



Sustainability
Report 2022



**Bendigo and
Adelaide Bank**

Our 2022 reporting suite

Annual Financial Report

Our statutory financial reporting

Corporate Governance Statement

Sustainability Report

Our report on our material ESG topics

Includes Tax Report

Additional disclosures:

Climate-related Financial Disclosures

Modern Slavery Statement

Workplace Gender Equality Agency reporting

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About this report

This report is Bendigo and Adelaide Bank's second Sustainability Report and covers the FY22 financial year. We report annually following our full year financial results.

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Acknowledgement of Country

We respectfully acknowledge the traditional owners of lands across Australia and pay our respects to their elders past and present. Our head office is located on Dja Dja Wurrung land.

Unwavering in our ESG and sustainability commitment

While the nation has faced another unsettling year with devastating floods, a fragile economy, and a generally more complex post pandemic outlook, we remain committed to doing our part to build a more sustainable future.

This has been a significant year for BEN's ESG and sustainability approach, with the Bank working hard to build our capability, develop an initial framework and strengthen our data integrity in this area.

Alongside this important foundational work, we continue to advance our ESG agenda, making significant inroads across many areas.

One of many highlights from the last 12 months is the establishment of an ESG and Sustainability function as part of the Managing Director's Office, including the addition of a range of new roles.

These roles participate in the annual corporate strategy process as they further embed ESG and sustainability directly into our business strategy and align sustainability work to our strategic imperatives to reduce complexity, invest in capability and tell our story.

The last 12 months has also seen successful delivery of Year 2 actions under our Climate Change Action Plan with the Bank completing transition risk scenario analysis and maintaining carbon neutral certification. We are equally pleased to report the Bank is now more than halfway towards meeting our 50 percent absolute emissions reduction target by 2030.

The year also saw the expansion of our onsite solar rooftop installation program which now includes more than 50 branches and offices and the commencement of our Electric Vehicle pilot, building on our prior decision to have electric, or hybrid vehicles as the default options for our sealed road business fleet.

In addition to taking these important steps towards reducing our carbon and environmental footprint, the Bank celebrated the 20th anniversary of its Green Loans product. We are proud to have been the first Australian bank to reward our customers making environmentally friendly purchases.

The Bank has also refreshed its diversity and inclusion strategy Belonging at BEN with a greater focus on cultural diversity and reconciliation.

We have also created a Social Impact Framework which sets out a refined direction for our community investment, ensuring

we have greater alignment between our core purpose and targeted social impact outcomes.

Our new Social Impact Procurement Strategy will deliver positive social outcomes through the Bank's procurement, and we have released our Supplier Code of Conduct, which sets out our minimum expectations on ethical, environmental, and social standards for our suppliers.

Another highlight is the implementation of a Modern Slavery Roadmap which sets out key actions to continuously improve our approach to reducing modern slavery risks across the Bank's operations, products, and services.

Finally, we have delivered a Climate Change channel on our employee learning platform, with tailored content for each of the four climate focus areas and over 30 ESG 101 capability building sessions for teams across the Bank to ensure it is front of mind across the entire organisation.

We have accomplished all of this against a backdrop of growing stakeholder interest in understanding our environmental, social and governance approach and performance.

We note the accelerated pace of change in the domestic and global ESG landscape. In particular, we have observed developments around the move to mandatory climate reporting in Australia and the release of the natural capital focused Task Force on Nature-related Financial Disclosures (TNFD).

Our reporting reflects our broader ESG maturity. As we continue to develop our capability, we will further refine our material topic focus areas and our reporting will become more targeted.

In the year ahead you will see the Bank develop an increasingly sophisticated approach to managing our important ESG topics, which will build on a full materiality review in early 2023.

We are Australia's most trusted bank, and we remain focussed on our purpose of feeding into the prosperity of the community, and not off it. Our sustainability journey is central to this purpose. Having laid the right foundations, we are confident of reaching our destination.

Jacqueline Hey
Chair,
Bendigo and Adelaide Bank

Marnie Baker
Managing Director and Chief Executive Officer,
Bendigo and Adelaide Bank

About Bendigo and Adelaide Bank

We have a long and proud history. For more than 160 years, we have actively listened and responded to the needs of our customers and their communities. Over this period, more than 80 different organisations have come together to become the Bank we are today – an Australian owned, top 100 ASX listed company, with more than 110,000 shareholders.

Our vision is to be Australia's bank of choice, driven by our purpose to feed into the prosperity of our customers and communities. 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 enterprises across Australia our Community Bank model enables the provision of banking services and the sharing of revenue with local communities.

We are Australia's better big bank, with more than 7,000 staff helping more than 2.2 million customers to achieve their financial goals. Our principal activities are the provision of banking and other financial services including lending, deposit taking, leasing finance, margin lending, superannuation and funds management, insurance, treasury, and foreign exchange services (including trade finance), and trustee services.

Our brands



Our reach

Our reach comprises a national network of proprietary and Community Bank owned branches, joint ventures, partner distribution networks, wealth release products for senior Australians, and a network of mutual financial institutions to release capital and service members.

Our impact

Our impact is substantial. As Australia's better big bank and a top 100 ASX listed company, we aim to set an example of how banking should be; progressive, sustainable and trusted.

Awards

We're proud our impact has been recognised by the industry and our customers.

PRESENTER	BRAND	AWARD AND PLACING
DBM Australian Financial Awards (2022)	Bendigo Bank	Most Recommended Business Bank
		Best Business Bank Customer Service
		Most Recommended Investor Home Loan
	Rural Bank	Best Business Relationship Managers (Business Banking Awards category)
	Up	Most Recommended Neobank Most Trusted Bank
RateCity Home Loan Awards (2022)	Bendigo Express	Best Loan from Large Banks
		5th Best Home Loan over \$1M
	Tic:Toc (BEN-backed home loan platform)	Best Investor Variable
		Best 3 Year Fixed
		Best Refinance Home Loan
		2nd Best Standard Variable Rate 2nd Best Home Loan over \$1M
Roy Morgan (2022)	Bendigo Bank	Most trusted bank brand #1 Consumer banking satisfaction for home loan customers
Trusted Brands – Reader's Digest Australia (2022)	Bendigo Bank	Bank of the Year
LearnX Awards (2021)	Bendigo Bank	Platinum Award for Best L&D Project in Customer Experience
	Bendigo Bank	Diamond Award for the Best L&D Project in Induction/Onboarding
Mozo (2021)	Up	Excellent Customer Service Award
		Excellent Customer Satisfaction Award
		Highly Trusted
		Most Recommended
Consumer Finance Awards (2021) ¹	Bendigo Bank	Home Lender of the Year
	Adelaide Bank	Investment Lender of the Year
	Leveraged Equities	Margin Lender of the Year
Forces of Good – Corporate Responsibility (2021) ²	Bendigo Bank	Top 10 CSR – 3rd place
Money Magazine (2021) ³	Bendigo Bank	Home Lender of the Year
Roy Morgan (July 2021) ⁴	Bendigo Bank	Top 20 Most Trusted Brand
	Bendigo Bank	High Advocacy

1, 2, 3, 4 Announced in FY22, awarded for FY21

Our strategy

The external environment

While the local and global economy is always changing, we are experiencing macro-economic changes that are particularly significant in terms of the reversal of a decade long trend in falling interest rates, subdued inflation and a near 50-year low in unemployment.

Accordingly, we must be dynamic in our response to this, both within our business and in terms of meeting the needs of our customers, staff and other stakeholders.

Macro-economic backdrop

- Inflationary pressures
- Rising interest rates
- Historically high labour force participation
- Moderating property prices
- Supportive agricultural conditions and prices
- Supply challenges
- Labour and skills shortages

Shaping the future of banking

The overarching strategy of Bendigo and Adelaide Bank remains relatively unchanged, driving continued strong growth and a resolute and considered focus on transformation and productivity.

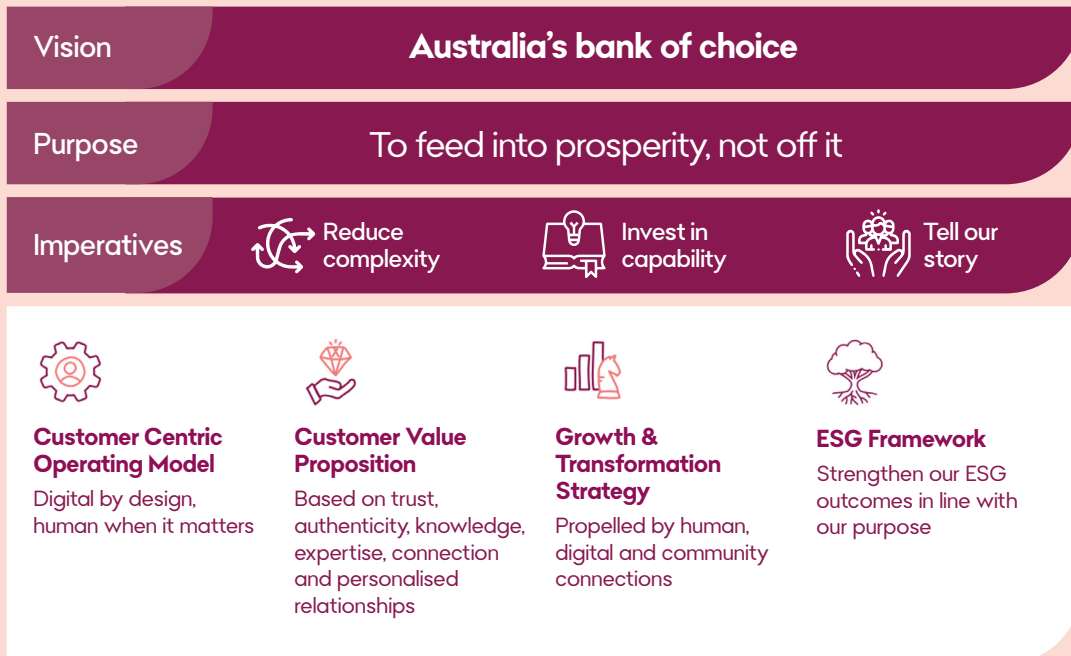
Our results illustrate that we are a stronger business by delivering on our strategy and our unique purpose to feed into prosperity, not off it.

We act with care, customers and community in mind, building on the capability and experiences we offer our customers.

Our underlying business, balance sheet, brand proposition, risk profile and transformation have made our business stronger for the future.

Our transformation continues to improve our productivity, efficiency, speed to market and customer experience.

As we build on our purpose, of feeding into prosperity, not off it, we continue to reduce complexity, invest in capability and tell our unique story, with an eye to the future as we strive to be Australia's bank of choice.



For our customers, people, partners, communities and shareholders.

How we create value

Who we are

Our customers and community

Today we are a proud customer and community focused bank with a strong regional presence.

We help our more than 2.2 million customers Australia wide achieve their financial goals.

Our people and culture

Our culture is embodied in more than 7,000 purpose driven, capable employees and 1,600 passionate volunteers, drawn from diverse backgrounds and geographies.

Our knowledge and expertise

We leverage the capabilities of our people, partners and digital technologies to deliver the best possible outcomes. We draw on the knowledge and wisdom of our communities to enable local solutions.

Our financial base

Our business is founded on customer deposits and savings, funds provided by equity and debt investors, and the community-raised capital that underpins local Community Banks.

Our governance, risk and compliance

Our decision making is risk based and responsible, drawing on deep industry-specific knowledge. Our operations are underpinned by robust governance.

How we work

We connect with customers

Our care for customers is grounded in purpose. We're dedicated to building long-term relationships with our customers built on authenticity, knowledge and trust.

We partner for prosperity

Through our network of brands and partnerships we are genuinely connected in communities. And through our unique model, we partner with communities to empower the shared delivery of banking services and share profits from those services.

We develop our people

We build our people's capability and pursue diversity and wellbeing.

We do the right thing

We create trust by always acting in an authentic and ethical manner. We are responsible lenders and ensure equity in our pricing and approach. We think about the long term interests of our stakeholders.

We manage our impact

Our operations are carbon neutral, and we have no direct lending to fossil fuel projects.

What we deliver

Our strategy

Our immediate strategy is to reduce complexity and drive efficiency; to uplift and invest in the capability of our people and systems; and to tell and amplify our story.

Customer focused

Customers will always be at the centre of our efforts. The overlap between community, human and digital connections drives how we create value.

Products and services

We offer a range of relevant banking solutions that feed into prosperity, not off it.

Products and services include:



Personal and business banking



Mortgages and unsecured loans



Investment products



Insurance



Superannuation

The value we create

Customers

Greater financial security and control for our customers, including vulnerable customers.

Communities

More capable, resilient and self-sufficient communities.

Social capital and relevant community infrastructure supported through our model.

Our partners and shareholders

Financial and non-financial returns to partner organisations and our shareholders.

Improved and modernised banking practices, knowledge, products and services.

Our people

Meaningful careers and employment for our people, including in regional geographies.

Our environment

Contribution to climate change mitigation, adaptation, and resilience.

Everything we do is focused on our purpose to feed into prosperity, not off it.

Our approach to sustainability

Sustainability is inherent in our purpose and has been since our beginnings. We have a long history of supporting community and investing in our approach to climate action.

Many of our material topics are interconnected and we understand the ongoing need to develop our approach to driving our sustainability performance forward. Further, we continue to act on calls from stakeholders to strengthen our communication on our sustainability approach and action.

For this reason, during FY22 we have worked to strengthen our sustainability credentials through:



Our stakeholders

As one of Australia's largest banks, we wear many hats – we are not just a banking services provider, we are also an employer, a procurer, and a member of the community. Our stakeholder groups include customers, communities, employees, partners, shareholders, suppliers, advocacy groups, regulators and government.

Stakeholders are identified according to the impact they have on our operations and their level of interest in our organisation. Engaging with stakeholders is vital to understanding the impact of our operations. We use insights from our engagement to inform our approach and as a key input into our materiality assessment.

To further support our purpose, the Bank collaborates with other stakeholder groups who are focused on making a positive impact in society, thereby playing an important role in feeding into prosperity. Because our success only follows our stakeholders' success, every interaction is a commitment to creating value through building trusted and lasting relationships.

We always strive to act ethically, capably and with great care and attention, ensuring everyone is respectfully heard. However, like any organisation we sometimes make mistakes and when we do, we take ownership and action to make good and remediate any errors. Our highly skilled and trained people engage with each stakeholder group in a disciplined manner, and this ensures relationships are cultivated for the long term.



