeholders were also asked to input into whether sufficient management attention and resources have been allocated to managing these risks. Internal stakeholders involved were selected from all business units to ensure a representative outcome from a diverse set of subject matter experts and leaders. In the latest assessment, Climate Change Risk was identified as one of the top three risks in the category of "Existing Risk with Moderate Impact expected to increase Significantly".

The output from this process is presented to Executives and Board committees and used as input in Bank decisions such as the Strategic Planning Process and Enterprise Investment Prioritisation.

### Bendigo and Adelaide Bank Emerging Risk Assessment Process

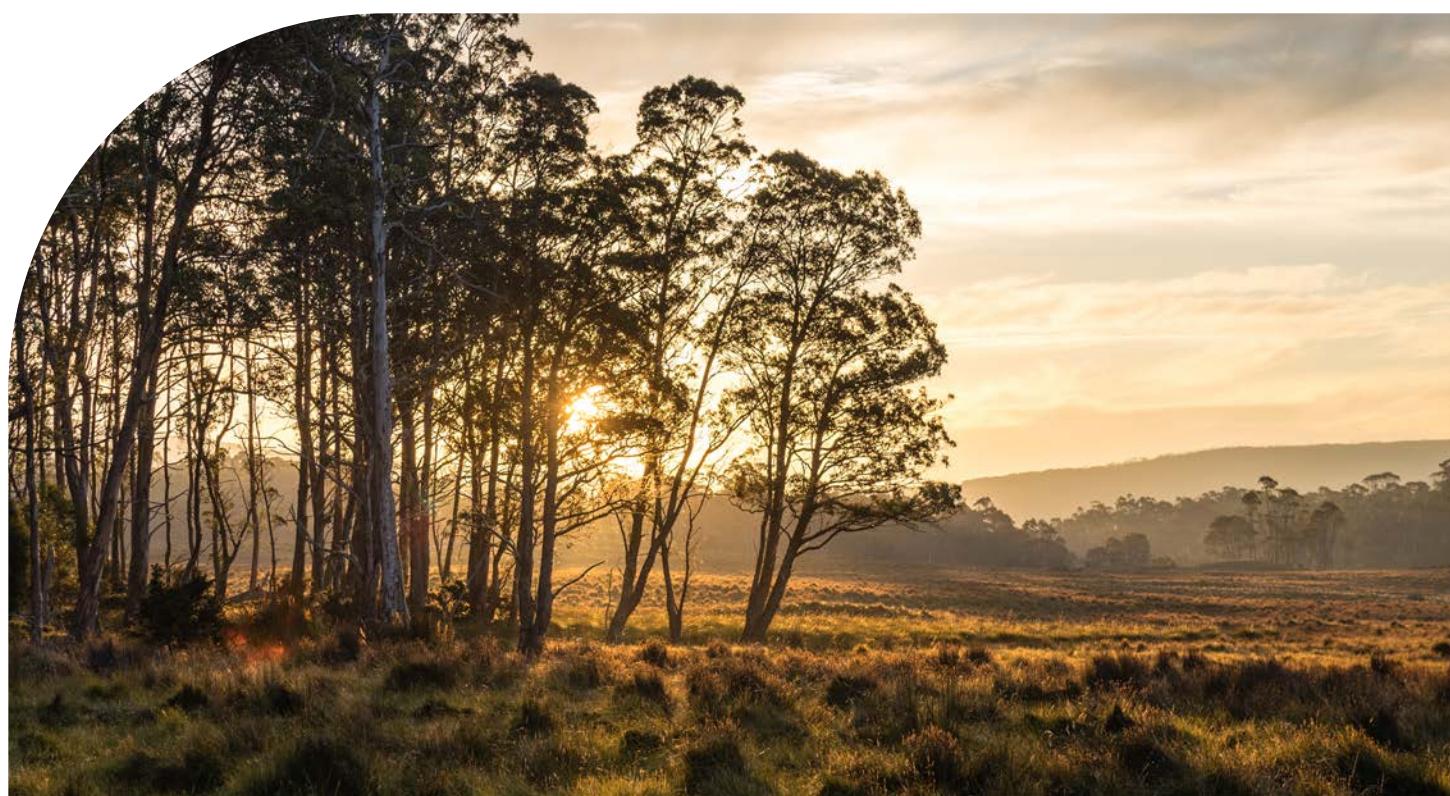


## Identifying climate risk

In our ongoing assessment of climate risk, this year we considered the following risks:

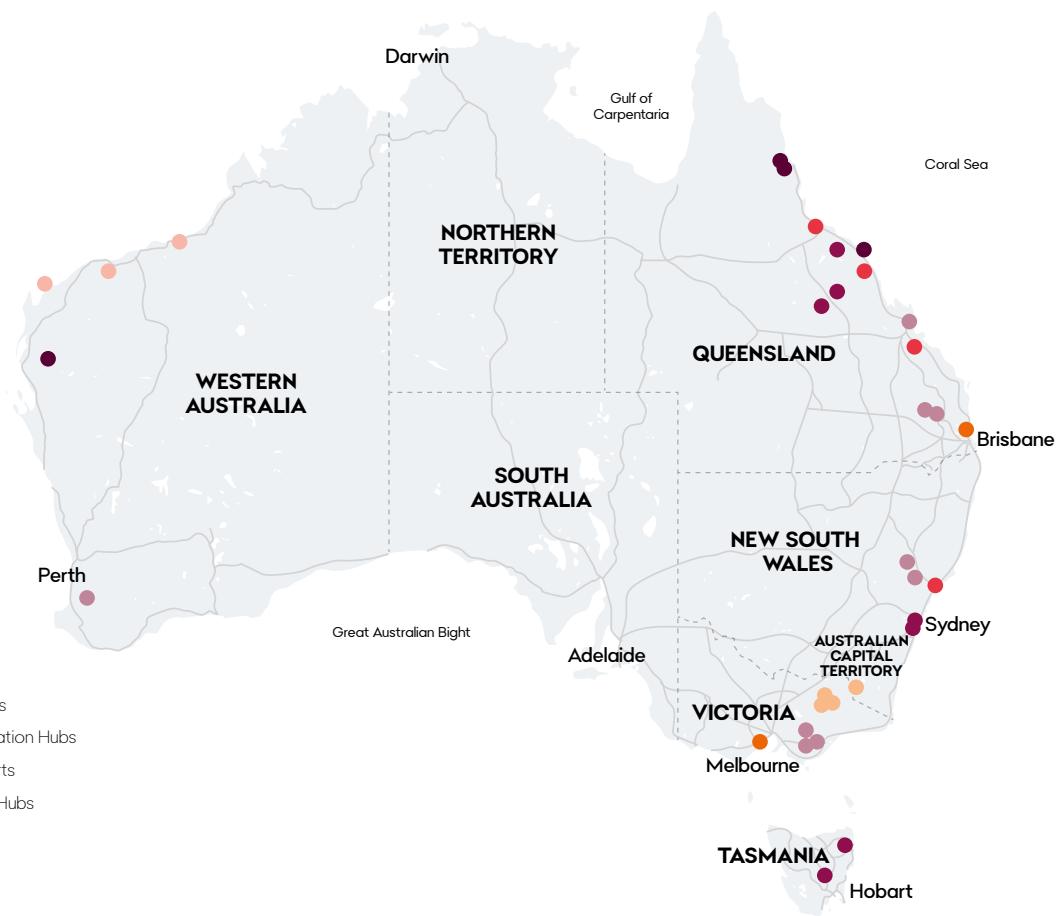
Climate Risk Type	Climate-Related Risk	Time Horizon	Potential Financial Impact
Transition Risk	Policy Risk	<input type="radio"/> SHORT <input type="radio"/> MEDIUM <input type="radio"/> LONG	<ul style="list-style-type: none"> <li>Increased indirect (operating) costs</li> </ul>
	Legal Risk	<input type="radio"/> SHORT <input type="radio"/> MEDIUM <input type="radio"/> LONG	<ul style="list-style-type: none"> <li>Increased (indirect) operating costs</li> </ul>
	Technological Risk	<input type="radio"/> SHORT <input type="radio"/> MEDIUM <input type="radio"/> LONG	<ul style="list-style-type: none"> <li>Costs to adopt/deploy new practices and processes</li> </ul>
	Market Risk	<input type="radio"/> SHORT <input type="radio"/> MEDIUM <input type="radio"/> LONG	<ul style="list-style-type: none"> <li>Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets</li> </ul>
	Reputation Risk	<input type="radio"/> SHORT <input type="radio"/> MEDIUM <input type="radio"/> LONG	<ul style="list-style-type: none"> <li>Decreased access to capital</li> </ul>
Physical Risk	Acute Risk	<input type="radio"/> SHORT <input type="radio"/> MEDIUM <input type="radio"/> LONG	<ul style="list-style-type: none"> <li>Increased credit risk</li> <li>Decreased revenues due to reduced production capacity</li> </ul>
	Chronic Risk	<input type="radio"/> SHORT <input type="radio"/> MEDIUM <input type="radio"/> LONG	<ul style="list-style-type: none"> <li>Increased credit risk</li> <li>Decreased revenues due to reduced production capacity</li> </ul>

Short Term 0 – 12 months, Medium Term 1-5 years, Long Term 5-10 years.