Our approach to engaging with stakeholders and key discussion topics for FY22 are set out in the following table:

STAKEHOLDER	HOW WE ENGAGE	KEY TOPICS RAISED AND DISCUSSED IN FY22
Shareholders, investors and analysts	Annual General Meeting, full and half year results presentations, briefings, one on one and group meetings as appropriate, investor and analyst briefings, credit rating reviews and conferences	<ul style="list-style-type: none"> · Climate change risk and customer transition to low carbon economy · Digital transformation · Dividends (retail shareholders) · Executive changes · Financial strategy and performance · Financial risks (including cost of loans and cost of living changes) · Mergers and acquisitions · Modern slavery
Customers	Face-to-face interaction in branches, locally operating contact centres and mobile bankers visiting in-home, in-business and on-farm, via our website, app, email, mail and social media, customer surveys, Customer Advocate Office, and third-party dispute resolution bodies	<ul style="list-style-type: none"> · Agribusiness insights e.g. trade conditions, seasonal outlook · Data privacy and security including scams · ebanking (outages) · Home ownership and affordability (focused on interest rates) · Financial hardship · Social issues including animal welfare, LGBTQ+ support · Position on fossil fuel lending · Responsible investment
Communities	Direct engagement within the communities in which we operate, public meetings, conferences, collaborations, and partnerships	<ul style="list-style-type: none"> · Digital transformation (move to digital banking) · Financial and digital inclusion · Natural disaster recovery and resilience · Social impact · Strategic community investment
Employees	Internal communication channels, including Yammer, virtual forums and meetings, email, video communication, enewsletters, interactive online roadshow events, podcasts, town hall meetings, and engagement surveys, face-to-face conversations between leaders and team members, regular team and divisional meetings and senior leadership meetings	<ul style="list-style-type: none"> · Change of superannuation provider · Competitive remuneration · Digital transformation · Diversity and inclusion · Employee vaccinations · External economic conditions · Group strategy · Health and wellbeing · Return to office post-COVID · Risk culture
Partners (Alliance Bank, Third Party Banking) and suppliers	Meetings (both formal and informal), experience surveys, contract initiation and renewals, risk assessments and joint agreements	<ul style="list-style-type: none"> · ESG expectations and standards (Supplier Code of Conduct) · Digital transformation (consolidation of systems) · Service level agreements · Modern slavery · Natural disaster impacts · Network redesign · Payment policy aligned to Payment Times Reporting Scheme
Regulators (including APRA, ASIC, AUSTRAC, BCCC, OAIC)	Regular meetings with executives and senior leaders, conferences and site visits	<ul style="list-style-type: none"> · Breaches and breach reporting · Data privacy and security · Design and distribution obligations · Emerging risks · Market and economic conditions · Risk management approach and governance · Responsible lending

STAKEHOLDER	HOW WE ENGAGE	KEY TOPICS RAISED AND DISCUSSED IN FY22
Consumer advocacy groups and NGOs	Customer Advocate Office, meetings and forums, industry-based engagement between banks and customer representatives	<ul style="list-style-type: none"> Branch access (temporary and permanent closures including lunchbreak closures) Call wait times Customer hardship Digital inclusion (as banking is now digital) Financial inclusion including debanking Scams Identification and Know Your Customer (KYC) issues Internal dispute resolution (IDR) disclosure
Federal, state and local government, and industry associations	Meetings, submissions to inquiries, background briefings, conferences and other formal and informal correspondence, professional memberships including the Australian Banking Association (ABA), Business Council of Australia (BCA), Regional Australia Institute (RAI), Regional Australia Council (RAC), Mortgage and Finance Association of Australia (MFAA), Committee for Economic Development of Australia (CEDA). The Bank's Managing Director and Chief Executive Officer is the Deputy Chair of the Australian Banking Association.	<ul style="list-style-type: none"> Customer hardship Digital transformation Employee vaccinations (COVID-19) Financial and digital inclusion (elderly, Indigenous, prisoners) Home ownership and affordability Fraud and financial crime, primarily scams Service provision and customer networks (branch closures, call wait times) Regionalisation and infrastructure
Media (mainstream print, regional media, broadcasters, online, trade and personal finance media)	Background briefings, media releases and one-on-ones	<ul style="list-style-type: none"> Armed robberies Branch staffing shortages (COVID-19) Climate change Customer hardship Digital transformation Executive changes Financial and digital inclusion Financial results and forecasts (interest rates and commodities) Fraud and financial crime Home ownership and affordability Natural disaster impacts Service provision and customer networks (branch closures and staffing) Scholarship programs and sponsorships Regionalisation and infrastructure Sustainability



Feedback on our Sustainability Report

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

Our material topics

In FY22 we refreshed our material topics internally as part of participating in the corporate strategy process and will conduct a full materiality assessment in early 2023.

The following topics were identified as material for the Bank during FY22:

STAKEHOLDER GROUP	MATERIAL TOPIC	DEFINITION
Customer	Maximising value and satisfaction for customers (from page 17)	Maximising the value received by, and satisfaction of our customers by offering banking services that are simple, relevant and personalised and having a culture that places the customer first. Examples include, but are not limited to, appropriate fees and charges, introducing new and simpler banking tools and supporting small business. Includes coverage of our technology and transformation initiatives.
	Customer access and inclusion (from page 22)	Ensuring our customers have access to branches, products and the services to meet their banking needs. This includes supporting regional, rural, disabled and culturally and linguistically diverse customers with appropriate products and services tailored to their specific opportunities and needs.
	Customer hardship and wellbeing (from page 23)	Identifying and proactively managing customer vulnerabilities throughout all stages of the customer journey and their relationship with the bank. And managing the Bank's products and services to ensure that customers financial wellbeing is improved.
	Responsible lending (from page 23)	Acting in customers' best interests and ensuring our products and services contribute to the prosperity of our customers and do not lead to financial hardship. Providing advice and product labelling that is transparent, simple, understandable, and fair. Applying appropriate fees to products and services.
Community	Engaging with and contributing to communities (from page 24)	Connecting and partnering with community members and leadership to invest in the future of communities where we operate, grounded in principles of self-determination and empowering local leadership. This includes investing in communities via philanthropy, volunteering, engagement and in-kind support, disaster relief and capacity building.
	Thriving regional and rural economies (from page 24)	Enabling the social and economic prosperity of rural and regional 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.
People	Employee engagement and culture (from page 29)	Ensuring our people are engaged in their roles and with our Bank's culture, purpose, values and transformation agenda.
	Employee development and capability (from page 35)	Providing people with relevant and business-aligned opportunities for learning and development. This includes training on skills of the future, ESG risk and opportunities and digital upskilling.
	Diversity and inclusion (from page 31)	Developing a culture and systems that support accessibility, diversity and inclusion in hiring, promoting and managing our people. Supporting all forms of diversity in leadership and having a workforce that reflects our customer base, including different geographies and cultures.
	Talent attraction and retention (from page 29)	Developing a culture and systems that support accessibility, diversity and inclusion in hiring, promoting and managing our people. Supporting all forms of diversity in leadership and having a workforce that reflects our customer base, including different geographies and cultures.
	Employee safety and wellbeing (from page 36)	Ensuring the safety of and supporting the wellbeing of our people. Appropriately managing current and emerging concerns in a timely manner, such as protecting physical health throughout COVID-19, mental wellbeing in an environment of remote working and its associated challenges (e.g. burnout) and promoting a safety culture in which expectations about respectful behaviour are clear and procedures for managing reports of sexual harassment are robust.

STAKEHOLDER GROUP	MATERIAL TOPIC	DEFINITION
Environment	Climate change risks and opportunities (from page 37)	Identifying, disclosing and managing the physical and transitional climate-related risks and opportunities for the Bank, including those associated with our loan book and investments. This includes supporting customers, to understand, set targets towards and manage the mitigation of their risks and capitalisation of opportunities.
	Operational environmental performance and commitments (from page 37)	Understanding, disclosing and acting to reduce the Bank's operational environmental footprint, including greenhouse gas emissions, waste, water use, biodiversity loss and ecosystem degradation. Increasing use and generation of renewable energy and setting operational footprint targets that are aligned to net zero.
Governance	Business conduct and ethics (from page 44)	Building and maintaining an ethical culture of integrity, transparency and accountability at all levels. Having robust policies, systems, leadership, risk management and the training in place to prevent misconduct and to enable whistleblowing.
	Customer privacy and data security (from page 46)	Acting to prevent cyber security risks and to protect customer data. This includes the appropriate use of data internally, and the investment and implementation of technology and management systems to support this.
	Engaging and responding to the regulatory environment (from page 44)	Actively engaging with the changing external regulatory landscape and respond with agility to maintain compliance and competitiveness. Participating in the regulatory debate including relevant advocacy around fair banking products and practices in the market.
	Fraud and financial crime (from page 47)	Proactively managing the risks and incidences of fraud and financial crime for the Bank's customers and the bank. Investing in appropriate systems, processes and culture to enable identification and resolution of incidents and to minimise their negative impacts.
	Managing our supply chain (from page 48)	Understanding, disclosing and managing sustainability risks in the Bank's supply chain, including environmental and social impacts. This includes a focus on driving positive social impact through procurement and managing the potential for modern slavery and human rights abuses within the supply chain of the Bank.
	Responsible remuneration (from page 50)	Aligning remuneration with organisational values, community expectations and standards deemed appropriate considering outcomes from the Banking Royal Commission. Ensuring that conflicts interest are managed and employees' incentives are aligned to levels of appropriate risk taking.
Emerging material topics	Biodiversity and natural capital	Maintaining a watching brief on the development of the Task Force on Nature-related Financial Disclosures and relevancy for the Bank, in particular for Rural Bank.

Sustainability governance

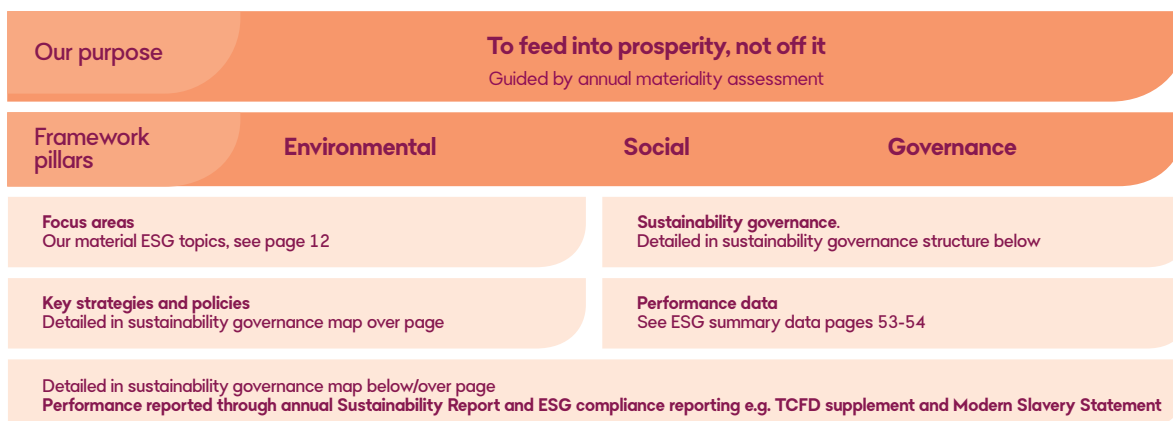
Accountability for our sustainability approach and performance starts with our Board and flows through to management and employees. Our approach to sustainability is underpinned by our materiality assessment, our ESG Framework and a range of policies and position statements (outlined in the Sustainability governance overview diagram below). Key environmental and social risks are also highlighted in our Corporate Governance Statement, along with information on other key ESG issues including diversity and inclusion and ethics and integrity. From FY21, we commenced reporting on our sustainability approach and performance with reference to global reporting standards, including the Global Reporting Initiative (GRI), UN Sustainable Development Goals (SDGs) and the Task Force on Climate-related Financial Disclosures (TCFD).

ESG Framework

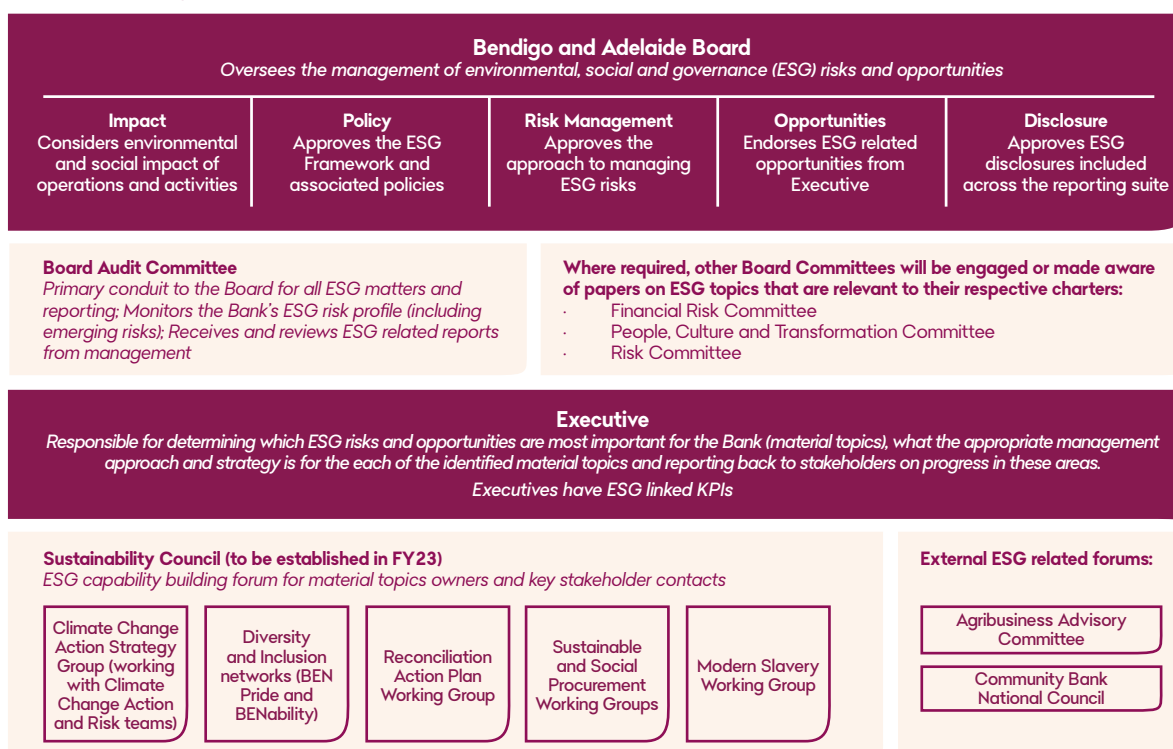
In FY22, we developed our initial ESG Framework which sets us on a path toward fuller consideration of our material ESG risks and opportunities.

The framework acts as an organising layer that connects streams of ESG work across the Bank, strengthens our governance approach to ESG and highlights where we have more work to do. Overall, it creates a structure for how we will manage ESG risks and opportunities moving forward, and supports meeting emerging ESG compliance requirements, as well as developing greater rigour in ESG reporting to market.

It is not intended to be set and forget, but instead to be a dynamic framework that is enhanced year on year, both through the annual materiality process and broader business strategic planning cycles. In this initial stage the ESG Framework is primarily focused on risks, however as we build our maturity greater consideration of opportunities will be possible.



Sustainability governance structure



Sustainability governance map



Strategy and performance reporting through annual reporting suite.

Guided by global standards

United Nations Sustainable Development Goals

Our approach to sustainability is informed by the following United Nations Sustainable Development Goals, which we believe we can contribute to most as part of our business:



Global Reporting Initiative (GRI)

This report has been prepared in reference to the Global Reporting Initiative (GRI) Standards. A GRI index is included from page 61 of this report.

Task Force on Climate-related Financial Disclosures (TCFD)

We have aligned our climate related disclosures with the TCFD recommendations. An overview of the actions we have undertaken this year are from page 37 of this report and a separate detailed Climate-related Financial Disclosures reporting is available on the Bendigo and Adelaide website.

Serving and supporting our customers

Bendigo and Adelaide Bank provides full banking services to more than 2.2 million customers Australia-wide. Whether online, in branch, on farm, in business, face-to-face or over the phone, we provide personalised, immediate, and convenient services to customers regardless of how they choose to do business with us.

It is our purpose that informs every decision we make to ensure we are catering for not just our customer's banking needs, but also the influence that has on their lives and helping the communities they live in thrive.

Our customer value proposition is based on trust and authenticity, knowledge and expertise, connection, and personalised relationships. Our customer-centric operating model is digital by design and human when it matters.

While some customers choose a bank solely on price, our customers are also attracted to our capability, customer-centric business model, accessibility of our physical points of presence, knowledge and expertise, community commitment, and our focus on shared value.

We're here for our customers and it's important for us to provide customers with the right products and services to enable them to achieve their objectives and financial success. To achieve this, we have policies and procedures in place to ensure our staff provide customers with the right products and services based on their situation, accessible in a way that suits their needs.



FY22 highlights



Provided banking services to more than 500 communities



Grown to serve more than 2.2 million customers



Industry leading Net Promotor Score of 24.5¹



Maintained high customer satisfaction score of 86.5%²



Digitally engaged customers reached **68%**



Digital Bank, Up, has the highest rated banking app in Australia³

1, 2 Roy Morgan metrics
3 As at 31 July 2022

Maximising the value and satisfaction of our customers

Our service extends to every corner of Australia and includes consumer banking, third party lending, business banking and agribusiness, margin lending, investments, funds management superannuation and insurance. Our reach is facilitated through joint ventures, distribution partnerships, philanthropy and other specialist services.

We know we must constantly evolve because our customers' needs and the economic environment

we have experienced over many years, continues to change.

We are well progressed into our multi-year strategy to reduce complexity, increase capability and tell our story. This strategy is reshaping our business for the future – making lasting changes – and will see us continue to increase productivity, and sustainably investing in new capabilities, particularly in customer experience and digitisation.

Customer satisfaction remains a constant focus for our business, and we are driven by the customer satisfaction rating we continue to see.

The percentage of satisfied customers remains high at 86.5%, which has us 11.1% above the average rating of the major four banks.

Our network

Our branches across Australia continue to provide an important connection to our customers, with our network of corporate branches, community owned branches, and agencies, offering local banking services to more than 503 communities in FY22.

We continue to invest in branches where our customer interactions indicate a demand for local banking services, with 27 of our sites receiving a refurbishment during the year, making visiting our branches a positive experience for our customers and a great place to work for our people.

In addition to providing banking services, our branch network also ensures support for customers who aren't yet able to engage with us digitally. Our branch staff are committed to supporting our customers increase their digital literacy and are trained on providing education on our digital banking solutions.

In FY22 we trialled a dedicated digital coach in the Bendigo market who worked closely with our branch staff to ensure customers received personalised support based on their digital capability, which saw a significant uplift in the take up of self-service banking options.

With more digital self-service options, and customers choosing to complete their simple banking transactions digitally, our branch experience will evolve from over-the-counter transactional services to side-by-side human interactions focussed on more complex transactions and advice.

We have also continued to invest in our mobile banking team. We have a network of more than 100 mobile relationship managers who travel to meet our home loan customers face-to-face. Our business and agribusiness lenders also utilise a relationship model, working across branches, and maintaining mobility to meet the customer where best suits them and their business.

For more than 20 years our partnership with Australia Post has provided our customers access to transaction services at 3,500 local post offices across the country. In FY22 we signed a new five year agreement with Australia Post to ensure our customers can continue to take advantage of the convenience of this local banking service.

A decision to close a branch is not made lightly and only after careful consideration; often in response to a decline in the number of customers choosing to use the branch, or because of proximity to other branches. During the year we closed seven corporate Bendigo Bank sites and our Community Bank partners closed 10 branches.

Our approach to banking continues to be locally led, uniquely tailored to best serve local customers, leading to targeted and effective local banking solutions and better results for the customer. Our people live and work in local communities and interact with our customers every day, which helps build a stronger connection and deeper understanding of what is important to them.

Improving online support

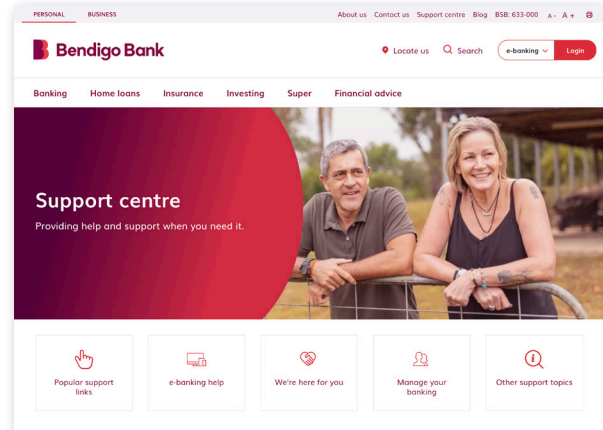
We're continuously improving the way we support our customers and we've recently launched a new support centre on the Bendigo Bank website, replacing the previous Help section.

The Bank's website receives 1.5 million visitors each month, with 11% of those visiting Help.

'Help' is critical to the website as it hosts regulatory and support information. The previous Help section had grown overtime which had made it overly complex for our customers to navigate and find the information they were looking for.

What's changed:

- 'Help' has been redesigned into a new 'support centre'
- The main page has been simplified, so users can connect to relevant content faster
- New support topic pages spread out from the support centre, with optimised and self-service content
- The previous Help menu has been removed and replaced with a simplified navigation model
- Individual Help FAQ pages have been removed from the site and links redirected to the new support centre



Why it matters:

Help and support should have clarity, be organised, connected and provide assistance. To achieve this for our customers, the new support centre:

- Reduces complexity, making it easier to find content
- Improves the user experience and includes links to other associated content
- Reduces friction with internal search results by removing individual FAQ pages and duplicated content
- Improves search engine results (e.g. Google) by optimising content

This project also supports the Bank's focus on:

- Digital by design, human when it matters
- Security and scams
- Digital adoption / e-banking
- Reducing calls to the call centre
- Creating efficiencies with less content to maintain

Delivering on transformation for our customers

Our journey to transform 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 are in the way we treat customers and make a positive impact.

We have a unique opportunity to use transformation to build on these strengths, to continue to provide a differentiated approach to banking, one that is digital by design and human when it matters.

We are well progressed in our transformation agenda and business benefits are being delivered.

Over the next year we will accelerate business outcomes to simplify, modernise and digitise the Bank, supporting our people to continue to provide exceptional service and relevant solutions to meet customer needs.

To support the delivery of the Bank's strategy, we are working towards the below key outcomes for transformation. Achieving these outcomes will help us move faster, reduce our costs and employee effort and deliver sustainable value for our customers and shareholders.

Our transformation targets

Simplification: simplifying our business, saving time, effort and bringing our costs down

- Moving to three brands Bendigo Bank, Rural Bank and Up, will help us achieve greater brand awareness, equity and impact from our marketing spend.
- With seven core banking systems, that's seven times the effort to update and maintain. Moving to one core system will reduce our costs and workload for our people, making us faster in delivering change and improvements.
- Customers migrating to the core system will gain access to a greater range of products and services and benefit from our investment in the digital banking experience.
- We will more than halve the number of IT applications we use, a huge saving in licensing costs and effort navigating multiple applications to get work done.

Simplification targets and performance to date

	FY19 BASELINE	FY22 PERFORMANCE	FY24 TARGET
# brands	13	10	3
# core banking systems	8	7	1
# IT applications	650	491	325

Digitisation: making it easy for our customers to bank digitally, increasing their connectivity with us and speeding up processes

- We know that once our customers are banking online, they love the experience. We'll help them self-serve and increase their connectivity with the bank by growing the number of ebanking users to 90% in FY24 and enabling customers to sign-up for more products online.
- We are simplifying and standardising policy and process and digitising our key customer journeys. Customers will continue to experience even faster decision making from us and we'll be easier to bank with. For our people, simplification and more automation will reduce handoffs and manual rework, allowing us to focus more time on building relationships with customers, both existing and new. We're focusing on the home lending customer journey first and improving the customer experience in our retail lending and other channels.
- We're also driving innovation and exploring new digital markets with the launch of Up's first loan product, Up Home. Up Home will help us test and learn in the digital space and guide the development and future improvement of other Bendigo digital products and sales channels, growing our market share.

Digitisation targets and performance to date

	FY19 BASELINE	FY22 PERFORMANCE	FY24 TARGET
% active ebanking customers ¹	58.3%	68%	90%
Median time to decision (home loans) ²	22 days	13 days	<1 day
% automated credit decisioning (home loans) ³	0%	~10%	70-90%
% digital sales	19.2%	23.9%	60%

1. Covering approx. 92% of the Group customer base including Bendigo Bank and Up customers. Active eBanking customers defined as customer >12yo and used eBanking in last 3 months (Bendigo Bank) and last 1 month (Up)
2. Median time to decision (home loan) relates to 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 and Adelaide Broker average time to initial decision is currently 5 days (#7 in the market)
3. Includes loans originated through BEN Express and Tic:ToC platform

Modernisation: our business is supported by modern technology that's fast to respond to changing business and customer needs

- We're continually growing the number of cloud-based applications we use, making us faster at implementing changes and upgrades – from idea through to delivery. Cloud based applications also give us better access to new technology, rather than having to develop everything ourselves, and allow us to store massive amounts of data, so we can reduce our physical data storage sites.
- Developing and reusing Application Programming Interfaces (APIs) is best practice when it comes to technology future ways of working. By reusing our APIs we save significant time and costs associated with developing code for each new project or initiative.

Modernisation targets and performance to date

	FY19 BASELINE	FY22 PERFORMANCE	FY24 TARGET
% applications in the cloud	1%	19.9%	50%
% reuse of Application Programming Interface (API)	0%	26%	40%

Partnering is part of our DNA

We have a long history of partnering; it is a key part of our DNA and what has helped set us apart. It strengthens our capability to deliver on our vision and purpose and allows us to embrace specialist partners to draw on world-leading insights, innovation and experience. These strong and innovative partnerships are a key element of our strategy, as they allow us to improve the customer experience and enrich community capacity, adding value to those connected with our business. Examples of our partnerships include:

- The Community Bank model which is based on partnerships with local people and community enterprises to provide financial services, employment, a local investment opportunity and a source of revenue for projects determined by local people.
- Partnering with more than 10,000 mortgage brokers and mortgage managers via our third-party business – Adelaide Bank.
- We have maintained a partnership with Elders, an Australian pastoral house offering products and services to rural and remote Australians, to help farmers to expand and innovate for more than 22 years.
- Our partnership with and now acquisition of Melbourne-based fintech Ferocia to build Australia's first mobile-only digital bank, Up.
- Our four-year partnership with Australian fintech Tic:Toc – the world's fully digital home loan platform. This platform offers customers access to our own instant home loan, Bendigo Express.



Up delivers sustainable saving

Up is Australia's fastest growing digital banking platform with more than 550,000 customers, most of whom are under 35. In a rapidly changing financial world, 'Upsiders' are using Up to take control of their money and live life on their own terms.

Up is built on foundational habit-changing tools like multiple Savers, easy-to-use budget Trackers, and 2Up, a new kind of joint account that helps Upsiders safely navigate shared finances. And in the past year Up has brought further innovative releases to the sector.

Research commissioned by Up showed that a quarter of young Australians have felt encouraged to buy things they then regret and felt stress paying in arrears for purchases.¹ With Maybuy, Upsiders can create an easy savings plan for products they'd like to buy right in the app. They can buy things they actually love, with money they actually have, and change their minds too – saving money and putting less stress on the planet.

Up Home is a complete journey designed to help Upsiders better navigate home ownership right from their first save. Starting with a Home Saver, they can project how different savings styles will impact their chance at home ownership, learn about how buying property works, and understand the impact of costs like stamp duty. They can design their own journey towards ownership – then buy, with simple, low (10%) deposit home loans that come with 50 free offsets.

And the introduction of digital-first cards at Up including digital-by-default joint accounts has saved tens of thousands of plastic cards from entering circulation. Since few Upsiders even want plastic cards – they prefer to bank from smart devices they already own – the opt in system is a simple and effective way to consume less.

These are just a few ways Up is changing banking. Up is the highest rated banking app in Australia² with a NPS of 72³. Up is lovable, loved, and helping build a better future: banking reimagined.



#1 most satisfied
digital bank
customers
(Canstar)



#1 rated banking
app in the Apple
App Store and
Google Play²



550,000
Upsiders and
growing



\$1bn+
In total
deposits



NPS of
72³

1. Commissioned by Up, an online survey of 1,000 Australians aged 16-34, representative of the Australian population with respect to state/territory and gender, was conducted between Friday 8 July 2022 and Tuesday 12 July 2022
2. As at 31 July 2022
3. Roy Morgan Research, 6 month rolling average as at June 22

Accessible and inclusive design is good for everyone

We're committed to creating an inclusive and supportive bank for our customers, staff and community. The Bendigo and Adelaide Bank Access and Inclusion Plan 2020-22 aims to do this.

Our focus is on three groups: our customers, our people, and our workplace. We aim to raise awareness, influence strategy, and drive initiatives to deliver change.

The plan was a collaborative effort. We worked with the Australian Network on Disability and input from senior leaders. The Bank's employee and inclusion network was also involved. This network comprises members from across the organisation who have experience with disability. They share a passion for accessibility issues and building an inclusive workplace.

We partner with a range of accessibility and inclusion organisations to deliver on the Bank's Plan, including:

We continue to implement direct actions from our Access and Inclusion Plan (available on the Bendigo and Adelaide website) and will be refreshing the plan in the year ahead.

Australian Network on Disability

Australian Network on Disability (AND) is a national not-for-profit membership-based organisation. AND specialises in supporting businesses in building disability confidence, engagement and action. We have been Gold Members since 2017.

Dementia Australia

We have partnered with Dementia Australia to develop:

- In-branch Dementia Friendly Environmental Audits; plus
- A first of its kind, online learning for Better Banking for People Living with Dementia.

PACE Mentoring

PACE Mentoring is a dynamic mentoring program. They connect job seekers with disability to volunteer mentors from our staff.

Vision Australia

We work with Vision Australia on design and testing of our key banking services for the visually impaired.

Listening to our customers

Listening to our customers is critical. We have mechanisms to manage the way we listen at both an individual and macro level. We want to ensure our customers feel represented in the decisions the Bank makes and that in every interaction with us, customers are treated fairly and with respect, no matter the circumstance.

Our Customer Advocate Office (CAO) exists to represent the voice of our customers. It is responsible for overseeing direct customer feedback as well as handling escalated complaints. It makes things easier for our customers when they don't go as well as they should.

All customer feedback is thoroughly documented, investigated, and analysed for trends and opportunities to improve how we serve our customers. This process is led by our impartial Customer Advocate who reviews and assesses any complaints escalated by customers unsatisfied with the outcome of the Bank's Internal Dispute Resolution (IDR) process.

The Customer Advocate has three key functions:

1. Investigate and provide resolutions for issues impacting our customers. This includes engaging throughout

the Bank and providing feedback when processes, policies or actions have had a negative impact on our customers. The Customer Advocate is often a stakeholder in the development of new products to ensure the customer's voice is heard.

2. Manage the relationship with our external dispute resolution provider, the Australian Financial Complaints Authority (AFCA). This includes investigating and providing resolutions to complaints escalated to them.
3. Be alert to customers who are experiencing challenging personal or financial circumstances and support them through our Financial Awareness Support Team.

We monitor customer complaints to understand how we are performing in maximising the value and satisfaction of our customers. Work has been undertaken across both our Bank, and the broader industry to uplift the capture of customer complaints. Understandably, this uplift has been reflected in an increased number of customer complaints being reported. We also note that growth in new customers has contributed to a greater number of complaints. In FY22 we received 42,302 customer complaints, a 10.2% increase on FY21.

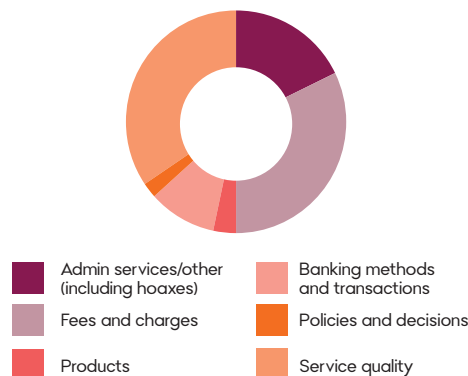
While the themes of complaints from our customers are quite evenly dispersed, the area with more customer complaints than others is on hold call wait times. The Bank's call wait time increased to an average of 7 minutes and 28 seconds which we acknowledge is too long. We are continually striving to improve our customer experience and to improve wait times, including through improving our self serve options. This year our efforts have been challenged as we continued to experience employee absences related to COVID.

We have strong satisfaction indicators for those who speak to our contact centre, showing we help our customers effectively – 91% of customers surveyed at the end of their call said they were satisfied or very satisfied with the help they received.

On occasion, our Internal Dispute Resolution team are unable to reach a mutually acceptable outcome with the customer, who then may choose to escalate their complaint to the Australian Financial Complaints Authority (AFCA).

In line with other financial institutions, we are seeing an increase year on year of new cases received by AFCA. In FY22 AFCA received 664 complaints linked to the Bank; 698 cases were resolved (reflecting some cases received in the prior reporting year). The increase in cases received in FY22 was primarily due to the prevalence of scams and hoaxes.