## Identifying portfolio risk

This year we have used internal and external analysis to identify geographical locations that have heightened transition and/or physical risks, now and in future. This exercise included the creation of “risk hubs” which identified locations where the local economy could be heavily impacted by a transition to a low carbon economy (e.g. closure of coal mines or coal-fired power stations) and by chronic physical risks (e.g. snow or reef-related tourism). The diagram below illustrates the risk hubs we have identified:



In parallel to this, we have developed a tool that overlays the Bank’s lending exposures on top of identified geographies which may exhibit elevated physical risk. This has helped develop climate-risk metrics and provides valuable insights into the climate-related risks and opportunities that may emerge in those portfolios. Key findings are as follows:

- Our current portfolio exhibits an immaterial level of exposure to Very High risk regions which has trended lower over recent years. This is based on identifying geographic locations as Very High, High, Medium and Low risk based on our current understanding of physical risk as well as projected physical risk under certain emissions pathways; and
- An immaterial percentage of our customers located in “risk hubs” were identified as receiving their income from employers directly linked to transition risk (for example coal mines, coal fired power stations etc).

## Scenario analysis

Our capability and maturity in climate scenario analytics continues to grow and it remains a priority. This year we also uplifted our capability through the appointment of a senior role with deep experience in climate risk analytics.

### Transition risk scenario analysis

In 2022, we conducted a scenario analysis of transitional risks. The analysis used the Network for Greening the Financial System's 'Disorderly Transition Scenario' to conduct a 'top down' analysis, generating insights into potential impacts over the next 30 years at five-year intervals.

The analysis found that our non-retail portfolios are at risk of the largest transitional impacts in this scenario, particularly our agricultural business customers. The primary driver of this risk was exposure to new carbon pricing assumed in the scenario.

The findings from this exercise have informed the development of two new climate risk metrics this year. It's also informed the asset writing strategy across the Business and Agribusiness Division.

### Future physical risk scenario analysis

This year, we have tested various physical risk scenario analysis methodologies to enable the execution of physical risk scenario analysis in 2024.

The validated approach includes scenario types, assumptions, methodology, outputs and use cases. Importantly, it also includes improved governance recommendations and a proposed 'bottom up', narrative based analysis. It will build on the current and future high physical risk geographies identified using external and partner-sourced data.

## Climate risk metrics

We introduced two new risk metrics for quarterly reporting (mentioned in the Transition risk scenario analysis section), relating to physical risk in residential mortgages this year. These are:

- **High risk areas:** Exposure at Default (EAD) in geographical locations, categorised by percentages of high-risk properties. This addition has helped us assess whether it has a current concentration of mortgage exposures in high physical risk areas; and
- **Fast changing High Risk Areas:** Calculated by applying EAD and the 12-month growth rate of residential mortgage portfolios in geographical locations where the Bank has material exposures that are also expected to see material increases in physical climate risks between now and 2100. This metric provides insights into which areas are expected to see exponential increases in insurance premiums over the next few decades (subject to government intervention).

These two metrics facilitate improved risk management and decision making and we are in the process of developing further physical and transitional risk metrics in other portfolios.

## Risk Appetite Settings

We have continued to uplift monitoring of climate metrics. This included the introduction of new risk appetite settings relating to our operational emissions and renewable electricity usage across the Group. We will continue to evolve risk identification, measurement and monitoring in the climate risk space.

## Policy updates

We updated two key risk management policies in the reporting period:

- **Climate Risk Credit Policy:** Updated to better align with the Climate Change Policy Statement, including enhanced definitions to include the types of loan purposes we will consider funding. The process also identified potential for the policy to be expanded to include broader ESG matters in future.
- **Equipment Finance Policy:** Updated to include new asset types which relate to sustainable or green initiatives. This includes vehicles, infrastructure, batteries, energy and water saving equipment.

## Customer engagement

We have worked to increase our awareness of customer climate maturity by identifying our top 25 largest lending customers in our Business Banking and Agribusiness portfolios and engaging with them to assess their exposure to future potential climate risk. The purpose of the activity was to understand their awareness of climate risks that their businesses may face and their planned actions to mitigate that risk.

The assessment covered subjects such as existing reporting, emissions reduction targets and performance, physical and transition risk and risk mitigation.

## Industry engagement

The risks posed by climate change are shared and mitigation is enhanced when efforts are collaborative. We have therefore maintained our strong engagement across our industry.

We have maintained active membership across several climate-related ABA working groups, covering:

- Financed Emissions;
- Climate Risk;
- ISSB Sustainability and Climate-related Disclosures;
- Natural Capital; and
- Scenario Analysis.

We have also participated in and attended climate risk focused industry events including:

- ABA 'Time of Transition' conference, climate scenario analysis panel;
- Risk Managers Australia Conference, credit, and climate risks in agriculture panel;
- South Australian Climate Change Industry Conference; and
- Greater Bendigo Climate Collaboration Climate Summit.

## Material supplier engagement

This year we undertook a climate risk assessment of material supplier relationships to learn more about key supplier risks and improve our supplier engagement process. The assessment was iterative and exploratory in nature.

Of the material suppliers assessed, responses varied considerably based on the size and scale of the supplier. Major multinational corporates had relatively comprehensive risk management practices and presented low potential climate risk to the Bank, however smaller material suppliers had less evidence of comprehensive climate risk management practices.

We have requested further information from those with insufficient public information for the review. Responsible teams will consider key actions for high risk or non-responsive suppliers.

### Climate-related priorities in 2024: Risk Management

- Execution of physical climate scenario analysis.
- Continued focus on clear, deliberate and effective delineation between the three lines of defence.
- Review of risk appetite indicators, both new and existing.
- Consider how natural capital risk fits into existing risk management framework.
- Continued development of risk policies and credit assessment processes.
- Assessment of data requirements, owners and quality to enable effective risk management.

## Metrics and Targets

We have set targets and accompanying metrics to assess our performance, manage climate-related risks and act on opportunities. We continue to make progress against these targets and transparently report on that progress.

This year, we have made several updates to our targets to further drive climate action.

First, we have introduced a new target to reduce Scope 1 and 2 (market-based) operational emissions 90% by 2025 and 92% by 2030. This target was introduced to better reflect our climate ambition and our prioritisation of renewable electricity across the Bank's operations.

We have updated the baseline year for business travel emissions from 2019 (4,151 tCO2-e) to 2020 (2,311 tCO2-e). The updated baseline accounts for reduced business travel in 2020 due to COVID-19 lockdowns. It is therefore a more ambitious baseline which we will work to maintain. The updated baseline has been validated by an external third party.

We are reporting our Group and Community Bank network's electricity consumption, noting that Community Banks make their own electricity procurement decisions.

We have increased our focus on rigour and external validation of climate-related data. We submitted the Bank's BENZero emission reduction targets to the SBTi in December 2022, with verification expected in early 2024. We have also engaged an independent consultancy to conduct a pre-assurance review over the Bank's 2023 Scope 1, Scope 2, and Scope 3 operational and financed emissions during 2023.

## Climate Performance

Metric	Baseline	2023 Update	Comment	2025 Target	2030 Target	2040 Target
Scope 1 and 2 emissions (market-based)	Bank total	2020	-46% 	In progress.  Significant further reductions expected due to renewable electricity, EV uptake and office improvements.	-90%	-92%
Absolute emissions (incl. financed emissions) <sup>1</sup>		2020	- 	In progress.  Scope 3 financed emissions is planned to be externally assured and reported in 2024. Pre-assurance to assure readiness assessment commenced in 2023.	-	-50% -95%
Renewable electricity (market-based)	Bank total	2020	33% 	On track to meet 2025 target for sites where the Bank has direct control of electricity procurement.		
	Bank operations	2020	40% 	From 1 July 2023, all sites where the Bank has direct control of electricity procurement were powered by renewable electricity	100%	-
	Community Bank operations	2020	21% 	Note: We support the transition to renewable electricity procurement in Community Banks and sites where electricity procurement is outside of the Bank's direct control, as part of our CNAP.		
Business travel emissions	2020 <sup>2</sup>	-67% 	While we will work to maintain emissions reductions in line with our target, we note that business travel emission increases may occur over time.	Maintain travel emissions at 25% below FY20 levels.		
Electronic statement delivery	2020	67% <sup>3</sup> 	In progress toward 2025 target	90%	-	-
Maintain carbon neutral status	-	Achieved 	Achieved and ongoing. Please refer to the Climate Active Product Disclosure Statement <sup>4</sup> available on our website.	-	-	-
No direct lending exposure to coal, coal seam gas, crude oil, natural gas, native forest logging projects <sup>5</sup>	-	Achieved 	Achieved and ongoing. Please refer to the Climate Change Position available on our website.	-	-	-

 In Progress  On Track  Complete

1. Absolute emissions include all operational and financed emissions combined (Scope 1, Scope 2 and all Scope 3 categories).