FY22 complaints by category



Supporting through financial difficulty

There may be times when a borrower's circumstances change, whether from a breakdown of a relationship, loss of income, injury or illness, or due to external factors such as a natural disaster. If, as a result, borrowers cannot afford the required repayments on their business or personal loans, we recommend they contact us immediately to discuss their circumstances. The Bank aims to take proactive steps to identify and assist customers experiencing financial difficulty through a range of practices. In many instances, a temporary arrangement can be made quickly and efficiently over the phone. Alternatively, there may be a need to conduct a more detailed assessment of a borrower's financial circumstances to enable the Bank's trained staff to better assist our customer in a more tailored way.

Our relationship-based model equips our staff to better understand the needs of individual customers. This means our relationship managers work to ensure customers receive the appropriate support to protect their prosperity and where possible avoid hardship.

Where hardship does occur, we leverage our knowledge of the customer to enact a fit for purpose solution to help them work through the challenge. Our focus in these times is to provide the customer with every reasonable opportunity to preserve their loan and any underlying security and to minimise and mitigate loss. Our philosophy is about keeping people in homes, in businesses and on farms, and not forcing a sale. This purpose, coupled with our personal relationship with our customer allows us to appropriately provide the tools required to support them through any financial hardship. We believe our approach to customer hardship support is the reason we experience below industry average credit losses.

In FY22 we supported 2,037 consumer customers experiencing hardship, a significant decline from FY21 when over 25,000 customers sought support throughout the pandemic.

Responsible lending

We believe it is important to act in a fair and responsible way when it comes to lending to customers. Our approach to lending involves us making enquiries about a customer's financial situation to ensure they can meet their obligations under the loan contract including, and importantly, the ability to meet the required loan repayments.

We have in place:

- Prudent lending criteria which include assessing serviceability under different interest rate scenarios
- Policies and procedures which support compliance with our obligations under relevant legislation, and the Banking Code of Conduct

- A responsible lending user guide for lending officers
- Management reporting on responsible lending compliance
- A program of regular updates to the lender training manuals
- Ongoing training and awareness initiatives for lending officers to reinforce responsible lending requirements. For complex loan applications, especially those that carry greater credit risk, we ensure approval is sought from appropriately experienced banking officers.

Enabling community and local impact

When our Bank was established over 160 years ago, a key cornerstone, which continues to this day, was the belief that the role of a bank is to feed into community prosperity – not off it.

It is this purpose that is the consistent theme to the Bank’s approach to sustainability in everything that we do. Fundamentally, we believe our business will only be successful when we can share in the success created by our stakeholders. As a bank, our core business is providing financial services to customers.

However, for our Bank, its more than that – we are interested in the positive impact that money can enable. We know that if our customers are successful, in turn their community will be too. And a successful and vibrant local economy is a good place for a sustainable and successful bank. Community is as important to us as it is to its members because we care about people and what they care about. We weigh all our decisions because they affect the future we help to create. We know our actions define us, not just our words.

We are the only Australian bank in the ASX top 100 to be regionally headquartered. For this reason, we place a greater emphasis on connection to our communities than most and we collectively know a lot about Australia outside the metropolitan capitals. From our experience in communities throughout Australia, we can see the key to creating healthy economies is striking the right mix of skilled people, connecting them, and ensuring they have access to the capital required to build strong, vibrant, engaged, and inclusive communities.



FY21 highlights



\$19.4m

in community contributions enabled by Community Bank model



\$292.2m

in Community Bank contributions since inception of model



\$14.4m

in funds to disaster recovery enabled by Community Enterprise Foundation



\$1m+

\$1m+ scholarships to 292 students across Australia



Appeal support for flood impacted communities in NSW and QLD



Development of Social Impact Framework

Banking communities and sharing profits

The way we manage and strengthen our connection to communities is diverse. Throughout the Bank's journey our community focus has evolved based predominantly on community-driven initiatives. The management of our approach represents our purpose and the role we play in all communities we are a part of.

Our approach has been fit for purpose and we aim to share the value of banking services to support community, work together to identify priorities and support investment towards these priorities. There are three primary ways we currently do this: through our model of Community Banking, our partnerships with

mutual companies and non-physically connected communities.

The Community Bank model is a world-recognised example of a shared value business. Through this model our Bank and the communities with whom we partner have been able to provide a significant and ongoing capital injection into the Australian economy and more specifically regional economies where more than half of all Community Bank sites are located.

Shared value business models play a key role in business and society, as they apply a commercial solution to a societal problem, thus generating benefits for business and the community.

Bendigo and Adelaide Bank provides the banking infrastructure and licensing requirements, while the community runs the branch and generates valuable funds to invest into their community. Together, Bendigo and Adelaide Bank and Community Bank companies share the value, with surpluses invested into the community via grants, sponsorships, and dividends to local shareholders.

Community Bank 'Profit with Purpose' model



1. Includes total sponsorships, donations and grants - data as at 30 June 2022

The Community Bank model provides self-determining communities with a powerful vehicle that delivers local services, creates jobs, and invests in community development and prosperity. Across Australia the model provides employment to 1,640 people, which generated a total of approximately \$131.6 million for FY21 (based on audited financial reports received from the network, performance reported on calendar year, FY22 information not available at time of reporting) with flow on impact to the economy of the communities these employees live in.

Further to Community Bank employees, 1,623 directors of the Community Banks, who are largely volunteers, are provided with specialised training to enable them to provide high standards of governance for their Community Bank company. This upskilling of capability also has a flow-on benefit to raising the governance capability for other community groups which these directors may be members of.

In FY22, our Community Bank model enabled \$19.4 million worth of community contributions. Since the inception of the Community Bank model, more than \$292 million has gone back to communities. These funds were directed to support initiatives driven by community members with money that was generated through banking in each local community.

On top of the community contributions we make, local shareholders of profitable Community Banks received dividend payments totalling \$9.5 million in FY21 (performance reported on calendar year, FY22 information not available at time of reporting). Community contributions and dividend payments are a strong demonstration of the model's capacity to retain capital in local communities where it can have a relevant and targeted impact.

Bendigo and Adelaide Bank partners with 224 Community Bank companies throughout Australia who operate 307 branches. As with any business operating in the banking industry, our partners' profitability can be volatile and is susceptible to many internal and external influences. In FY21, 190 (83%) companies recorded a profit after tax, down from 210 (91%) in FY20 (performance reported on calendar year, FY22 information not available at time of reporting).

Recognising that not every community is able to support a Community Bank, Bendigo Bank customers can choose to link their account to a Connected Community platform, where a percentage of the profit from their banking generates a contribution to the funding of community projects. In FY22, Connected Communities contributed \$984,000 to support local projects.

1. Final Community Bank dividends are reported on a calendar year basis to Bendigo and Adelaide Bank. The final figure for FY22 is unavailable at the time of writing.

Our Social Impact Framework

Bendigo Bank's purpose is at the core of our Social Impact Framework, which has been designed to define what we mean by feeding into prosperity and focuses on achieving shared value outcomes that address challenges in our community.

As a regionally headquartered institution, we share a natural affinity with rural and regional communities and see firsthand the role banking plays in supporting communities to be vibrant, healthy, and dynamic places to live and work.

To us, prosperity is all about seeing our customers and communities thrive. In communities with strong social fabric, that have access to appropriate financial services and that are prepared for climate change, over the long term.

In using the Framework, we seek to:

- Empower communities to respond to local areas of social need
- Improve the financial and digital inclusion of the community
- Support our communities to build climate and disaster resilience
- Bring our purpose to life through our community investment, marketing, products and services, and to be able to articulate and demonstrate the social impact that we are helping to create in communities where we operate

This framework informs not only our community investment decisions, but everything we do across the Bank. The social impact focus areas set the agenda for how we feed into prosperity, from our products and services through to our commitment to creating positive social change.

To support the Social Impact Framework a set of tools, including a decision support tool and evaluation framework, are being developed to help us better understand the impact of our community investments, partnerships and more broadly our provision of banking services.

Our social impact principles

We're a bank	We're here for the long term	We're focused on real, sustainable change	We measure our impact
Given our core business we're focused on enabling initiatives that build both social and financial resilience. We believe that capacity building and social enterprise are key tools in achieving this aim.	We've been around for more than 160 years, so we know that change doesn't happen overnight. We aim for multi-year funding that sets organisations up for success.	We want to see individuals, organisations and communities equipped to tackle social and environmental challenges head on. And so, we seek to invest in initiatives that focus on building the scaffolding to support change to happen.	Just like we measure our business results, we also aim to understand the outcomes of initiatives we support, not just inputs and outputs. This helps us to ensure we continue to focus where we can have the most impact.

Our social impact framework

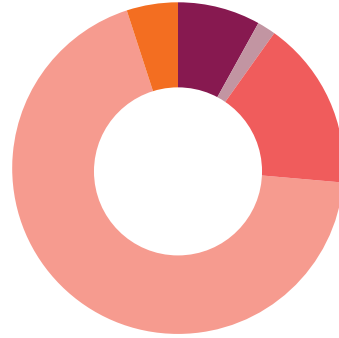
Focus	Connected and empowered communities	Financial and digital inclusion	Climate and disaster resilience			
Description	Communities know their own needs best, so we focus on providing communities with infrastructure, skills and networks to address local social issues. We deliver most of our initiatives in this focus area through our Community Bank network and scholarship programs.	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. 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.	The impacts of climate change, including natural disasters, will disproportionately impact the most vulnerable in our community, and be magnified in regional and rural areas in Australia We are focused on supporting customers and communities to build climate change and disaster resilience.			
Example initiatives	<ul style="list-style-type: none"> · Social enterprise training · Community infrastructure · Innovation programs · Scholarships · Grant programs 	<ul style="list-style-type: none"> · Financial literacy program · Products and services designed for traditionally excluded groups e.g. Indigenous banking products, migrant banking · Education and training opportunities, including digital focused programs 	<ul style="list-style-type: none"> · Tree planting initiative · Bushfire preparedness program · Solar installation · Investing in reforestation or other biodiversity projects · Climate related opportunity identification 			
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	Impact Measurement and Reporting	Communication and Engagement	Partnerships and Collaboration	Community Banking

Community Enterprise Foundation

Community Enterprise Foundation is the Bank's Foundation. Our focus continues to be on helping strengthen the social fabric of communities across Australia. On behalf of the Bank, our Community Bank partners, and our corporate partners we facilitate and deliver grants, scholarships, appeals, partnerships, and other funding. Through our community-led approach, we will continue to create positive impact and sound investments that provide communities with the foundations to thrive.

Our Foundation funding themes in FY22

\$24 million across 1,094 grants



- Building thriving communities
- Conserving the environment
- Developing through education
- Growing healthy communities
- Supporting the arts

Community engagement sessions

The Community Enterprise Foundation is an enabler of social outcomes, working with partners and grant makers to support them to maximise the impact of their community investments. Through these Community Engagement sessions intent is translated into plans enabling positive outcomes and long term impact. Topics covered include community planning and grants preparation.



FUNDING CASE STUDY

Rural Women Online

We're focused on ensuring inclusive access to our products and services which is why we're investing in initiatives that build financial literacy and digital skills

Rural Women Online is a joint initiative of the Helen McPherson Smith Trust and Bendigo Bank, delivered by the Victorian Women's Trust.

The program upskills women in digital literacy through a mentorship model where women can learn in an inclusive and non-judgemental environment.

Our Community Enterprise Foundation funded the Rural Women Online project with a \$165,000 grant which has enabled the project to be rolled out across rural Victoria.

Investing in our future through education

Our scholarship program continues to be one of Australia's largest privately funded programs that nurtures significant intellectual capital across the community.

In total the Foundation has enabled more than \$11 million in scholarships to support 1,398 students since the program began in 2007.

In 2022, 292 students shared in more than \$1 million in scholarships to study in areas such as medicine, science, public health, chemistry and nursing and midwifery.

Many of our recipients have pledged to use their education to give back and contribute to their local communities. Scholarships can be used to fund the costs associated with study including relocation, course fees, course materials and accommodation.

Our Community Bank network continues to play an integral role in the program, contributing significant funds and using their close community relationships to promote the program to communities across Australia.

Responding to natural disasters

Our deep experience and connection to community has taught us that disaster recovery is a marathon, not a sprint. We believe local communities are best placed to determine the needs and recovery efforts required in their community.

This includes in the immediate aftermath of the floods in Queensland and New South Wales, as well as medium and long term bushfire recovery – \$14.4 million was distributed this financial year.

Through our Bendigo Bank Flood Disaster appeal and Rotary Foundation Australian Flood Appeal we have raised funds to assist those affected by the 2022 devastating floods in NSW and QLD, with some areas hit by flooding four times over the past year. During FY22, \$717,000 was raised for flood affected regions.



Helping in times of need

Funds from the Flood Disaster Appeal have started to make a difference. A grant of \$22,000 was awarded to Elanora State High School thanks to support from Community Bank Tugun.

Businesses, schools, homes, and lives have been heavily impacted by the disaster. The grant will support the replacement of lost and damaged items such as laptops, uniforms, household items and clothing. Where required, it will help provide emergency accommodation and grocery relief. Students are facing impacts to their studies, exams, and assignments due to the loss of laptops, textbooks, and equipment. These funds will provide much needed security for their education.

Our valued project partner, Australian Lions Foundation, has come onboard to help facilitate this important community relief project.

And over the long term

Thanks to donations made through the Victorian Bushfire Appeal, an incredibly important documentary, *Beyond the Fire: Recovery*, was created. It follows on from the story told in season 1 of *Beyond the Fires*.

Beyond the Fire: Recovery follows the triumph and resilience of one Gippsland community. It explores how they banded together to rebuild after the Black Summer Bushfires. 18 months on and the community is still recovering physically, emotionally, and mentally.

Through a lens of hope, this standalone documentary gives a voice to the triumphant grassroots story of communities. Set against the stunning backdrop of Gippsland, *Beyond the Fire* follows the journey of fire affected locations. It explores the frustrations and triumphs of the community lead recovery. The power of perceived control and hope, and the journey still to come. It connects with local heroes to share courageous stories of overcoming heat, wind and flame. It tells the very real story of how our Bushfire appeals have had a vital impact on those in the most affected parts of Australia.

There is still a long way to go.

Creating an engaging and purposeful workplace

Our people are skilled, resilient and capable of great things. Our Bank aims to provide a positive employee experience and with this focus comes many opportunities to make a difference. We know that when our people feel engaged and supported to be their best, a positive experience for our customers follows.

We're committed to investing in every one of our employees, recognising them for great outcomes, and creating a community where everyone can thrive. Community lives inside and outside the Bank. We believe in teamwork and trust, everyone working towards shared goals and building a sense of pride in making a real difference in communities across Australia.

We want our people to feel connected and engaged because we care about them. And we celebrate what's common and different, so we can all be ourselves.

When our people know how to contribute, feel valued and belong, and our leaders are confident and capable, our customers receive the best service. Our people make our workplace great. They care about our customers, our bank, our communities, and each other.

With our sights set on being Australia's bank of choice, we're doing critical work that will set up our business for success and improve the experience for everyone we look after. This includes work that's focused on making our people's experience better and organising ourselves to work together more effectively



FY22 highlights



Employee engagement score increased to **77%**



46% Women in management



Refreshed our diversity and inclusion strategy, Belonging at BEN



Relaunch of our BENPride network and supported the Bendigo Pride Festival

Participated in federally funded disability employment pilot program Recruitable

Recognised as an Inclusive Employer 2021-2022 by the Diversity Council of Australia

A workforce and culture for the future

Our culture is different. Our customers experience our authenticity through our ability to connect to what is important to them. Our purpose and values flow through the Bank in all our interactions. The way we work and how we're organised enables us to be productive and responsive to our customers.

The shape of the Bank's future workforce will enable us to operate, flex, adapt, innovate, and be responsive to change so we can continue to take advantage of market opportunities and deliver value to our customers, shareholders and communities.

We are focusing on creating a future-ready organisation through our culture, operating model, capability and skills to ensure we can effectively deliver on our strategy.

The strategy for managing our people is to ensure they are engaged in their roles and with the culture, purpose, values and transformation program to create the future of our Bank.

This gives us a clear approach to achieving our people goals including:

- Aligning our culture to our strategy by putting the Bank's critical few behaviours into action
- Driving consistency in how we recognise performance and reward outcomes. Ensure our people understand what's expected of them, recognise them for their impact, and acknowledge when performance falls short
- Creating a contemporary learning environment and building enterprise capability so our people can do their work well, and with confidence, to deliver organisational growth
- Defining and shaping the way we work and organise ourselves
- Inspiring, engaging and supporting our people through change, landing change safely and successfully
- Supporting the safety and wellbeing of all our people
- Delivering people insights to support business decisions
- De-risking the management of core Human Resources data and making it more efficient

Policies, procedures and standards govern our approach to managing our people. Central to these is our Code of Conduct which is designed to ensure all our people are fully aware of their obligations to themselves, their colleagues and our customers, our partners and their communities. The code is supported in more detailed policies on specific topics and subject areas.



Building the Bank's organisational capability to be productive and high performing enables our people to do their best with the culture the Bank strives for. This work will enable successful change, allow the Bank to proactively manage current and future workforce needs, and support our people's safety and wellbeing.

Our people systems and analytics are simple and effective, supporting insight-based decisions. We're refining our processes and investing in fit-for-purpose systems to equip our leaders with actionable people analytics and insights while removing risk and inefficiencies associated with managing core Human Resources data.

Evolving to our aspired culture is a long-term focus for all of us. It includes the continued embedding of our critical few behaviours, SPARK surveys to measure culture and our employee experience, frameworks to govern culture (including risk culture) and a culture measurement dashboard to track impact. Our ongoing cultural evolution is designed to help deliver on the Bank's strategy and achieve key outcomes such as strong risk management, customer focus and responsible conduct.

Building our values-driven, diverse and capable workforce

Diversity and inclusion

At Bendigo and Adelaide Bank, we believe that everyone deserves to feel included and valued. We are proud to welcome people from a wide range of backgrounds, with a variety of skills, ages, and identities because we believe our differences bring us together and make us stronger.

We are committed to:

- Cultivating a culture of inclusion where our employees' individual uniqueness is valued and respected, allowing them to bring their whole and authentic self to work.
- Empowering employees in a safe and supportive work environment.
- Creating fair and equitable access in all phases of the employee lifecycle.
- Continuing to comply with our legal and regulatory obligations regarding diversity and inclusion.

Our strategy to date

Implemented in 2019, our Belonging at BEN FY19-22 Strategy ('the strategy') articulated the organisation's roadmap towards building a diverse and inclusive organisation.

The strategy focused on five key priority areas of impact, enabled by inclusive practices and leadership.

Considerable progress has been made over the past three years in bringing Belonging at BEN to life within the organisation. The strategy has necessarily focused on implementing foundational diversity and inclusion programs, policies, and benchmark measures across priority dimensions including gender, LGBTQI+, accessibility, cultural inclusion, and Aboriginal and Torres Strait Islander inclusion.

This work has set the organisation up well for the next iteration of Belonging at BEN which will enhance the focus on business-led and embedded diversity and inclusion practice.

Where we are heading

Consultation for the development of the new strategy included several stakeholder interviews, a thorough desktop review of current strategy, policies, and practices, as well as identifying other strategic integration opportunities. A benchmark activity using the Global Diversity and Inclusion Benchmarks Survey, administered by The Centre for Global Inclusion was also completed.

The in-depth review was critical in the development of our new strategy which has been designed to be strategic and intersectional with an aim to progress the organisation to a business led, Human Resources enabled model of inclusion. The new strategy has six strategic pillars, five priority dimensions all of which are underpinned by our measurable objectives.

Belonging at BEN FY 23-25



How we have made an impact in FY22

Creating an environment where everyone belongs

We believe that diversity of experience, mindset and background inspires our best ideas, helps us challenge the status quo and identify better ways of working. In a dynamic operating environment, our diversity will make a difference. We recognise that a focus on Diversity and Inclusion is integral to the Bank's success.

In FY22, we focused on understanding the diversity profile of our organisation and increasing senior leadership capability. Specifically, we:

- Deemed an 'Inclusive Employer 2021-2022' via the Diversity Council Australia's (DCA) Inclusion@Work Index which measures organisations on their progress in diversity and inclusion. A total of 2,541 staff members completed the survey across nine different Divisions, providing the Bank with a demographic snapshot of our employee base.
- Included questions on diversity, inclusion, and wellbeing in our March SPARK survey. Pleasingly, all measures increased from baselines set in 2020. SPARK survey

results were compared to the Bank's DCA Inclusion@Work results and have provided a deeper understanding of inclusion across a wide range of demographic data.

- Data from three years of SPARK along with the outcomes of the DCA Inclusion Index have provided valuable insight into the Belonging at BEN FY23-25 Strategy along with a baseline for BEN's experience of inclusion in the workplace. The insights have formed part of the new measurable objectives.

- Throughout FY22, all Divisional Leadership teams participated in Inclusive Leadership and Unconscious Bias workshops. These interactive sessions were aimed at increasing leaders' confidence in leading inclusively and recognise and address their bias.

From FY23, we will look beyond gender as the primary metric we track to measure the success of the new strategy. In addition to gender, we will also be tracking and reporting annually on our workforce representation and our employee experience of inclusion. These measures form part of our ASX requirements, the details of which can be found in the Bank's Corporate Governance Statement available on the Bendigo and Adelaide website.

Growing women at all level of the organisation

As an organisation with a national footprint, we have a role to play in actively challenging assumptions based on gender stereotypes. This includes celebrating women's achievements and providing women across our workforce and our external network opportunities to collaborate, build knowledge, grow networks, and drive their careers forward.

In the last 12 months we have:

- Increased female representation in our senior leader roles across the organisation, meeting four of our six measurable objectives for the period of 2019-2022
- Launched our Women in Business forum demonstrating our commitment to being the bank of choice for female talent and female business owners
- Completed several gender equality deep dives across the organisation with the aim to identify barriers to gender equality and improving leadership literacy in the role leaders play to enable gender equality
- All divisions have a People Plan in place with a dedicated Gender Equality Focus

- Continued to deliver our intensive talent development program Women in Leadership, with another 31 women completing the program in FY22
- Divisional KPIs to track female participation have now been in place for over 24 months. In FY22, 50% of agreed gender representation KPIs have been met and 76% of measures to aim for growth were achieved.

We are proud of our progress towards gender equality to date, particularly the positive increase in female representation across most leadership categories from the time the objectives were set in 2019 to 2022. However, we recognise that there is more to do. From FY23 we will be working towards 40:40:20 representation, meaning we are aiming for 40% females, 40% males and 20% of either gender identity. We will get there by:

- Applying consistent targets across all levels and divisions of the organisation
- Providing our leaders with greater access to their workforce data
- Implementing diversity and inclusion KPIs for all senior leaders.

Our ongoing commitment to fair pay

We continue to focus on gender pay equity; ensuring people of any gender performing the same role are paid the same amount, and people of any gender performing different work of equal or comparable value are paid equitably. Our focus on gender pay equity forms part of our fair remuneration practices. As part of this, a pay equity analysis is undertaken annually and reported to the Executive.

Our FY22 analysis indicates our gender pay gap has reduced since the baseline was established in 2019. This reduction has occurred through a focused effort on:

- embedded equitable pay practices during the recruitment process

- targeted interventions undertaken during annual remuneration reviews; and
- increased visibility of this issue with key decision makers.

In FY23 we will further strengthen our commitment to gender pay equity by:

- undertaking a review of how we measure pay gaps
- a deep dive to understand what is driving our gap; and
- seek to understand solutions to close the gap.

The findings of the review will be used to inform future strategies for reducing our gender pay gap.

Further detail is available in our Workplace Gender Equality Agency reporting available on the Bendigo and Adelaide website.

Improving the accessibility and inclusion of people with disabilities in our business

We value all abilities and capabilities and believe inclusive and accessible design is good for everybody.

We are focused on:

- ensuring our physical and digital environments are accessible
- adjustments are proactively made,
- we help create a community where people want to work, where customers feel connected and where everyone can thrive.

In FY22 we brought this to life by:

- Participating in the \$2.43 million federally funded pilot program - Recruitable. As one of the seven organisations participating in the pilot program, we intend to use this program as one of our mechanisms to lift the disability confidence within the Bank's recruitment practices and with senior leaders.
- 15 employees participated in the PACE Mentoring program, delivered by the Australian Network on Disability.

The program aims to connect job seekers with disability to mentors from the Bank. Since 2020, 50 employees have participated in the program.

- Our employee network BENability, for employees with lived experience with disability and their allies, continued to provide feedback and lived experience on projects from across the Bank that require an accessibility lens.
- Being proud finalists in the 2021 Australian Access Awards for the Bendigo Bank website and app. This work was a result of the focus in the Digital Marketing and Mobile and Electronic Banking teams to build significant disability confidence and capability and embrace their role in business led accessibility.
- Implementing several resources for our employees and leaders including: our Dignified Access guide, Better Banking for Customers with Disability and Dementia Design and Delivery for Disability.

For more details about how we plan to make the Bank more accessible for our customers and employees, view our Access and Inclusion Plan available on the Bendigo and Adelaide website.

Creating a safe and inclusive environment for our LGBTIQ+ employees

Embracing the diversity of the LGBTIQ+ community is important to us. We are proud to welcome everyone to our bank, and we are dedicated to creating an inclusive, safe space for all our employees.

In FY22, we increased our focus and momentum in LGBTIQ+ inclusion across the Bank. We did this by:

- Raising the profile of our employee network group for our LGBTIQ+ employees and their allies. Activities included re-branding to BEN Pride; aligning to naming conventions typically adopted by LGBTIQ+ committees and groups. This name is clear, consistent with internal and external naming conventions and it is symbolic – showing a new beginning for the network.
- An intentional focus on internal connection and learning opportunities were led by the BEN Pride committee. The committee led International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT) celebrations, an Australian Workplace Equality Index (AWEI) awards watch party and through the month of June ran a month-long Pride campaign.
- Proudly sponsoring the Bendigo Pride Festival - a three-week arts and culture festival in the Greater Bendigo region - for the third year running.
- Continued focus on enhancing the Bank's Human Resources policies and practices, including continuing to champion the Gender Affirmation Policy and Toolkit.
- Completing the Australian Workplace Equality Index for the second year running. Our results increased from our first submission which reflects the work undertaken to lift LGBTIQ+ inclusion at the Bank. The results from our AWEI submissions continue to inform our LGBTIQ+ Strategic Plan.

Bendigo Pride Festival

First held in 2019, the Bendigo Pride Festival has grown every year, highlighting the diversity of the Greater Bendigo region by uniting different backgrounds and cultures across the three week arts and culture festival. Bendigo and Adelaide Bank have been a proud platinum sponsor of the festival since 2020.

We know from the AWEI there is less visibility of LGBTIQ+ inclusion within regional Australia – and that regional staff not only feel LGBTIQ+ initiatives are too city-centric, but do not have exposure to as many allies, can experience higher levels of harassment and feel less positive about the organisation being inclusive. So, our sponsorship is a way to show our support to our regional employees and customers.



Enhancing inclusion for our culturally and linguistically diverse employees

We want to enhance inclusion for our culturally and linguistically diverse employees. Through our commitment to initiatives that encourage cultural diversity and support inclusion, we aim to have a workforce that truly reflects the communities we live and work in.

In FY22 our focus has been understanding our current state on cultural inclusion. We did this by:

- Informally undertaking the Victorian Equal Opportunity and Human Rights Commission Workplace Cultural Diversity Assessment

- Conducting several cultural inclusion consultation workshops with key stakeholders from across the business

The insights from the workshops and the assessment will continue to inform our Cultural Diversity Plan.

In addition to the above, we recognise the importance of raising awareness and education for our employees on the many different cultures that make Australia great. Throughout FY22 we celebrated days of significance across a variety of cultural days. These celebrations are used as an opportunity to engage, educate and of course, celebrate all the wonderful backgrounds of our employees.

Our road to Reconciliation

Significant work has been undertaken in the last twelve months to create a Reconciliation Action Plan (RAP). The RAP is the first step on our journey to be a more purposeful organisation in creating and enabling social change. Reconciliation at the Bank means recognising, respecting, and understanding Aboriginal and Torres Strait Islander peoples and cultures and strengthening our relationship with communities right across Australia.

A key learning through the development of the RAP has been the importance of establishing meaningful connections with local Aboriginal and Torres Strait Islander people who will support us in the Reconciliation

journey, this learning will continue to challenge our thinking and actions and will be an important part of ensuring this work is genuine and meaningful.

The RAP has been co-developed through the engagement of an external consultant and an employee working group with representation from across the business. Endorsement of the RAP from Reconciliation Australia is expected in the first half of FY23.

Providing our people with relevant opportunities for learning and development

We are investing to develop the skills and capability of our people, teams and leaders to drive performance and growth. Developing our organisational capability is critical to build business performance and respond to the goals of our customers and needs of our communities.

BEN U is our approach to learning enabling our people to grow, perform and lead. Our People Capability Framework creates an enterprise foundation and BEN U creates learner driven experiences including new learning channels, new learning curricula, and education partnerships.

We're also building leadership capability through Lead BEN. The Lead BEN Framework defines the leadership

required to enable the Bank's strategy, culture aspiration and transformation for the future. Lead BEN Program is our foundation for leadership, anchored by the Lead BEN Framework, targeted to leaders that have the greatest reach and influence. BEN U also provides a range of informal Lead BEN learning resources to help our leaders every day.

Through a range of channels including virtual classrooms, digital learning, leadership masterclasses, learning campaigns and bespoke programs our people on average experienced 19 structured learning interactions over the year. In addition, there have been over 4,500 course completions through our LinkedIn Learning catalogue to date.

Recognising our people

Impact@BEN is our approach to performance, development and recognition. It's a key part of working within our business, enabling our people and the Bank to be successful. Impact@BEN focuses on enabling consistency

in how performance is managed and how we recognise and reward our people for their impact. It is anchored to a framework and tool, supported by how-to-guides, videos and recognition activities.

Safety and wellbeing are foundational

The safety and wellbeing of our people comes first. For us, doing the right thing goes far beyond any single event of action, and transcends far beyond any prescribed point in time.

We continue to put effort and focus into supporting our people to be safe and well, with the overarching view that we need to be well to do well. We have updated our flexible and remote working policies and guidelines to help our people balance their personal commitments and interests with their career.

We provide our people and leaders with tools and resources to build and maintain wellbeing. We know that one size does not fit all people and proactivity is better than reactivity.

Our leaders play a key role in supporting our people to be well, engaged and productive at work. Changes to how we do our work and live our lives, combined with ongoing health and economic uncertainties mean this is more important than ever.

We have a range of resources available to support our people, depending on their need. These include:

- Our Employee Assistance Program (EAP) – available to all our people, and their immediate family, 24 hours a day 7 days a week –to assist our people in all aspects of their lives, with ~75% of engagement for non work-related support
- A dedicated COVID-19 support page with current COVID-19 updates and resources for our people
- Our wellbeing portal (Wellbeing @ BEN) with a range of tools and resources to support the wellbeing of our people
- Family and domestic violence support
- Equip Resilience Toolkit to help develop skills to build and maintain a resilient organisation
- A wellbeing webinar series
- Partnering with Smiling Minds – which included an introduction to mindfulness session, with 269 registering for the live event. We have also encouraged the use of

the Smiling Minds App, which is a tool to help practice daily meditation and mindfulness exercises.

- Working safely resources with tools to help our people work safely
- Flexible work policy to support our people to balance their non-work interests and commitments with their careers with our flexible work policy
- Mental health first aid training for leaders to identify and respond to someone about who they might have mental health concerns
- Partnering with Bupa to make the flu vaccine accessible to our people around the country.

We recognise that staying safe requires consultation, education and implementing controls this includes:

- A Work Health Safety (WHS) system that is underpinned by a framework that is continuously reviewed. A key feature of this framework is two consultative WHS Committees which play a critical role in monitoring and implementing safety and wellbeing objectives.
- A driver safety initiative for our people with a job required vehicle or those receiving the motor vehicle allowance
- Advice on how to respond to unacceptable customer behaviour that may include threats, personal verbal abuse, derogatory remarks and rudeness
- Ongoing consideration of our COVID-19 controls for all offices and branch locations
- Mental health first aid training provided by accredited staff

One of the ways we regularly track our performance in keeping our employees safe is through the key safety metric of Lost Time Injury Frequency Rate (LTIFR). Our LTIFR for FY22 decreased to 0.4.