2. The baseline year for travel emissions has been updated from FY19 (4,151 tCO2-e) to FY20 (2,311 tCO2-e). The emissions reduction target of -25% from baseline remains consistent.

3. Reported data includes active Bendigo Bank customers and accounts.

4. Our most recent Climate Active Product Disclosure Statement (FY22) is available on our website. FY23 will be submitted and verified by Climate Active in October, after publication of this report.

5. This applies to all employees and all other parties acting for or on behalf of the Group that prepare credit applications and undertake credit decisioning.

## Emissions data

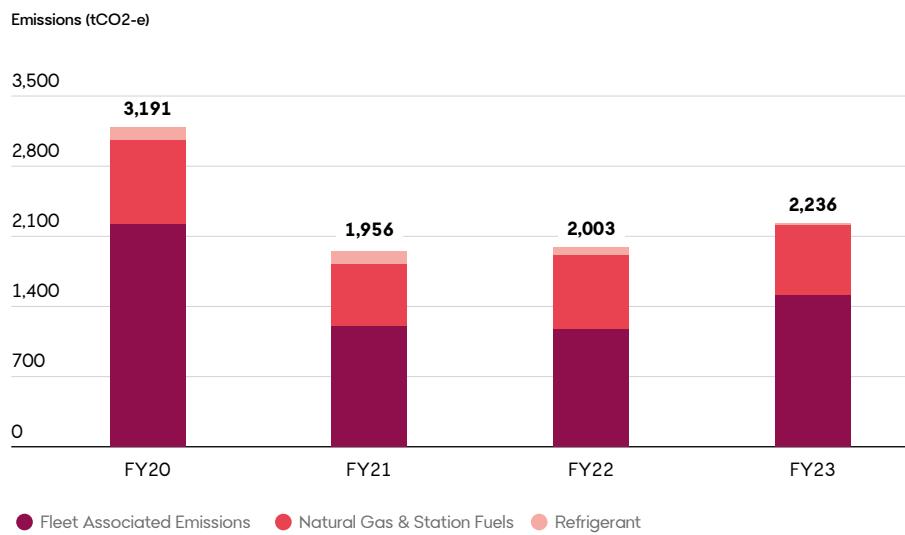
We have disclosed our operational emissions for over a decade through our submissions to the CDP and in our Climate-related Disclosures since 2021.

Operational emissions are calculated in line with the Greenhouse Gas Protocol and verified against the Climate Active Carbon Neutral Standard for Organisation as part of our annual carbon neutral certification. Our financed emissions were calculated for the end of financial year (30 June 2020) in 2022 to understand our baseline year and are closely aligned to the Partnership for Carbon Accounting Financials (**PCAF**) methodology with further detail available in this section.

### Scope 1 emissions

Scope 1 emissions are those occurring from sources owned or controlled by us. This includes emissions from our fleet and stationary fuel use, natural gas and refrigerants.

#### Emissions | Scope 1



This year, our Scope 1 emissions increased by 12% compared to 2022 which is a 30% reduction against our 2020 baseline.

This is due to a 12% increase year-on-year from fleet associated emissions. With the return of in-person interaction, we have seen an increase in fuel consumption across our fleet.

There are two opportunities to further reduce our Scope 1 operational emissions through electrification: through transitioning office natural gas consumption; and transitioning fleet vehicles to electric.

We successfully piloted three electric vehicles (EV) this year and have made EVs the default vehicle for our sealed-road fleet. The electrification of our fleet presents an opportunity for us to manage our increasing fleet-associated emissions as we return to more face to face meetings and will occur overtime as our current vehicles' lease periods end.

## Scope 2 emissions

Scope 2 emissions are the indirect emissions associated with purchased electricity, which we reflect in both location-based<sup>1</sup> and market based<sup>2</sup> terms.

We have reduced our Scope 2 location-based emissions by 17% compared to 2022 which is a 36% reduction against our 2020 baseline.

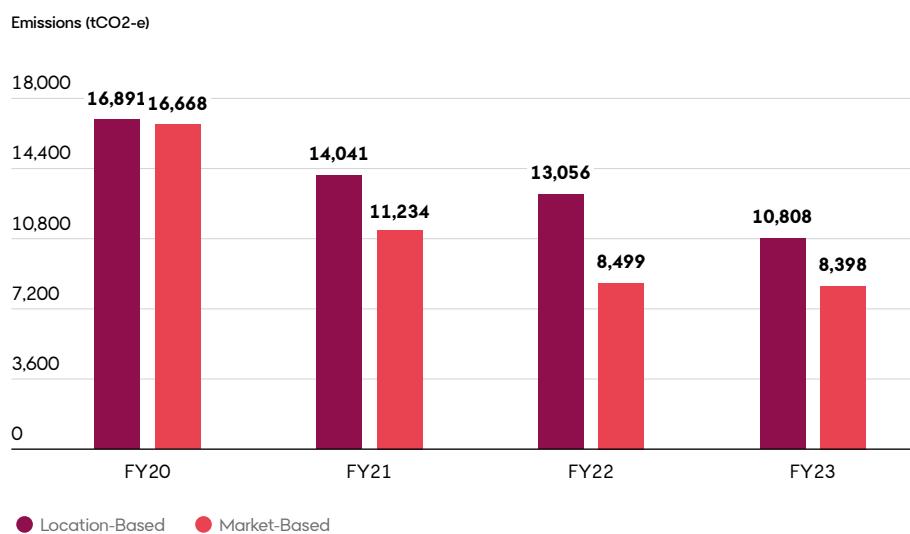
We have refined our renewable electricity procurement strategy to achieve our target of 100% renewable electricity by 2025. This year, we opted to not purchase large-scale generation certificates (**LGCs**) to cover electricity consumption, as we have done in prior years. Instead, we have favoured sourcing direct GreenPower in our long-term procurement contracts from our next reporting year. Our reportable total renewable electricity consumption has decreased from 40% in 2022 to 33% this year (see below).

Our market-based Scope 2 emissions decreased by 1% against 2022 which represents a 50% reduction in market-based emissions against our 2020 baseline.

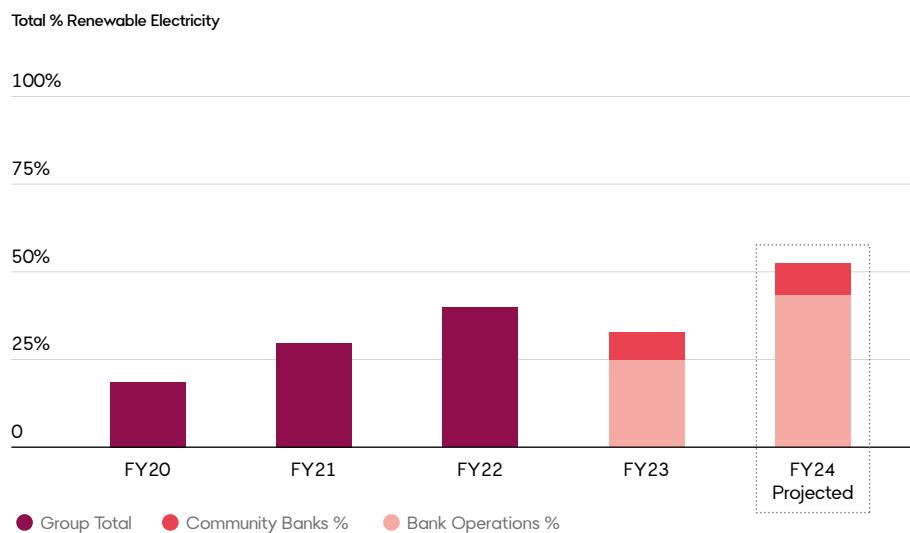
We are proud to note that in 2023, all branches where we had direct control of electricity procurement were powered using green energy. From 1 July 2023, this will also include all corporate offices and data centres where we have direct control of electricity procurement, as reflected in contracts signed in 2023. These contracts are expected to increase overall renewable electricity consumption to approximately 53% from the first day of FY24.

The new signed contracts also give Community Banks the opportunity to join the procurement arrangement managed by us, creating a more compelling case for their own renewable electricity procurement. We will support our Community Banks to work toward uplifting their respective renewable electricity consumption toward our target of 100% renewable electricity by 2025.