We are committed to creating a safe, inclusive, and respectful workplace that is free from bullying, discrimination, harassment and victimisation. And all our people, regardless of their position in our organisation, understand that they have a role to play in actively ensuring our workplace is free from this. 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 and training.

Contributing to a sustainable future

Climate change is affecting the quality of life and financial position of our customers, the communities in which they live, the environment that surrounds them and the industries in which they earn a livelihood. We understand individuals and the natural and human designed place they call home will be impacted in a multitude of ways, and we believe it's the right thing for our organisation to address this global issue through policy, procedure and activity.

With increasing staff, customer, community, investor and shareholder concerns about climate change and the impact that businesses have on the environment in which they operate, alongside the growing focus of Australian regulators on climate change risk governance within corporations, we seek to mitigate risks and impacts and wherever possible to feed into community prosperity, our company's long-held purpose.

Building on our prior efforts on climate and environment, since 2019 we have invested further in our approach to climate action, including development of a Board endorsed Climate Change Policy Statement and Climate Change Action Plan (CCAP) and establishment of a dedicated Climate Action function.

Increasing employee, customer, community, investor and shareholder concerns about climate change and the impact that businesses have on the environment in which they operate requires attention. This is occurring alongside the growing focus of Australian regulators on climate change risk governance within corporations.



FY22 highlights



Second year of actions under our Climate Change Action Plan successfully executed



Over halfway to meeting our 50% absolute emissions reduction by 2030 target



51 branches and office locations with rooftop solar installed, approximately 10% of our network



Electric vehicle pilot commenced for our employee fleet



Celebrated the 20th anniversary of our Australian first Green Loans with deeper discounts



Transition risk scenario analysis completed

We seek to mitigate risks and impacts and wherever possible to feed into community prosperity, our company's long-held vision.

As we have progressed through our planned actions, we have witnessed the climate landscape change rapidly.

Our customers and communities are being impacted by natural disasters more frequently and stakeholder expectations for climate action are increasing both domestically and internationally.

We have learnt how challenging it can be to obtain the data we need to measure then reduce our footprint and support our customers to do the same. Exploring these challenges has led to some positive engagement when we have explored them with suppliers and

partners. These collaborations have increased cross-organisational knowledge sharing and prompted initiatives such as an electric vehicle pilot, home energy efficiency sessions for our employees and a baseline study of the sources of our advertising emissions.

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

Climate Change Policy Statement

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

Consistent with this, our Bank does not and will not provide finance¹ directly to projects or large scale² electricity generation in the following sectors:

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

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

The Bank will continue to develop and refine its lending policies, processes and products consistent with the key principles of the support our customers and understand and manage the risks focus areas of our Climate Change Action Plan.

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

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

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

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

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

Our Climate Change Action Plan

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

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



1. Reduce our footprint

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

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



2. Support our customers

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

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



3. Understand and manage the risks

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

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



4. Be transparent


Disclose our climate-related performance, by:

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

A summary is included below, and full detail on the delivery of actions against our CCAP to date is included at Appendix 2. In addition, we have delivered standalone TCFD reporting which is available on the Bendigo and Adelaide Bank website.

Reduce our footprint

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

METRIC	TARGET	STATUS
Certification under Climate Active Carbon Neutral Standard for Organisations	Maintain	Carbon neutral certification maintained ^ 
Sourcing renewable energy for our power needs	100% by 2025 ¹	51 branch and office locations with rooftop solar installed Total renewables 40%
Reduce absolute emissions	By 50% by 2030 and 95% by 2040 based on a FY20 baseline	35% reduction achieved
Reduce travel associated emissions	25% below FY19 levels	2021/2022 travel emissions were 65.52% below 2018/2019 levels
Statements to be delivered electronically	90% by 2025	58.43% Bendigo Bank e-banking accounts have eStatements

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

^ FY22 certification pending

A major milestone with Greenfleet

The Bank has recently reached a major donation milestone with not-for-profit Greenfleet.

Over half a million dollars has been donated over the lifetime of the eight-year partnership, which is in addition to our offsetting activity and is also helping the country's natural habitat survive and thrive.

The partnership, which started in 2014, has contributed to nearly 120,000 trees being planted while supporting several other biodiverse revegetation programs across the country.

This year's donation of \$28,627.60, determined by the Bank's business travel emissions for 2021/22, has contributed to the Noosa Restoration and Reconciliation Project – a project which will restore 1,100 hectares of native biodiverse forest in the Noosa Hinterland over the next four years.

The Noosa Restoration and Reconciliation Project is being carried out in partnership with the Traditional Owners of the Sunshine Coast Region, the Kabi Kabi



people, delivering social and cultural benefits for the Traditional Owners.

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

Support our customers

We are supporting our customers and communities to mitigate, adapt and respond to climate change. Some opportunities we've explored this year to support our customers and communities include:

- Celebrating the 20th anniversary of our Australian first Green Loans with deeper discounts
- Becoming a Founding Partner with the Greater Bendigo Climate Collaboration, a partnership led by the City of Greater Bendigo between local businesses and community groups to achieve net zero emissions by 2030 in Greater Bendigo

- Completed initial measurement of our financed emissions which has informed identification of key actions we'll undertake to support our customers to reduce their emissions

In addition, our Community Bank partners, utilising profits generated through the Bank's shared value model, regularly support community climate action initiatives including solar panels for community infrastructure, climate, energy and environment education forums, Landcare and tree planting and school composting.

Understand and manage the risks

The Bank has taken several steps to identify and document risks and opportunities and develop appropriate actions with the most significant items outlined in the below table.

RISKS AND OPPORTUNITIES	SHORT TERM	MEDIUM TERM	LONG TERM	ACTIONS
Carbon price impact on our operations	●	●		<ul style="list-style-type: none"> · Commit to emission reduction targets · Develop and implement emissions reduction plan
Carbon price impact on customers		●	●	<ul style="list-style-type: none"> · Credit policies and practices to reflect our lending appetite to relevant sectors · Continue to support our customers through Green Loans · Identification of transition risk hubs · Conduct scenario analysis on impact of a carbon price in our lending portfolios · Develop and implement emissions reduction plan
Climate related knowledge and expertise	●	●		<ul style="list-style-type: none"> · Develop and implement learning program and knowledge forums · Deliver regular, engaging content on climate action
Cost of capital and funding		●		<ul style="list-style-type: none"> · Risk of increased costs of capital and/or funding for the bank if investors perceive climate change is not adequately managed · Continuously enhance the Bank's management of climate change risk and evolve and execute the CCAP · Improve climate change related disclosures over time and ensure transparency in the action that the Bank is taking
Evolution of customer preferences		●		<ul style="list-style-type: none"> · Monitor customer preferences and adapt the Bank's product suite when preferences change · Support customers with climate change related products
Increased expectations from stakeholders	●	●		<ul style="list-style-type: none"> · Develop, implement and disclose Climate Change Action Plan and Climate-related Financial Disclosures
Increased frequency and intensity of acute and chronic climate related events	●	●	●	<ul style="list-style-type: none"> · Develop an approach and determine data requirements to undertake scenario analysis for physical risk · Undertake a climate risk assessment for our material suppliers
New regulatory requirements	●	●		<ul style="list-style-type: none"> · Monitor changes to policies and regulation · Undertake gap analysis

Scenario analysis

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

- To assess the potential impact of transition risk on the Bank's lending portfolios;

- Identify systems, data and resourcing requirements for future exercises;
- Strengthen the understanding of climate risk; and
- Identify potential uses of the outcomes of this exercise.

Further detail on our scenario analysis approach is included in our Task Force on Climate-related disclosures available on the Bendigo and Adelaide Bank website.

Be transparent

When the Bank attained carbon neutral status against the Climate Active Carbon Neutral Standard for Organisations in FY21, we expanded the range of Scope 3 operational emissions we report on, building on those we had reported to CDP for the previous decade. Detailed progress against our Reduce absolute emissions target is summarised below:

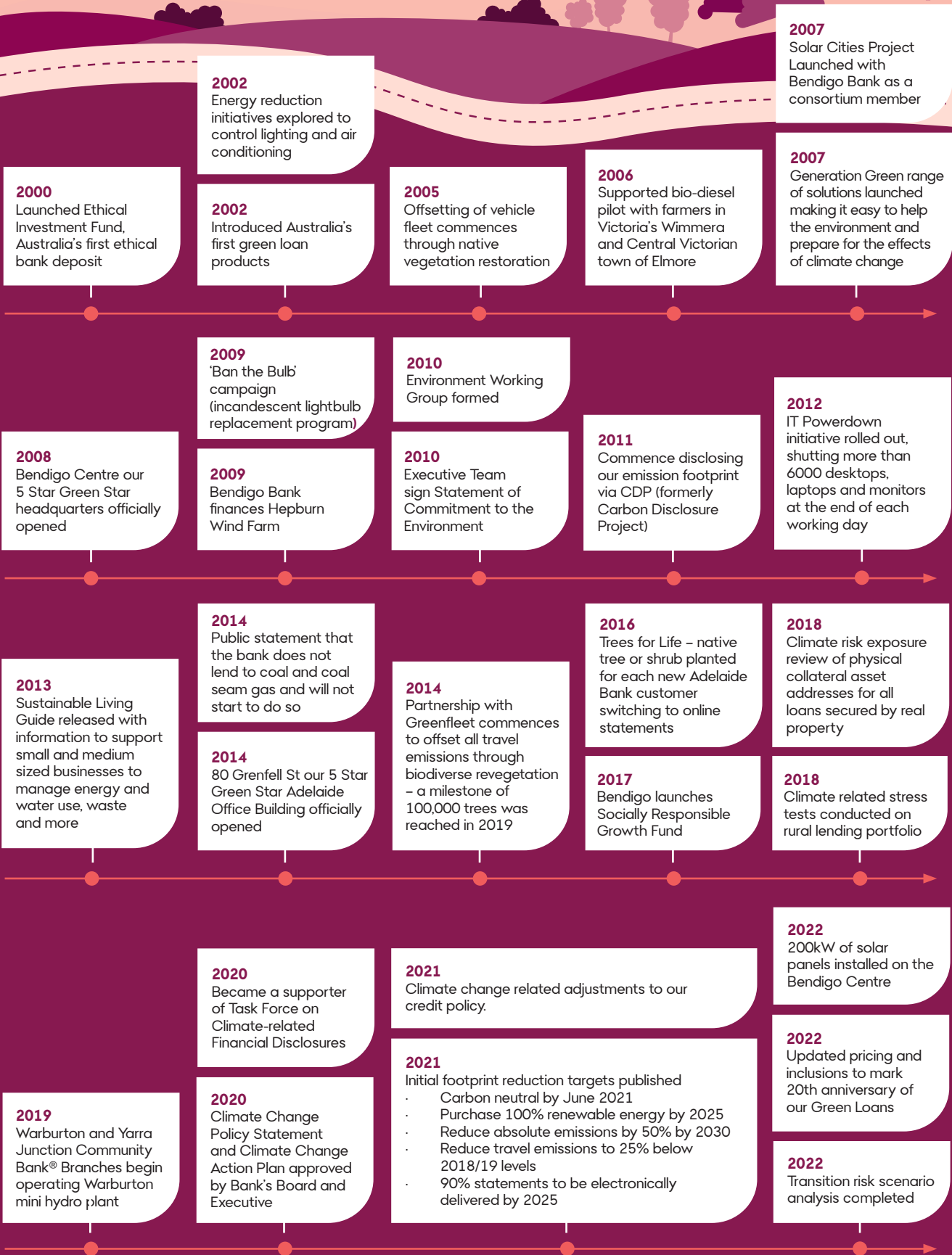
EMISSIONS (T CO ₂ E)	FY20 (BASELINE)	FY21	FY22	% CHANGE TO BASELINE YEAR
Scope 1	3,190.79	1,956.00	2,002.81	-37%
Scope 2	16,891.40	14,041.45	13,055.89	-23%
Subtotal (Scope 1 & 2)	20,082.19	15,997.45	15,058.70	-25%
Scope 3	22,012.13	15,532.06	12,371.50	-44%
Total emissions	42,094.32	31,529.51	27,430.20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

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

In addition to purchasing offset units to maintain carbon neutral status under the Climate Active Carbon Neutral Standard for Organisations, we continue to offset our carbon emissions from the business travel that is necessary by partnering with the not-for-profit organisation, Greenfleet. Since our partnership began with Greenfleet in 2014, through their biodiverse revegetation program, our contribution has not just offset our travel emissions but contributed to improved water quality, reduced soil degradation and provided essential habitat for native wildlife.

We are committed to reporting in alignment with the Task Force for Climate-related Financial Disclosures (TCFD), please see our TCFD reporting available on the Bendigo and Adelaide website.

Our climate action journey



Ethical conduct and responsible banking

Our approach to governance is drawn from our vision, strategy, values and purpose. We are committed to high standards of corporate governance – both in our framework and in our policies and practices. We believe this leads to better decision making for all stakeholders.

Acting with integrity in the conduct of our business has been an important element of our success. We publish our Corporate Governance Statement (available on the Bendigo and Adelaide website) which outlines our approach to corporate governance.

The Australian banking industry is heavily regulated, requiring significant investment and resulting in extremely high standards of good corporate governance. Good governance ensures that we:

- look after our customers and honour the trust they put in us with their money
- maintain good standings with our shareholders and the community
- build a strong and safe workplace and culture.

In setting up and enhancing our corporate governance framework, we have followed APRA prudential standards and guidance and the ASX Corporate Governance Principles and Recommendations. Our governance framework provides a system for the oversight of decision-making, actions and behaviours to make sure we live to our values, focus on strategy and align with our purpose.



FY22 highlights



99.6% mandatory training completion rate



Released Supplier Code of Conduct, setting ESG expectations with suppliers



Developed Social Impact Procurement Strategy to drive social impact through procurement

93.2% of our small business suppliers paid within 30 days of invoicing



Delivery of Modern Slavery Roadmap

Commencement of an initiative to strengthen risk management processes and culture

Our culture of robust governance

We have built and maintained an ethical culture of integrity, transparency, and accountability at all levels. We do this through the obligations outlined in our Code of Conduct available on the Bendigo and Adelaide website. Our Code of Conduct is a charter designed to ensure all our people are fully aware of their obligations as employees, to their colleagues, our customers, partners and communities. The Code is supported by more detailed policies on specific topics and subject areas.

Our foundation for good governance comes from our policies, systems, risk management and leadership. While there are a number of regulatory codes we follow as part of being a financial service provider and ASX listed company, there are also numerous voluntary codes we subscribe to that reinforce our values and desire to be a good corporate citizen. Key codes and guidelines that we adhere to include, but are not limited to:

- ASISO International Organisation for Standardisation
- AusPayNet Australian Payment Network Limited
- Australian Financial Markets Association (AFMA) Code of Conduct
- Australian Supplier Payment Code
- Banking Code of Practice (BCoP)
- Code of operation for the Department of Human Services and the Department of Veterans' Affairs
- ePayments Code of Conduct
- Family law guidelines
- Financial Services Council standards
- Insurance in Superannuation Voluntary Code of Practice

- Payment Card Industry Data Security Standard (PCI DSS)
- Web Content Accessibility Guidelines (WCAG)

While we know our governance model is strong, we are continuously seeking to improve. On an ongoing basis we are working to strengthen our processes around compliance, risk and audit, and industry guidelines.

While 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, staff education is a core part of our governance strategy.

There is a suite of mandatory online learning that our employees are required to satisfactorily complete on an ongoing basis. This is to 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.

The completion rate of our mandatory learning for FY22 was 99.64%. The 0.36% completion gap is a result of:

- Individuals on extended leave including parental leave
- Individuals who have not completed all mandatory compliance learning courses that were allocated to them

Improvement from last year's result is primarily due to:

- the continued improvement in the design of learning programs
- performance and bonus consequences in place for individuals that do not complete the learning
- strengthened communication to individuals and people leaders outlining the expectations we have of them and the consequence of non-completion

Speaking up

Ensuring our people feel safe at work is critical. That is why we have in place mechanisms for staff to speak up to ensure our people feel supported and safe.