## Emissions | Scope 2



## Total Renewable Electricity Consumed



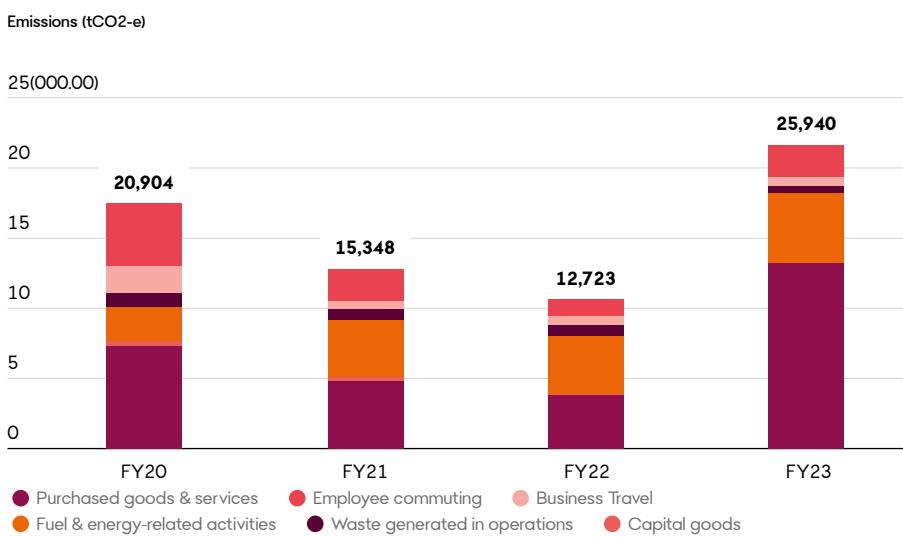
1. The location-based method reflects the average emissions intensity of the electricity grids where the Bank's energy consumption occurs. It does not account for the Bank's deliberate procurement of renewable electricity.

2. The market-based method accounts for the Bank's deliberate procurement of renewable electricity, and reflects the emissions intensity of different electricity products, markets and investments.

## Scope 3 operational emissions

Operational Scope 3 emissions are indirect greenhouse gas emissions that occur from our operations, but from sources not owned or controlled by us. This includes purchased goods and services, capital goods, fuel and energy-related activities (including working from home), waste generated in operations, and business travel and employee commute for work.

### Emissions | Scope 3 Operational



The Bank has increased our Scope 3 market-based emissions this year, driven by several compounding factors. We have calculated emissions from software for the first time in FY23 at the same time as the Bank purchased a significant quantity of IT equipment through the year. With the return to in-person interaction, we've also seen an increase in employee commuting and flights.

These increases highlight the importance of supplier assessment processes, particularly in the IT and software space as well as our discounted home electrification financial products, discounted green personal loans and novated e-bikes.



### Scope 3 financed emissions

BENZero introduced our absolute emissions reduction targets: 50% by 2030 and 95% by 2040. Financed emissions represent the vast majority of our absolute emissions and are a significant opportunity for us and the customers we support.

The importance of financed emissions is growing against a backdrop of rapidly increasing stakeholder expectations. We also recognise that our customers and communities are at different stages on this transition.

The 2023 calculations will be supported by pre-assurance from an independent consultant in 2024, with a view to provide financed emissions disclosures with a limited level of assurance in 2024.

Asset Class	Base Year (2020) Actual
Listed equity and corporate bonds	270
	
Business loans and unlisted equity	1,312,172
	
Project finance <sup>1</sup>	Not relevant
	
Commercial real estate	223,696
	
Mortgages	521,188
	
Motor vehicle loans	20,046
	
<b>Total Emissions (t CO2e)</b>	<b>2,077,372</b>

### Methodology

Our Scope 3 financed emissions are measured under asset classes defined by PCAF and are closely aligned to the PCAF methodology. These include residential mortgages, commercial real estate, listed equity and corporate bonds, business loans and unlisted equity and motor vehicle loans. A sixth asset class, Project Finance, was deemed not relevant for our business. A third-party consultant was engaged to review the baseline calculations against the relevant standards to assess alignment against sector-specific guidance from SBTi and PCAF.

### Climate-related priorities in 2024: Metrics and targets

- Limited assurance of Scope 1, Scope 2 and Scope 3 emissions, including financed emissions.
- More granular emissions projection and reduction modelling to better inform strategy.
- Further delivery of emissions reduction initiatives, such as customer engagement, renewable electricity procurement, product and pricing innovation and Community Bank engagement.
- Preparation of a framework for strategic procurement of offsets to neutralise our emissions with intentional impact.
- Improved capability in relation to the risks and opportunities presented by nature and biodiversity, and how they can be reflected in metrics and targets for the Bank.

1. Minor deviations from PCAF Calculation methodologies are documented in Bendigo and Adelaide Bank (BEN) Financed Emissions Methodology.

## Tax Transparency Disclosure

### Tax policy, strategy, and governance

Bendigo and Adelaide Bank Limited, together with its 100% controlled Australian entities, have formed a tax consolidated group for Australian income tax purposes, with Bendigo and Adelaide Bank Limited as the head company.

Our approach is to ensure tax compliance is consistent with our broader approach to regulatory compliance. We are committed to not knowingly breaching any laws or regulations which includes those related to taxation.

Recognising that tax laws are highly complex and open to interpretation, our approach is to:

- Comply with statutory obligations and make tax payments in accordance with relevant tax laws;
- Be prudent and take a conservative approach to tax planning and manage transactions with a low level of tax risk;
- Resource the Tax function appropriately with qualified staff;
- Engage with Revenue Authorities in a constructive, cooperative and transparent manner, avoiding unnecessary disputes;
- Adopt the Board of Taxation's voluntary Tax Transparency Code (TTC) to ensure our disclosures maximise tax transparency for our stakeholders; and
- Regularly provide tax risks and tax-related information to the Chief Financial Officer and the Board Audit Committee.

### International-related party dealings

We do not have any international-related party dealings.

### Income taxes disclosed in the 2023 Annual Financial Report

Our Income Tax Expense (ITE) calculations are based on the Australian Accounting Standards.

In any income year it is expected that there will be differences between the ITE calculated in the Annual Report, and the total cash taxes paid to a relevant taxation authority during the same income year. Several factors contribute to this difference, including the timing of corporate tax instalments paid to the relevant authorities and the taxes excluded from ITE such as fringe benefits tax, non-recoverable goods and services tax, payroll taxes and employee related taxes. Our ITE is also reduced by the receipt of franked dividends and the incentive available for eligible Research and Development expenditure.

The Group's Effective Tax Rate (ETR) was 31.7% in 2023 (2022: 30.6%). ETR is calculated by dividing our ITE by our accounting profit before income tax.

	2023 (\$m)	2022 (\$m)
<b>Reconciliation of accounting profit to income tax expense</b>		
<b>Accounting profit</b>	<b>724.8</b>	<b>701.4</b>
Income tax on profit at 30%	217.5	210.4
Distributions on Tier 1 loan capital instruments	11.6	6.8
Tax effect of amounts not deductible/(assessable)	0.5	(2.7)
Other prior year adjustments <sup>1</sup>	(1.8)	(1.2)
<b>Income tax expense reported in the Annual Financial Report</b>	<b>227.8</b>	<b>213.3</b>
<b>Income tax expense for the current year<sup>2</sup></b>	<b>229.7</b>	<b>214.5</b>
Australian effective tax rate	31.7%	30.6%
<b>Reconciliation of income tax expense to income tax payable</b>		
<b>Income tax expense for current year</b>	<b>229.7</b>	<b>214.5</b>
<b>Temporary differences (movement)</b>		
Unrealised revaluations	(4.6)	3.0
Depreciation of property, plant and equipment	(15.2)	(11.6)
Provisions	2.0	(16.7)
Intangibles	11.4	9.7
Other adjustments <sup>3</sup>	14.2	0.9
<b>Income tax payable for the current year</b>	<b>237.5</b>	<b>199.8</b>

1. Other adjustments include the research and development incentive and other adjustments relating to prior years.

2. Tax expense excluding prior year adjustments and final adjustments upon lodgement of the income tax return.

3. Other adjustments also include updates to comparison data to reflect final balances upon lodgement of the income tax return.

### Tax contribution summary

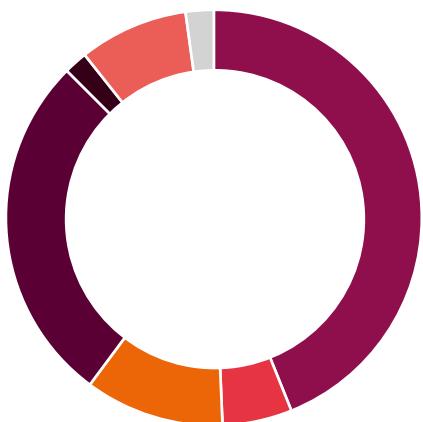
The following is a summary of the Group's tax contributions paid to tax authorities for the 2023, and 2022 financial years. The amounts include tax payments made to the Australian Taxation Office (**ATO**) and the State Revenue Offices (**SROs**) due on its own behalf and in respect of tax collected on behalf of others.