Another key pillar of our approach to governance is our Speaking Up program, which includes the operation of our whistleblower policy. The Speaking Up program supports a culture of integrity and ethical behaviour and provides employees and stakeholders with clear channels to raise concerns.

In addition, the Whistleblower Policy sets out a clear process and the protections available for those who want to raise a concern regarding suspected misconduct (reportable conduct).

This could include concerns related to unethical behaviour, criminal activity, a failure to comply with a legal or regulatory obligation, or a significant breach of the Code of Conduct or other Bank policy. It is supported by a dedicated internal support resource, providing our people with information on why it's so important to raise concerns, links to our externally managed anonymous concerns reporting service and answers to frequently asked questions.

The bank utilises an external independent whistleblower service, which has seen a decrease in concerns raised in FY22 to 18 cases, from 24 cases in FY21. The concerns seen over the past year related to a range of areas, including potential conflicts of interest, recruitment matters, compliance with policy and work health safety.

This decline in cases may be attributed to our ongoing focus on encouraging staff to speak up if they see or experience behaviour that concerns them, either directly in the moment with the relevant party, to their leader or to their leader's leader.

To support our people, we provide staff with information and education on the importance of contributing to a safe, respectful and positive work environment and

WHISTLEBLOWER CASE BY TYPE	FY21	FY22
Bullying and harassment	2	2
Concerns regarding competence	2	0
Conflict of interest	0	3
Discrimination	2	0
Employment terms and conditions	0	2
Forgery / page substitution	1	0
Inappropriate conduct	7	1
Leadership	0	1
Other - money laundering	0	1
Policy compliance	5	2
Recruitment	1	2
Restructure	3	0
Sexual harassment	0	1
WHS	1	2
Workplace conflict	0	1
Total	24	18

the avenues they can use to raise any concerns they have. This support includes a biannual online training program which provides an overview of the Speaking Up and whistleblower policy, specialised intranet pages covering common concerns – such as conduct, respect and bullying in the workplace – and a focus on challenging the status quo as part of our culture evolution.

This holistic approach underpins our commitment to building a security aware workforce. We run a range of information security communication and education initiatives across the organisation aimed at developing skills and enabling positive security behaviours.

Employees receive mandatory online training in core security concepts when they start and throughout their employment. The online module covers topics such as the nature, value and classification of information; data risk management; relevant security and acceptable use policies; email and social media management; and tips for working safely. Reflecting the rapid pace of change in the sector and new modes of learning delivery, the training module was fully revamped in FY22 and was completed by all Bank employees and contractors working in our organisation.

Preventing cyber security risks and protecting customer data

The increasing frequency and severity of cyber-attacks around the world is driving organisations to intensify their focus on managing cyber related risk. At our Bank, we recognise that technology solutions are a key part of our response to this challenge, however a multi-faceted strategy that also encompasses people, culture, process, and governance is needed to sustainably deal with the rapidly evolving cybersecurity landscape.

As part of the Bank's information security education and awareness program, a regular email phishing drill program is executed, which uses simulated phishing emails to help our workforce build knowledge about phishing risks, develop skills in detecting phishing emails and learn what to do if a suspicious email is received.

The other side of our holistic approach to cyber security is our investment in technology. We are implementing new identity technology as part of our broader digital transformation, which will increase the trust of digital engagements and access for our customers. Using our new identity solution, along with secure digital engagement systems, we will leverage modern

authentication techniques and experiences to bring a best of breed, yet familiar and trusted experience.

It will take advantage of the security and biometric features of mobile devices to provide a highly secure, yet easy to use banking experience.

Specifically, we are lifting all our customer base up to stronger levels of trust with smarter and easier to use multi-factor authentication, to ensure they can trust their engagement with us, and to ensure we trust we are engaged with the right customer. This is an approach that will have a positive impact on further reducing likelihood of fraud or ID theft against our customers.

Financial crime risk

Financial crime is a key risk faced by our customers and communities. The harm it causes threatens prosperity, trust and wellbeing. The management of financial crime risk is therefore central to our purpose and the protection of the Group and our stakeholders. The Bank's Financial Crime Risk function oversees, delivers and champions the activities across the business to identify, assess and manage the areas of money laundering, terrorism financing, sanctions, bribery and corruption and fraud.

The threat of financial crime is not a unique problem to our organisation; therefore, a joint approach is increasingly needed to appropriately combat this issue. For this reason, 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, such as money laundering, terrorism financing and organised crime.

Getting it right for our customers

We are committed to ensuring that efficient, honest and fair remediation is provided to our customers, because we know we don't always get it right, but we are dedicated to fixing our mistakes.

On an ongoing basis, we proactively review whether we are meeting our obligations to customers. Where it is identified that we have not met aspects of our customer obligations we establish remediation programs that ensure that customers are put back into the position they would have been in if the error had not occurred. This means refunding any benefits the customer would have been entitled to, rectifying the account structure, and paying compensation in the form of time value of money (where required). The impact may be financial (for example where we may have applied incorrect interest rates or overcharged fees on customer accounts) or non-financial (for example not appropriately disclosing updated terms and conditions) or a combination of both.

Remediation activities are undertaken by a centralised Remediation team who have expertise of the issues and remediation practices. The Bank has also established a

Remediation Governance Committee, whose purpose is to ensure appropriate governance is applied across remediation programs and to support the effective and efficient management of decisions.

In FY22, there was one material remediation program undertaken across the Bank, relating to accounts on incorrect rate and fee codes. Most refunds were made during FY22 with all refunds made to eligible customers by 1 August 2022. This remediation impacted approximately 2,085 customers, with approximately \$4.3 million refunded.

A key principle of all remediation activities (including this one) is to ensure a customer-centric review is undertaken with the aim to return affected customers to the position they would have been in if the error had not occurred.

Following the identification of this error, we have made a series of changes to mitigate the risk of reoccurrence. This has included process and system changes. In line with our regulatory compliance obligations, the remediation activity was reported to ASIC.

Responsibly managing our supply chain

The Bank partners 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 continue to engage with critical suppliers to ensure preparedness to meet potential disruptions to their business operations. The focus on supply chain management remains at the forefront of our purchasing decisions with a focus on value for money, solution-fit, sustainability and innovation. As we look to improve how we procure goods and services, we are also working to better understand the impact we have through our supply chain.

In our Procurement Policy we strive for “fair, transparent, ethical and sustainable procurement decisions that align with the Group’s purpose and include consideration of reputational risk. Ensuring that the Group and both potential and established suppliers act in a manner that is consistent with key ESG policies including, but not limited to, the Bank’s Access and Inclusion Plan, Anti-bribery and Corruption Policy, Climate Change Policy Statement and Modern Slavery Policy.”

Initiatives in FY22 include:

- Release of a Supplier Code of Conduct (as part of a broader supplier engagement plan) which sets out the Bank’s minimum expectations on ethical, environmental and social standards. The Code will be communicated to key suppliers and is provided to new suppliers. The Code is available on the Bendigo and Adelaide website.
- Building on our partnerships with Social Traders and Supply Nation, development of a Social Impact Procurement Strategy which seeks to drive greater positive impact through procurement. The Strategy includes a range of internal targets to increase engagement and spend with diverse suppliers, including social enterprises, B Corps, Indigenous businesses and disability enterprises.
- Continuing to embed a new procurement tool that will increase supplier governance during onboarding and throughout their contract life cycle. The tool also highlights social suppliers for our buyers.
- Working with our existing suppliers to foster and include social suppliers in their supply chain, as well as understanding and seeking suppliers who already support social suppliers.
- Deepening our engagement with supply chain transparency experts FRDM to understand the modern slavery risks of our suppliers. We have now assessed all our high and medium risk suppliers for modern slavery risk with FRDM.
- Piloting electric vehicles (EV) aiming to prove the viability of EVs to replace internal combustion engine vehicles in our employee fleet.
- Developing a plan and staged metrics to reach 100% renewable energy by 2025.
- Significantly improving the accuracy of our greenhouse gas emissions data through engaging with our key suppliers on their emissions data.

Timely payments

We understand the importance of revenue streams for a business, particularly for small businesses and we take our responsibility to pay our suppliers in a timely manner seriously. We are required to get our time to payment data validated by the government. For the current reporting period 93.2% of our small business suppliers were paid within 30 days.

While this result is on par with the previous reporting period (93.1%), we are continuously striving to maintain and improve our timely payment performance. For example, during FY22 we have updated our Supplier Payments Policy to ensure we align with our Payment Times Reporting Scheme (PTRS) obligations.

Modern slavery

Our approach to reducing the risk of modern slavery within our operations is guided by our Group Anti-slavery and Human Trafficking Policy (Modern Slavery 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.

We understand 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 (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. Fundamentally, we acknowledge that modern slavery is about risk to people.

As a financial institution, there is a risk we may be connected to modern slavery and human trafficking through our own operations, but also through our business relationships.

Our approach to identifying modern slavery risk leans on the continuum of involvement outlined in the UN Global Principles on Business and Human Rights which specifies that companies can be involved with adverse human rights impacts either through their own activities or as a result of their business relationships.

CAUSE A risk that we directly cause modern slavery through our own operations

CONTRIBUTION A risk that we contribute to modern slavery through our operations and/or actions in the supply chain

DIRECT LINK A risk that our operations, products and services may be directly linked to modern slavery through the activities of entities with which we do business.

Our assessment of where our potential to cause, contribute or be directly linked to modern slavery is most likely to arise is considered across the following five key areas within the Group's operations and supply chains.

BUSINESS AREA	DESCRIPTION OF RISK	ASSESSMENT OF OUR POTENTIAL TO CAUSE, CONTRIBUTE OR BE DIRECTLY LINKED TO MODERN SLAVERY
Financial products and services	There is a risk that customers may use our products or services for activities that involve modern slavery.	Moderate to high risk
Lending and investment	There is a risk we could lend to or invest in businesses involved in modern slavery, in particular through the agriculture and horticultural sectors.	Moderate to high risk
Procurement	There is a risk that we could purchase goods and services where modern slavery was used in their creation or delivery.	Higher risk
Employment	There is a risk of labour exploitation in our own workforce, particularly in our contracted workforce.	Lower risk
Community investment	There is a risk that we support, directly or indirectly, via advocacy, donations and partnerships organisations involved in modern slavery.	Lower risk

While we are exposed to the above key areas of risk in relation to modern slavery, our assessment is that our risks mainly arise from purchasing goods and services from third parties (procurement) and being associated with customers' illegal activities (Lending and investment and Financial products and services). This process also informs our understanding of where we need to focus our controls.

In the past year, we have built on our approach to understanding and management of key risks associated with modern slavery, including the development of a Modern Slavery Roadmap. Detail on the actions taken to embed our obligations are included in our latest Modern Slavery Statement available on the Bendigo and Adelaide website.

Remuneration

The reward framework supports the delivery of BEN's strategy through the attraction, motivation and retention of talented people. The framework is aligned to BEN's strategy of; reducing complexity, investing in capability, and telling BEN's story. With a focus on customer connection and investment in the community.

Our approach recognises that BEN's performance is the sum of its parts, and when people make a meaningful impact, it is recognised. Likewise, when standards fall short or individuals' actions do not align with BEN's values, there are appropriate consequences.

This is why:

- Our FY22 executive incentive framework has a customer performance hurdle with a significant weighting. This is linked to a net promoter score (NPS) greater than 20 basis points above the industry average.
- We do not have any employee incentives directly linked to products and the achievement of sales targets.
- We weight remuneration towards base pay, which better aligns to our strategy and reduces the risk of poor culture and behaviour.

- Our people are only eligible for our bonus pool if their behaviour and performance meet the Bank's expectations on values and risk.

During the year, we conducted a comprehensive review of the Bank's approach to executive remuneration to ensure that our reward frameworks support our strategic objectives and meets the requirements of APRA's Prudential Standard CPS511 Remuneration, which is effective from 1 January 2023.

This will see changes to our remuneration structures for FY23. The new executive reward framework will reward balanced outcomes, with metrics linked to the outcomes of our stakeholders across shareholders, customers, community, people, planet and the regulator

The framework will also see the introduction of a reputation measure in the long-term incentive, recognising the importance of trust and reputation in maintaining our social licence to operate.

Taxation

Tax policy, strategy and governance

Our approach to compliance with tax laws is consistent with our approach to regulatory compliance generally. We will not knowingly breach any laws or regulations, including those related to taxation. The information presented below follows the recommendations in the Tax Transparency Code issued by the Board of Tax, which is designed to support the public interest in the tax affairs of large businesses.

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.

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

- Comply with statutory obligations and make tax payments in accordance with relevant tax rules and legislation.

- Take a prudent and conservative approach to tax planning and manage transactions with a low level of tax risk.
- Resource the Group Tax function with the appropriate number of suitably qualified staff.
- Engage with Revenue Authorities in a constructive, cooperative and transparent manner, with the intent to avoid unnecessary disputes.

Tax risks and tax related information are provided to the Chief Financial Officer and to the Board Audit Committee on a regular basis. Bendigo and Adelaide Bank Limited is also required to comply with the significant regulations imposed on participants in the Australian banking and financial services industry.

International-related party dealings

Bendigo and Adelaide Bank Limited does not have any international-related party dealings.

Income taxes disclosed in the 2022 Annual Financial Report

The calculation of Income Tax Expense (**ITE**) disclosed in the Bendigo and Adelaide Bank Limited Annual Report is based on 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.

A number of factors contribute to this difference, including the timing of when corporate tax instalments are paid to the relevant tax authorities, and a number of taxes excluded from

ITE such as fringe benefits tax, non-recoverable goods and services tax, payroll taxes and employee related taxes.

The ITE for Bendigo and Adelaide Bank Limited 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**) which is calculated as ITE divided by accounting profit before income tax, was 30.6% in 2022 (2021: 30.5%).

Reconciliation of accounting profit to income tax expense	2022	2021
	\$m	\$m
Accounting profit	701.4	753.7
Income tax on profit at 30%	210.4	226.1
Distributions on Tier 1 loan capital instruments	6.8	8.1
Tax effect of amounts not deductible/(assessable)	(2.7)	(2.7)
Other prior year adjustments ^(a)	(1.2)	(3.3)
Income tax expense reported in the Annual Financial Report	213.3	228.2
Income tax expense for the current year ^(b)	214.5	229.9
Australian effective tax rate	30.6%	30.5%
Reconciliation of income tax expense to income tax payable		
Income tax expense for current year	214.5	229.9
Temporary differences (movement)		
Unrealised revaluations	3.0	(28.9)
Depreciation of property, plant and equipment	(11.6)	(6.4)
Provisions	(16.7)	1.6
Intangibles	9.7	5.1
Other adjustments ^(c)	7.5	(9.2)
Income tax payable for the current year	206.4	192.1

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

b. Tax expense excluding prior year adjustments and final adjustments upon lodgment of the income tax return

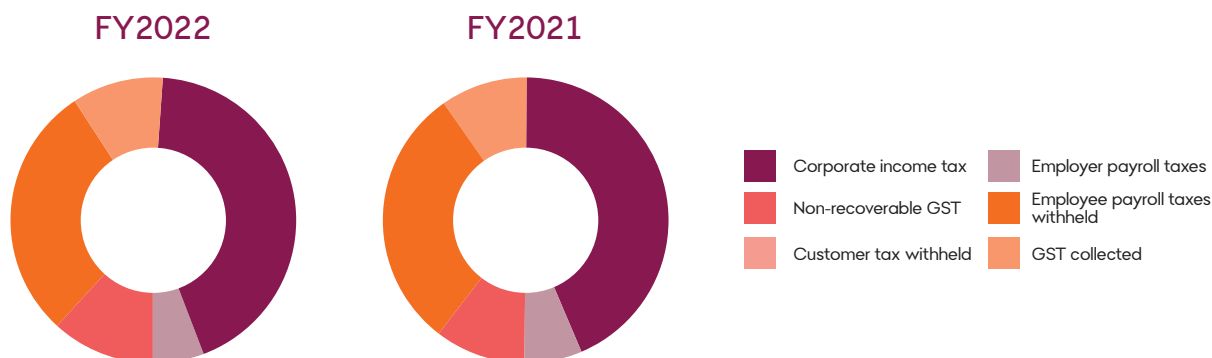
c. Other adjustments also include updates to comparison data to reflect final balances upon lodgment of the income tax return.