	2023 (\$m)	2022 (\$m)
Corporate income tax	237.5	199.8
Employer payroll taxes	29.3	31.3
Non-recoverable GST <sup>1</sup>	58.6	50.5
Other <sup>2</sup>	11.8	1.0
<b>Tax paid</b>	<b>337.2</b>	<b>282.6</b>
Employee payroll taxes withheld	147.8	133.7
Customer tax withheld	9.9	0.7
GST collected	45.9	43.3
<b>Tax collected</b>	<b>203.6</b>	<b>177.7</b>
<b>Total tax contribution</b>	<b>540.8</b>	<b>460.3</b>

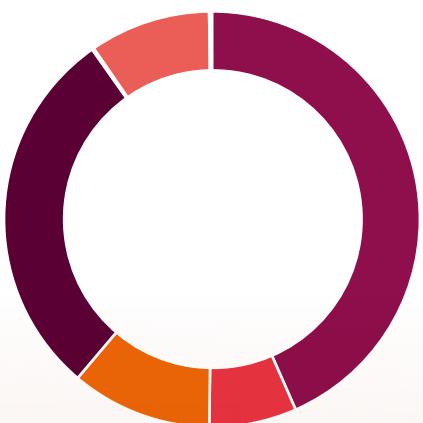
1. Bendigo and Adelaide Bank Limited provides financial supplies that are 'input taxed' in accordance with Australian GST laws. This amount represents the GST that Bendigo and Adelaide Bank Limited is not able to claim back from the ATO in relation to making input taxed supplies.

2. Other state and territory taxes such as stamp duty.

2023



2022



- Corporate income tax
- Employer payroll taxes
- Non-recoverable GST
- Employee payroll taxes withheld
- Customer tax withheld<sup>a</sup>
- GST collected
- Other



**ATO tax disclosure**

The ATO produces an annual report called 'Report of entity tax information' which contains the tax data of public corporate tax entities with a total income exceeding \$100 million. The ATO is expected to publish the following income tax information in respect of the 2022 financial year for the Group:

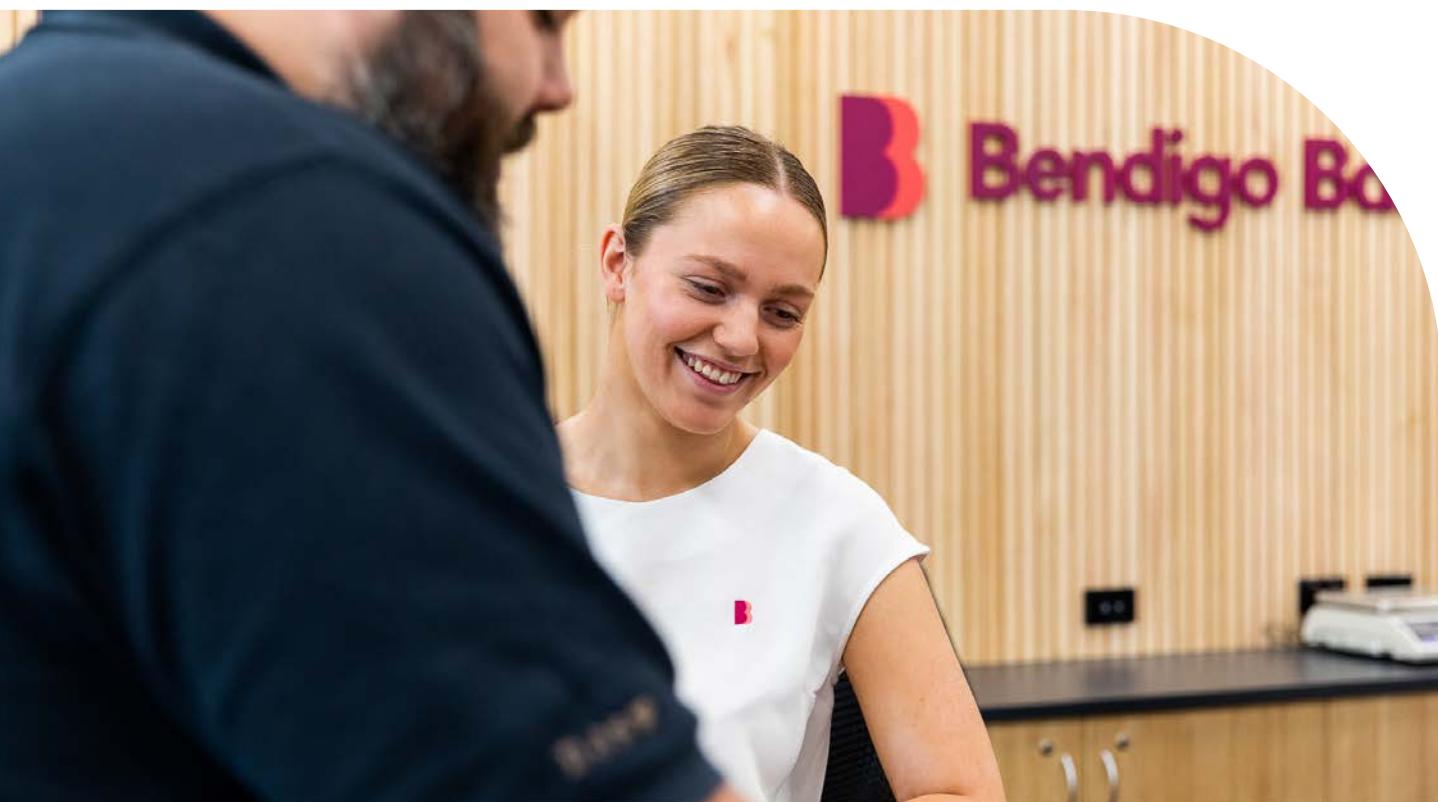
Total Income (\$)	Taxable Income (\$)	Tax Payable (\$)
2,046,648,938	696,637,627	199,762,631

A reconciliation from the accounting profit included in the 2022 Annual Financial Report to the amounts disclosed by the ATO is included below:

	\$m
Accounting profit for the Group	701.4
Non-deductible/non-assessable differences <sup>1</sup>	23.8
Temporary differences <sup>2</sup>	(28.6)
<b>Taxable income</b>	<b>696.6</b>
Income tax liability of taxable income at 30%	209.0
Less: franking credit offset	(2.8)
Less: research and development offset	(6.4)
<b>Income tax payable</b>	<b>199.8</b>

1. Non-deductible/non-assessable items relate to interest expense on Tier 1 loan capital instruments, accounting impairments and expenditure subject to research and development incentive claims.

2. Temporary differences include movements in provisions, depreciation on plant and equipment, fair value adjustments and revaluations and amortisation of intangible assets.



## ESG Data Summary

Metric	2023	2022	2021	2020	2019
<strong>Our Customers</strong>					
Total customers	2,392,024	2,196,903	2,028,166	1,859,575	1,700,427
Bendigo and Adelaide Bank branches	126	135	147	154	168
Community Bank branches	307	307	314	320	324
Total branches	444	466	490	510	528
Number of ATMs	432	460	497	548	620
Bendigo Bank digitally engaged customers	811,393	750,669	698,131	643,394	583,506
Up digitally engaged customers	414,143	299,916	—	—	—
Digitally engaged customers (%)	72	68	—	—	—
Bendigo Bank Net Promoter Score	23.2	24.5	27.3	28.5	24.8
Up Net Promoter Score	51.5	72.0	80.3	—	—
Bendigo Bank Customer satisfaction (%)	88.0	86.5	87.6	89.2	88.8
Total number of customer complaints	51,242	43,302	38,352	30,205	31,992
Complaint resolution to customer satisfaction (%)	69	74	74	74	77
Customers supported with hardship (number)	1,420	2,037	23,983	—	—
<strong>Our Communities</strong>					
Community Enterprise Foundation Grants distributed (\$ millions)	14.6	28.4	23.4	22.6	9.5
Community Enterprise Foundation Donations received (\$ millions)	54.1	16.5	13.5	58.7	12.5
Community Bank investment (\$ millions)	32.9	19.4	21.3	21.7	24.3
Revenue paid to Connected Community enterprises (\$)	876,007	984,000	984,407	995,672	1,083,709
Number of scholarship recipients (first year payments)	207	187	177	157	143
Scholarships funded (\$)	1,100,000	1,078,800	1,051,000	1,068,000	989,500
Social supplier spend through procurement (\$)	4,061,979	1,894,009	1,559,372	1,830,225	—

## ESG Data Summary

Metric	2023	2022	2021	2020	2019
<strong>Our People</strong>					
<strong>Employees (number)</strong>	<strong>8,113</strong>	<strong>7,936</strong>	<strong>7,823</strong>	<strong>7,947</strong>	<strong>7,604</strong>
Bendigo and Adelaide Bank	5,522	—	—	—	—
Community Bank	1,565	—	—	—	—
<strong>Employees (FTE)</strong>	<strong>7,420.00</strong>	<strong>7,188.54</strong>	<strong>6,976.41</strong>	<strong>7,041.72</strong>	<strong>6,719.91</strong>
Bendigo and Adelaide Bank	5,125	—	—	—	—
Community Bank	1,268	—	—	—	—
<strong>Employee engagement index (%)</strong>	<strong>77</strong>	<strong>77</strong>	<strong>73</strong>	<strong>74</strong>	<strong>—</strong>
Bendigo and Adelaide Bank	76	—	—	—	—
Community Bank	81	—	—	—	—
<strong>Employee turnover (%)</strong>	<strong>17.98</strong>	<strong>21.07</strong>	<strong>19.28</strong>	<strong>14.73</strong>	<strong>12.77</strong>
Bendigo and Adelaide Bank	16.34	—	—	—	—
Community Bank	23.94	—	—	—	—
<strong>Voluntary turnover (%)</strong>	<strong>15.22</strong>	<strong>17.06</strong>	<strong>12.89</strong>	<strong>10.97</strong>	<strong>10.63</strong>
Bendigo and Adelaide Bank	13.23	—	—	—	—
Community Bank	22.47	—	—	—	—
<strong>Involuntary turnover (%)</strong>	<strong>2.76</strong>	<strong>4.01</strong>	<strong>6.40</strong>	<strong>3.76</strong>	<strong>2.14</strong>
Bendigo and Adelaide Bank	3.12	—	—	—	—
Community Bank	1.46	—	—	—	—
<strong>Women in leadership roles (%)</strong>	<strong>50</strong>	<strong>—</strong>	<strong>—</strong>	<strong>—</strong>	<strong>—</strong>
Bendigo and Adelaide Bank	49	46.0	43.2	43.6	40.3
Community Bank	56	—	—	—	—
<strong>Gender Diversity (% female)</strong>					
Board	44.4	50	—	—	—
Executive (KMP)	14	16.7	—	—	—
Other Exec/General Managers	37	33.7	—	—	—
Senior Leaders	42	38.2	—	—	—
All Senior Leaders (Other Exec/GM/Snr Leaders)	41	37.4	—	—	—
Middle & Frontline Leaders (Other Leaders)	55	52.6	—	—	—
All Leaders	49	46.1	—	—	—
All Employees (excl Leaders) (Prof/Sales, Clerical & Admin)	63	63.7	—	—	—
All Employees (incl Leaders)	60	60.2	—	—	—
WGEA Gender Pay Gap (%)	23.3	23.8	—	—	—
Inclusion (%)	83	—	—	—	—
Lost Time Injury Frequency Rate (LTIFR)	1.1	0.4	1.5	0.6	2.0

**ESG Data Summary**

Metric	2023	2022	2021	2020	2019
<b>Governance</b>					
Total number of whistleblower cases	17	18	24	21	20
Completed mandatory training (%)	99.0	99.6	96.0	94.5	93.8
Bendigo and Adelaide Bank	99.7	—	—	—	—
Community Bank	99.0	—	—	—	—
<b>Climate &amp; Environment</b>					
<b>Total Scope 1 &amp; 2 emissions (tCO2e)</b>					
Location-based	13,044	15,059	15,997	20,082	—
Market-based	10,634	10,502	13,190	19,859	—
<b>Total Scope 3 operational emissions (tCO2e)</b>					
Location-based	29,032	12,372	15,532	22,012	—
Market-based	25,940	12,723	15,348	20,904	—
<b>Total operational emissions (tCO2e)</b>					
Location-based	42,076	27,430	31,529	42,094	—
Market-based	36,574	23,225	28,538	40,763	—
<b>Total Scope 1 &amp; 2/m\$ total income (tCO2e)</b>					
Location-based	6.7	8.8	8.9	12.3	—
Market-based	5.5	6.1	7.3	12.2	—
<b>Scope 1 &amp; 2 emissions per FTE (tCO2e)</b>					
Location-based	1.61	2.21	2.40	2.89	—
Market-based	1.31	1.46	1.89	2.82	—
<b>Renewable electricity (%)</b>					
The Bank	33	40	30	19	—
Community Bank	40%	—	—	—	—
Community Bank	21%	—	—	—	—
Carbon neutrality	Certification in progress	Certified	Certified	Certified	—

## Data definitions, footnotes and categories

Metric	Definition	Footnote & Boundary (where relevant)	ESG & Sustainability Business Plan	Material topics	SDGs
<b>Our Customers</b>					
Total customers	Total number of customers at 30 June 2023.	Includes Bendigo Bank, Adelaide Bank, Alliance Bank, Leveraged, Rural Bank and Up.	 Social	<ul style="list-style-type: none"> <li>Customer access, inclusion and wellbeing</li> <li>Customer satisfaction</li> <li>Financial crime risk</li> </ul>	
Bendigo and Adelaide Bank branches	Number of Bendigo and Adelaide Bank branches at 30 June 2023.		 Social	<ul style="list-style-type: none"> <li>Customer access, inclusion and wellbeing</li> <li>Customer satisfaction</li> <li>Thriving regional and rural communities</li> </ul>	 
Community Bank branches	Number of Community Bank branches at 30 June 2023.	Number of Community Bank branches excluding Alliance Bank and joint ventures.	 Social	<ul style="list-style-type: none"> <li>Customer access, inclusion and wellbeing</li> <li>Customer satisfaction</li> <li>Thriving regional and rural communities</li> </ul>	 
Total branches	Total number of branches at 30 June 2023.	Includes Bendigo and Adelaide Bank, Community Bank, Rural Bank and private franchise sites that are open to the public. Total number of branches does not sum directly from rows above as there are a small number of additional Rural Bank and private franchise sites.	 Social	<ul style="list-style-type: none"> <li>Customer access, inclusion and wellbeing</li> <li>Customer satisfaction</li> </ul>	 
Number of ATMs	Number of ATMs at 30 June 2023.		 Social	<ul style="list-style-type: none"> <li>Customer access, inclusion and wellbeing</li> <li>Customer satisfaction</li> </ul>	
Bendigo Bank digitally engaged customers	Number of Bendigo Bank customers that have logged into e-banking within the last three months.		 Social	<ul style="list-style-type: none"> <li>Customer access, inclusion and wellbeing</li> <li>Customer satisfaction</li> <li>Data privacy and security</li> <li>Digital transformation</li> <li>Financial crime risk</li> </ul>	
Up digitally engaged customers	Up is a digital offering therefore these numbers represent those that are active customers.		 Social	<ul style="list-style-type: none"> <li>Customer access, inclusion and wellbeing</li> <li>Customer satisfaction</li> <li>Data privacy and security</li> <li>Digital transformation</li> <li>Financial crime risk</li> </ul>	
Digitally engaged customers (%)	Active e-banking customers defined as customer >12yo and used e-banking in last 3 months (Bendigo Bank) and last 1 month (Up).	Covering approx. 94% of the Group customer base including Bendigo Bank and Up customers.	 Social	<ul style="list-style-type: none"> <li>Customer access, inclusion and wellbeing</li> <li>Customer satisfaction</li> <li>Data privacy and security</li> <li>Digital transformation</li> <li>Financial crime risk</li> </ul>	

## Data definitions, footnotes and categories

Metric	Definition	Footnote & Boundary (where relevant)	ESG & Sustainability Business Plan	Material topics	SDGs
<b>Our Customers</b>					
Bendigo Bank Net Promoter Score (Customer advocacy)	Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling average.	Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.	 Social	<ul style="list-style-type: none"> <li>Customer satisfaction</li> </ul>	
Up Net Promoter Score	Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling average.	Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.	 Social	<ul style="list-style-type: none"> <li>Customer satisfaction</li> </ul>	
Bendigo Bank Customer satisfaction	Roy Morgan measure, 6 month average at June each financial year.		 Social	<ul style="list-style-type: none"> <li>Customer satisfaction</li> </ul>	
Total number of customer complaints	The total number of complaints made by customers to the Bank, including all its subsidiaries. Customer complaints arise when a business does not meet customer expectations in terms of the product or services.		 Social	<ul style="list-style-type: none"> <li>Business conduct and ethics</li> <li>Customer satisfaction</li> </ul>	
Complaint resolution to customer satisfaction (%)	Percentage of total number of customer complaints resolved to customers' satisfaction.		 Social	<ul style="list-style-type: none"> <li>Business conduct and ethics</li> <li>Customer satisfaction</li> </ul>	
Customers supported with hardship (number)	Hardship is defined as when there has been a change in a customer's circumstances and they can not meet their contractual payments for a short period of time.	89% of customers supported with hardship in 2021 were for COVID-19 support. Data not available for 2019 and 2020.  1425 new hardships were approved in 2023 with a total Balance of \$291,706m.	 Social	<ul style="list-style-type: none"> <li>Customer access, inclusion and wellbeing</li> <li>Customer satisfaction</li> </ul>	
<b>Our Communities</b>					
Community Enterprise Foundation Grants distributed (\$ millions)	Includes grants to charitable and not for profit organisations across Australia.	Community Enterprise Foundation administers three charitable trusts and undertakes other activities on behalf of Bendigo and Adelaide Bank and other entities.	 Social	<ul style="list-style-type: none"> <li>Community engagement and impact</li> <li>Thriving regional and rural communities</li> </ul>	
Community Enterprise Foundation Donations received (\$ millions)	Includes donations into tax deductible fund and contributions into the tax concessional charity fund.	Community Enterprise Foundation administers three charitable trusts and undertakes other activities on behalf of Bendigo and Adelaide Bank and other entities.	 Social	<ul style="list-style-type: none"> <li>Community engagement and impact</li> <li>Thriving regional and rural communities</li> </ul>	

## Data definitions, footnotes and categories

Metric	Definition	Footnote & Boundary (where relevant)	ESG & Sustainability Business Plan	Material topics	SDGs
<b>Our Communities</b>					
Community Bank investment (\$ millions)	Community Banks are independent, unlisted public companies that operate a Bendigo Bank franchise. The franchise agreement entitles the Community Bank company to earn revenue generated from customers domiciled to their branch. This revenue is used to pay for the operating costs of the branch and optional contributions to their communities. A portion of the profits derived from revenue can be returned to their shareholders via dividends. The decision on how much is spent and where the funds are directed is made by the individual Boards of the Community Bank companies and is discretionary. There is no obligation under the franchise agreement for a Community Bank company to make any contributions. Community Bank investment captures the collective Community Bank expenditure on a wide range of local community initiatives and activities.	Individual Community Bank companies report the information to the Community Central team.	 Social	<ul style="list-style-type: none"> <li>Community engagement and impact</li> <li>Thriving regional and rural communities</li> </ul>	
Revenue paid to Connected Community enterprises (\$)	Connected Communities Model was established to enable our Corporate Sites to provide community contributions locally by customers choosing to support their local Connected Community with their banking. This is a referral-based model.		 Social	<ul style="list-style-type: none"> <li>Community engagement and impact</li> <li>Thriving regional and rural communities</li> </ul>	
Number of scholarship recipients (first year payments)	The scholarship programs support rural and regional students, Indigenous students, students aspiring to make an impact in the agribusiness sector, and students from disadvantaged backgrounds. This figure only includes first year payments.	Includes Bendigo and Adelaide Bank, Bendigo Bank TAFE, Bendigo Bank Indigenous, Rural Bank and Community Bank Scholarship programs.	 Social	<ul style="list-style-type: none"> <li>Community engagement and impact</li> <li>Thriving regional and rural communities</li> </ul>	

## Data definitions, footnotes and categories

Metric	Definition	Footnote & Boundary (where relevant)	ESG & Sustainability Business Plan	Material topics	SDGs
<b>Our Communities</b>					
Scholarships funded (\$)	The scholarship programs support rural and regional students, Indigenous students, students aspiring to make an impact in the agribusiness sector, and students from disadvantaged backgrounds.	Includes Bendigo and Adelaide Bank, Bendigo Bank TAFE, Bendigo Bank Indigenous, Rural Bank and Community Bank Scholarship programs. \$1.1 million was paid to 207 number of recipients in 2023.	 Social	<ul style="list-style-type: none"> <li>Community engagement and impact</li> <li>Thriving regional and rural communities</li> </ul>	
Social supplier spend through procurement (\$)	Social supplier spend includes suppliers listed on the Social Traders, B Corp, Supply Nation and other Indigenous business databases. This spend includes invoice spend, credit card spend and tier 2 spend (transactions with social suppliers through a tier 1 supplier, e.g. stationery ordered through the Bank's stationery supplier, Winc.).	Spend with Alliance Bank (a B Corp) has been excluded as it is a subsidiary of Bendigo and Adelaide Bank. In 2023 \$4,061,979 was spent with 35 different social suppliers. Previous spend figures restated in line with new calculation methodology.	 Governance	<ul style="list-style-type: none"> <li>Responsible sourcing and partnerships</li> </ul>	
<b>Our People</b>					
Employees (number & FTE)	Total number of employees, including permanent headcount (full-time, part-time, parental/extended leave) and contractors employed by Bendigo and Adelaide bank and its subsidiaries.	Regarding FTE of Bendigo and Adelaide Bank employees, the metric published in the Sustainability Report (5125) has been calculated using a different methodology to the FTE published in the Annual Report (4726). <b>Total:</b> Includes Bendigo and Adelaide Bank, Community Bank, Mutual Partners, Rural Bank and contractors.  <b>Bendigo and Adelaide Bank:</b> Bendigo and Adelaide Bank employees including external secondments from the Bank to Community Banks, employees on parental leave, employees on unpaid extended leave, casual employees, contractors, new starters and employees who have returned to work from parental leave.  <b>Community Bank:</b> Community Bank & Community Bank admin employees. Agents and directors included in previous figures are excluded from FY23.	 Social	<ul style="list-style-type: none"> <li>Business conduct and ethics</li> <li>Diversity and inclusion</li> <li>Employee culture and development</li> <li>Employee safety and wellbeing</li> </ul>	
Employee engagement index (%)	The extent to which our people feel passionate about their job, degree of commitment and discretionary effort.	<b>Total:</b> Includes Bendigo and Adelaide Bank, Community Bank, Mutual Partners, Rural Bank and contractors.  <b>Group:</b> Bendigo and Adelaide bank employees.  <b>Community Bank:</b> Community Bank & Community Bank admin employees.  A new employee engagement methodology was introduced in 2020. Reported data reflects March 2023 SPARK Results. The Bank's SPARK survey is completed by our people. It measures and provides insights into the employee experience.	 Social	<ul style="list-style-type: none"> <li>Employee culture and development</li> </ul>	

## Data definitions, footnotes and categories

Metric	Definition	Footnote & Boundary (where relevant)	ESG & Sustainability Business Plan	Material topics	SDGs
<b>Our People</b>					
Employee turnover (%)	Employee turnover indicates the total number of employee exits as a percentage of the total number of employees.	<b>Total:</b> Includes Bendigo and Adelaide Bank, Community Bank, Mutual Partners, Rural Bank and contractors. <b>Group:</b> Bendigo and Adelaide bank employees. <b>Community Bank:</b> Community Bank & Community Bank admin employees. Agents and directors included in previous figures and are excluded from FY23.	 Social	<ul style="list-style-type: none"> <li>Employee culture and development</li> </ul>	
Voluntary turnover (%)					
Involuntary turnover (%)					
Women in leadership roles (%)	The percentage of roles filled by women as a percentage of the total headcount. Aligned to our WGEA reporting inclusive of all leaders from M2, M3, M4, M5. The data includes individuals on parental leave, however, does not include vacancies, as the report reflects people, not positions.  M2- KMP (Exec) M3- Other Exec/General Managers M4- Senior Managers M5- Other Managers	<b>Total:</b> Includes Bendigo and Adelaide Bank, Community Bank, Mutual Partners, Rural Bank and contractors. <b>Group:</b> Bendigo and Adelaide bank employees. <b>Community Bank:</b> Community Bank & Community Bank admin employees. Agents and directors included in previous figures and are excluded from FY23.	 Social	<ul style="list-style-type: none"> <li>Diversity and inclusion</li> <li>Employee culture and development</li> </ul>	 
Gender Diversity	Measures the percentage of females in relation to the total headcount at each level.	2022 Board figure does not include the CEO & MD, however the 2023 figure does. The 'All Leaders' category includes Executive, Other Exec/General Managers, Senior Leaders and Middle & Frontline Leaders.	 Social	<ul style="list-style-type: none"> <li>Diversity and inclusion</li> </ul>	 
WGEA Gender Pay Gap	The difference between women's and men's average total remuneration, expressed as a percentage of men's total remuneration.	Data based on the Workplace Gender Equality Agency (WGEA) Compliance Reporting 2022-23. Data as at March 1 2023. Includes all Bendigo and Adelaide Bank employees. Excludes CEO, Board members, contractors and Community Bank employees.	 Social	<ul style="list-style-type: none"> <li>Diversity and inclusion</li> </ul>	 

## Data definitions, footnotes and categories

Metric	Definition	Footnote & Boundary (where relevant)	ESG & Sustainability Business Plan	Material topics	SDGs
<b>Our People</b>					
Inclusion	The inclusion score is based on the four factors of inclusion: Respect, Belonging, Empowering and Fair Progression. The score is calculated using staff survey responses to questions categorised within those four factors.		 Social	<ul style="list-style-type: none"> <li>Diversity and inclusion</li> </ul>	  
<b>Governance</b>					
Total number of whistleblower cases	Whistleblower concerns refer to anonymous concerns received through the Bank's anonymous concerns portal. Not all concerns received through this portal are considered whistleblower or protected concerns under the relevant legislation.	The Bank's LTIFR at 30 June 2023 is 1.1.  LTIFR is one of the Work Health and Safety (WHS) lag indicators used to identify trends in performance and provide a tool for self-evaluation and comparison.	 Governance	<ul style="list-style-type: none"> <li>Employee safety and wellbeing</li> </ul>	
Completed mandatory training (%)	A measure of employee compliance with mandatory learning completion. Inclusive of all employees who have completed all module assigned for the financial year.	<b>Total:</b> Includes Bendigo and Adelaide Bank, Community Bank, Mutual Partners, Rural Bank and contractors. <b>Group:</b> Bendigo and Adelaide bank employees. <b>Community Bank:</b> Community Bank & Community Bank admin employees. Agents and directors included in previous figures and are excluded from FY23.	 Governance	<ul style="list-style-type: none"> <li>Business conduct and ethics</li> <li>Data privacy and security</li> <li>Diversity and inclusion</li> <li>Financial crime risk</li> </ul>	

## Data definitions, footnotes and categories

Metric	Definition	Footnote & Boundary (where relevant)	ESG & Sustainability Business Plan	Material topics	SDGs
<b>Climate &amp; Environment</b>					
Scope 1 & 2 emissions (tCO <sub>2</sub> e)	Scope 1 greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level. The Bank's Scope 1 Emissions include natural gas, transport fuels, stationary fuels, and refrigerants. Scope 2 greenhouse gas emissions are the emissions released to the atmosphere from the indirect consumption of an energy commodity. For example, 'indirect emissions' come from the use of electricity produced by the burning of coal in another facility. The Bank's Scope 2 Emissions includes the electricity consumed for the Bank's operations.	Sandhurst Trustees is assessed to be outside of the Bank's operational control. Sandhurst Trustees is not consolidated financially and publishes its own annual report. It is therefore off-balance sheet. Additionally, Sandhurst Trustees has its own Board which sets and manages Sandhurst Trustees' own policies. However, as the Bank and Sandhurst Trustees share operational resources, 100% of the operational emissions of Sandhurst Trustees are included in our disclosure.	 Climate & Environment	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	
Scope 3 operational emissions (tCO <sub>2</sub> e)	Operational Scope 3 emissions are indirect greenhouse gas emissions other than scope 2 emissions that are generated in the wider economy. They occur as a consequence of the activities of a facility, but from sources not owned or controlled by that facility's business. The Bank's operational Scope 3 emissions include purchased goods and services, capital goods, fuel and energy related activities, waste generated in operations, business travel and employee commuting.	Sandhurst Trustees is assessed to be outside of the Bank's operational control. Sandhurst Trustees is not consolidated financially and publishes its own annual report. It is therefore off-balance sheet. Additionally, Sandhurst Trustees has its own Board which sets and manages Sandhurst Trustees' own policies. However, as the Bank and Sandhurst Trustees share operational resources, 100% of the operational emissions of Sandhurst Trustees are included in our disclosure.	 Climate & Environment	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	

## Data definitions, footnotes and categories

Metric	Definition	Footnote & Boundary (where relevant)	ESG & Sustainability Business Plan	Material topics	SDGs
<b>Climate &amp; Environment</b>					
<b>Scope 3 GHG emissions (financed)</b>	GHG emissions associated with a financial institution's portfolio. The Bank's Scope 3 financed emissions are measured under asset classes defined by PCAF. These include residential mortgages, commercial real estate, listed equity and corporate bonds, business loans, unlisted equity and motor vehicle loans.	Sandhurst Trustees is assessed to be outside of the Bank's operational control. Sandhurst Trustees is not consolidated financially and publishes its own annual report. It is therefore off-balance sheet. Additionally, Sandhurst Trustees has its own Board which sets and manages Sandhurst Trustees' own policies. As a result, the financed emissions associated with Sandhurst are outside the operational boundary of the Bank.	 Climate & Environment	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	
<b>Scope 1 &amp; 2/ m\$ total income (tCO2e)</b>	Total Scope 1 and 2 emissions divided by reported FY23 total income.	Correct 2021 figure is 8.9. This was stated as 9.5 in CDP report.	 Climate & Environment	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	
<b>Scope 1 &amp; 2 emissions per FTE (tCO2e)</b>	Total Scope 1 and 2 emissions divided by reported FY23 Group FTE figure.		 Climate & Environment	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	
<b>Renewable electricity</b>	Percentage of electricity that is renewable.	<p><b>Total:</b> Bendigo and Adelaide Bank Limited and its wholly owned and controlled subsidiaries and Community Banks</p> <p><b>The Bank:</b> Bendigo and Adelaide Bank Limited and its wholly owned and controlled subsidiaries</p> <p><b>Community Bank:</b> Community Banks</p> <p>While the Bank is ineligible to join RE100 as our electricity volumes are well below the minimum threshold, we have aligned our target to RE100 and committed to procure 100% renewable electricity by 2025. This will contribute to decarbonising grids in the jurisdictions the Bank operates in, which will reduce absolute emissions over time.</p>	 Climate & Environment	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	 
<b>Carbon neutrality</b>	The Bank was certified carbon neutral for its operations from financial year 2019/20 against the Climate Active Carbon Neutral Standard.		 Climate & Environment	<ul style="list-style-type: none"> <li>• Climate change</li> </ul>	

## Glossary

Term	Definition
ABA	Australian Banking Association
ABC	Anti-Bribery and Corruption
Absolute Emissions	The total amount of greenhouse gases (GHGs) emitted into the atmosphere over a specific period. These relate to both our operational and financed emissions.
ACCC	Australian Competition and Consumer Commission
AFCA	Australian Financial Complaints Authority
AFMA	Australian Financial Markets Association
AML/CTF	Anti-Money Laundering and Counter-Terrorism Financing
ASFI	Australian Sustainable Finance Institute
ASIC	Australian Securities and Investments Commission
AWEI	Australian Workplace Equality Index
Bank operations	All corporate offices, data centres and branches where the Bank has direct control of energy procurement.
BCA	Business Council of Australia
BEAR	Banking Executive Accountability Regime
CAO	Customer Advocate Office
CCAP	Climate Change Action Plan 2021 - 2023
CCASG	Climate Change Action Strategy Group
CEDA	Committee for Economic Development of Australia
Community Bank operations	All Community Branches that are part of the Bendigo Bank Group. The Bank does not have direct control of the energy procurement of these branches, instead each branch has that control.
CNAP	Climate & Nature Action Plan 2024 - 2026
COP26	26th Conference of the Parties - a summit attended by all countries that have signed the United Nations Framework Convention on Climate Change ( <b>UNFCCC</b> ).
FAST	Financial Awareness Support Team
FIAP	Financial Inclusion Action Plan
Financed emissions	Greenhouse gas (GHG) emissions linked to the lending activities of the Bank.
Foundation	Community Enterprise Foundation
LGBTIQ+	Lesbian, Gay, Bisexual, Trans and gender diverse, Intersex, Queer and questioning.
Liability risk	Stems from the potential for litigation where institutions and boards do not adequately consider or respond to the impacts of climate change.
Location-based emissions	Scope 2 operational emissions that account for the Bank's consumption of solar generated behind the meter and where electricity is procured, reflects the average emissions intensity of the grid.
Market-based emissions	Scope 2 operational emissions that account for the Bank's decisions to invest in different electricity products and markets, including LGCs and purchases of renewable electricity.
NACC	National Anti-Corruption Commission
NGER	National Greenhouse Gas Reporting
NPS	Net Promoter Score

## Glossary

Term	Definition
Operational emissions	The direct and indirect greenhouse gas (GHG) emissions linked to the operations of the Bank.
Physical risk	Risks resulting from climate change that can be event driven (acute) or longer term shifts (chronic) in climate patterns. Physical risks may have financial implications for organizations, such as direct damage to assets and indirect impacts from supply chain disruption.
PCAF	Partnership for Carbon Accounting Financials
RAP	Reconciliation Action Plan
Scope 1	Direct emissions from owned or controlled sources.
Scope 2	Indirect emissions from the generation of purchased energy.
Scope 3	All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions where applicable.
Transition risk	Risk related to transitioning to a lower carbon economy that may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organisations.
Travel Emissions	Business travel emissions (Scope 3, Category 6) are the emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. This will not include the emissions associated with business travellers staying in hotels.
UNGC	United Nations Global Compact
WHS	Work, Health and Safety





**Bendigo and  
AdelaideBank**

Bendigo and Adelaide Bank Limited. ABN 11068 049 178