Tax contribution summary

The following is a summary of Bendigo and Adelaide Bank Limited's tax contributions paid to tax authorities in respect of the 2022 and 2021 financial years. The amounts include payments made to the Australian Taxation Office and the State Revenue Offices for taxes due on its own behalf and in respect of tax collected on behalf of others.

Year	2022	2021
	\$m	\$m
Corporate income tax	206.4	192.1
Employer payroll taxes	31.3	30.1
Non-recoverable GST*	50.5	44.2
Tax paid	288.2	266.4
Employee payroll taxes withheld	133.7	133.1
Customer tax withheld	0.7	1.2
GST collected	43.3	40.5
Tax collected	177.7	174.8
Total tax contribution	465.9	441.2

* 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.



ATO tax disclosures

The ATO produces an annual report called "Report of entity tax information" which includes tax data for public corporate tax entities with a total income of at least \$100 million. The ATO is expected to publish the following income tax information in respect of the 2021 financial year for the Bendigo and Adelaide Bank Limited tax consolidated group.

Total Income	Taxable Income \$	Tax Payable \$
2,253,783,588	668,577,882	192,095,830

A reconciliation from the accounting profit included in the 2021 Annual Financial Report to the amounts disclosed by the ATO is included below:

	\$m
Accounting profit for the Group	753.7
Non-deductible/non-assessable differences (a)	25.8
Temporary differences (b)	(110.9)
Taxable income	668.6
Income tax liability on taxable income at 30%	200.6
Less: franking credit offset	(0.8)
Less: research & development offset	(7.7)
Income tax payable	192.1

- (a) 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.
- (b) Temporary differences include movements in provisions, depreciation on plant & equipment, fair value adjustments and revaluations and amortisation of intangible assets.

Appendices

Appendix 1: ESG summary data

	FY22	FY21	FY20	FY19
Customer				
Points of presence				
Bendigo and Adelaide Bank branches	135	147	154	168
Community Bank branches	307	314	320	324
Alliance Bank Branches	14	16	21	21
Total branches ¹	466	490	510	528
ATMs	460	497	548	620
Total customers (number) ²	2,196,903	2,028,166	1,859,575	1,700,427
Bendigo Bank digitally engaged customers ³	750,669	698,131	643,394	583,506
Up digitally engaged customers ⁴	299,916	-	-	-
Digitally engaged customers (%) ⁵	68	-	-	-
Customer satisfaction ⁶	86.5%	87.6%	89.2%	88.8%
Bendigo Net Promoter Score ⁷	24.5	27.3	28.5	24.8
Up Net Promoter Score ⁸	72.0	80.3	-	-
Total complaints (number)	43,302	38,352	30,205	31,992
Complaint resolution to customer satisfaction (%)	74	74	74	77
Customers supported with hardship (number) ⁹	2,037	23,983	-	-
Community				
Community Bank investment (millions of dollars)	19.4	21.3	21.7	24.3
Number of scholarship recipients (first year payments)	187	177	157	143
Scholarships funded (dollars)	1,078,800	1,051,000	1,068,000	989,500
Revenue paid to Connected Community enterprises (dollars) ¹⁰	984,000	984,407	995,672	1,083,709
Community Enterprise Foundation Donations received (millions of dollars) ¹¹	16.5	13.5	58.7	12.5
Community Enterprise Foundation Grants distributed (millions of dollars) ¹¹	28.4	23.4	22.6	9.5
Social supplier spend through procurement (dollars) ¹²	1,152,739	1,390,842	626,985	465,659

1. Total number of branches does not sum directly from rows above, there a small number of additional Rural Bank and private franchise sites
2. Includes Bendigo Bank, Adelaide Bank, Alliance Bank, Leveraged, Rural Bank and Up
3. Bendigo Bank customers that have logged into ebanking within the last three months
4. Up is a digital offering therefore these numbers represent those that are active customers
5. Newly derived metric. Covering approx. 92% of the Group customer base including Bendigo Bank and Up customers. Active eBanking customers defined as customer >12yo and used eBanking in last 3 months (Bendigo Bank) and last 1 month (Up).
6. Roy Morgan measure, 6 month average as at June each financial year
7. Roy Morgan metric
8. Roy Morgan metric
9. 89% of customers supported with hardship in FY21 were for COVID-19 support. Data not available for FY19 and FY20.
10. In a small number of communities that do not have a Community Bank, but where communities still want to be able to contribute locally, we offer a Connected Communities product to enable community contribution
11. CEF administers three charitable trusts and undertakes other activities on behalf of Bendigo and Adelaide Bank and other entities
12. This metric has been restated in FY22 and historically to exclude Alliance Bank spend. Social supplier spend includes suppliers listed on the Social Traders and B Corp databases.

	FY22	FY21	FY20	FY19
People				
Employees (number) ¹³	7936	7823	7947	7604
Employees (Full Time Equivalent) ¹⁴	7,188.54	6,976.41	7,041.72	6719.91
Employee engagement index (%) ¹⁵	77	73	74	-
Women in leadership roles (%) ¹⁶	46.0	43.2	43.6	40.3
Turnover total (%)	21.07	19.28	14.73	12.77
Voluntary turnover (%)	17.06	12.89	10.97	10.63
Involuntary turnover (%)	4.01	6.40	3.76	2.14
Lost Time Injury Frequency Rate (LTIFR) ¹⁷	0.4	1.5	0.6	2.0

Environment				
Total Scope 1 & 2 emissions (t CO ² e)	15,058.70	15,997.45	20,082.19	-
Total Scope 3 emissions (t CO ² e) ¹⁸	12,371.50	15,532.06	22,012.13	-
Total emissions (k tCO ² e)	27,430.20	31,529.51	42,094.32	-
Scope 1 & 2 emissions per FTE (t CO ² e)	2.21	2.40	2.89	3.40
Carbon neutrality	Certification in progress	Certified	Certified	-

Governance				
Completed mandatory training (%) ¹⁹	99.6%	96.0%	94.5%	93.8%
Whistleblower concerns (number) ²⁰	18	24	21	20

13 Employees includes Bendigo and Adelaide Bank, Community Bank, Mutual Partners, Rural Bank and contractors. Directors are excluded.

14 FTE includes Bendigo and Adelaide Bank, Community Bank, Mutual Partners, Rural Bank and contractors. Directors are excluded.

15 A new employee engagement methodology was introduced in FY20

16 Aligned to our WGEA reporting. Data includes Bendigo and Adelaide Bank employees and does not include Community Bank. The data includes individuals on parental leave, however, does not include vacancies, as the report reflects people, not positions.

17 Bendigo and Adelaide Bank only

18 A broader range of Scope 3 emissions have been included since FY20. As such, previously stated Scope 3 emissions from FY19 are not comparable. Emissions from FY20 onwards have been restated to align with Climate Active reporting. Emissions are absolute and location based.

19 This measure is based on employee compliance with mandatory learning completion, not a count of total learning modules completed. Only learning that has a due date with the FY22 financial year is included. All contractors have been excluded; this aligns with our regulatory governance approach of excluding contractors. Individual duplicate results have been removed, this means that if an individual has completed some learning on time and has not completed other modules then they will only be counted in the not completed numbers as they are not compliant.

20 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. No Whistleblower concerns were lodged with the Bank through other channels in the above period.

Appendix 2: Climate Change Action Plan detailed performance 2020-2022

TARGETED OUTCOME	ACTION	TIMEFRAME	FOCUS AREA	STATUS AT 30 JUNE 2022
Governance				
Board has oversight of climate-related risks and opportunities	Improve existing governance mechanisms by assigning the highest level of oversight for climate change to the Board through the Board Risk Committee	2020	Understand and manage the risks	<p>The Board owns the Bank's Climate Change Policy Statement and Climate Change Action Plan</p> <p>The Board Audit Committee receive scheduled half year updates on progress with annual reporting to the full Board</p> <p>Full Board and Executive attended training on climate risk governance</p>
Assign climate-related responsibilities to management/management committees	Assign responsibility to the Executive to provide leadership on the Bank's climate change risks and opportunities and monitoring progress against targets	2020	Understand and manage the risks	<p>The Executive Committee is responsible for implementing the Climate Change Action Plan with a specific focus on the actions relevant to their area of responsibility and overseeing the governance, strategy and risk management relating to climate change. This includes ensuring KPIs are updated, and goals are assigned, and performance is managed where responsibilities for actions and outcomes are delegated within their teams.</p>
	Oversee the development and implementation of the Climate Change Action Plan and report on progress achieved against actions in the plan to relevant stakeholders	2020 - 2022	Understand and manage the risks	<p>Climate Change Action Plan developed and implementation underway, facilitated by the Climate Change Action Team</p> <p>Years 1 and 2 of the initial 3-year Climate Change Action Plan have been delivered in full.</p>
	Establish Climate Change Action Strategy Group responsible for reviewing the key climate change risks and opportunities facing our business and customers and engaging the business to implement the Climate Change Action Plan	2020	Understand and manage the risks	<p>Climate Change Action Strategy Group formed in 2020 with first meeting held in October 2020. It was identified that the group could benefit from increased representation of those with roles aligned to leveraging climate related opportunities and membership was broadened in early 2022 to achieve this.</p>
Strategy				
Establish corporate position on climate change and commitment to the objectives of the Paris Agreement	Determine organisational stance and commitment to climate change and develop a Board-approved Climate Change Policy Statement	2020	Reduce our footprint	<p>Approved June 2020. Published internally and externally August 2020</p> <p>Policy Statement updated in 2021 noting commitment to support the required transition to net zero emissions by 2050 with aligned interim targets</p> <p>Became a signatory to Business Ambition for 1.5° in November 2021</p>
Build internal engagement in the Group's response to climate change	Develop and implement an internal communication plan to build engagement in climate change and the Group's actions	2020	<p>Understand and manage the risks</p> <p>Reduce our footprint</p>	<p>Initial launch communications developed in 2020 with broader internal communication plan developed by Internal Engagement in 2021.</p> <p>Internal communications are scheduled to occur at least quarterly and address topics such as the carbon footprint of products and services procured, solar panel installations for office and branch sites along with staff offers while working from home and when changes have occurred with green loan offerings.</p> <p>World Environment Day has been marked in June each year with an employee activity</p>

TARGETED OUTCOME	ACTION	TIMEFRAME	FOCUS AREA	STATUS AT 30 JUNE 2022
Strategy continued				
Identification of climate-related risks and opportunities	Undertake a qualitative high-level assessment of climate-related risks and opportunities (as the basis for scenario analysis)	2020	Understand and manage the risks	<p>During June 2021, three climate change risks and opportunities workshops were undertaken. These were co-facilitated with external climate change advisers and leaders from across the bank.</p> <p>Business representatives attended workshops split between (1) Consumer, (2) Business & Agribusiness and (3) Central Functions, to consider, discuss and verify climate change risks and opportunities</p>
	Define, evaluate and elevate the Group's technical capabilities to assess and manage climate change risks and opportunities, and undertake climate scenario analysis	2020 - 2021	Understand and manage the risks	<p>Risks and opportunities</p> <ul style="list-style-type: none"> As part of the risks and opportunities workshops, described above, key stakeholders across the Group participated in education sessions climate change by specialists Members of Group Risk and Climate Change Action teams gained valuable insights into how to facilitate climate change workshops <p>Scenario analysis</p> <ul style="list-style-type: none"> Initial analysis of two agribusiness regions completed in FY21 based on RCP 8.5 emissions to 2050 Stress testing team conducted targeted climate change scenario analysis in the first half of 2022 which we will use to assess our technical capabilities to undertake wider scenario analysis
Impact assessment of climate related risks and opportunities on the Bank's business and strategy.	<p>Develop scenario analysis approach to assess climate-related risks and opportunities:</p> <ul style="list-style-type: none"> Identify and prioritise portfolios to analyse Determine modelling methodology Develop scenarios Identify systems, data and resourcing requirements <p>Initiate scenario analysis to assess potential risks and opportunities under selected climate change scenarios and the resilience of the Group to resulting implications</p> <p>Integrate scenario analysis assessment and outcomes into the Group's risk management, strategy and business planning processes</p> <p>Review and enhance scenario analysis methodology and expand the coverage and depth of analysis where applicable</p>	2021 - 2022	<p>Understand and manage the risks</p> <p>Support our customers</p> <p>Be transparent</p>	<ul style="list-style-type: none"> Climate change risks and opportunities have been identified and documented via a series of workshops (as described above) As this process matures the outcomes will be used to assess the impact on business and strategy As described above, scenario analysis was completed for two agribusiness regions using RCP8.5 emissions to 2050 A specific climate change scenario analysis of transition risk was conducted in FY22. Portfolios included in the scenario analysis were Business and Agribusiness lending and parts of the residential mortgages portfolio. Prioritisation of future scenario analysis and the order of activity has commenced

TARGETED OUTCOME	ACTION	TIMEFRAME	FOCUS AREA	STATUS AT 30 JUNE 2022
Strategy continued				
Products and services that support climate adaptation, mitigation and innovation	Develop an understanding of climate change impacts for our customers	2020	Support our customers	<p>MiVoice survey conducted in November 2020 to uncover customer pain points that we can assist in providing solutions for</p> <p>Rural Bank Customer Advocacy Survey issued June 2021 included questions what our customers would (a) like to see us undertake in response to climate change to better support them and their community and (b) what insights they'd like from us to assist them with climate change</p>
	Explore opportunities to develop new products and services to support customers reduce their carbon intensity, increase resilience and adapt to climate change	2020	Support our customers	<p>Participated in National Home Energy Rating Scheme, financial sector consultation in 2020 with NSW government on behalf of the Commonwealth</p> <p>Completed a 12-month shadow offering exploring a potential solution for agribusiness customers during FY21</p> <p>Trialled a link to Greenfleet for customers to consider offsetting their vehicle's emissions included on our Personal Loan page – results of this will assist in understanding customer appetite for offsetting</p> <p>Various partnership opportunities explored to support customers to reduce their footprint and/or improve resilience</p> <p>Bendigo and Rural Bank Participated in the Gravity Challenge in 2021 seeking to support the development of practical climate management tools to assist Australian farmers</p>
	Develop climate change customer solutions	2021	Support our customers	<p>Research has indicated that many of the solutions BEN already offers meet many of the needs of customers yet information about the solutions is not well known by our customers and in some instances our staff. This includes for example, green loans, equipment finance for sustainable infrastructure and the Socially Responsible Investment Fund. In some cases, updates are relevant for the solutions such as:</p> <ul style="list-style-type: none"> · The range of eligible purchases for the green unsecured personal loan was updated in 2020 to include solar batteries · Commerciality assessment of existing Green Loans completed which identified opportunities to tighten the eligibility for the Green Secured Personal Loan, in light of a broader range of low emission vehicles on the market and review the interest rates. These changes were implemented to coincide with twentieth anniversary of the products. · Range of eligible sustainable equipment for Equipment Finance updated in Policy in 2022 <p>Exploring opportunities to support our customers via mechanisms such as sustainability linked loans continues</p>

TARGETED OUTCOME	ACTION	TIMEFRAME	FOCUS AREA	STATUS AT 30 JUNE 2022
Strategy continued				
Public commitments and industry initiatives	Explore and engage with relevant industry, government and other stakeholders to share knowledge, build capacity and support action on climate change issues	2020 - 2022	Reduce our footprint Support our customers	<p>Collaborated with the NSW Government on a national home energy ratings initiative for existing homes</p> <p>Approached RE100 for membership in 2020 and were deemed ineligible to join as electricity consumption was well below the minimum 100,000 MWh consumption</p> <p>Submitted a letter of support for the Australian Local Power Agency Bill 2021 and Australian Local Power Agency (Consequential Amendments) Bill 2021</p> <p>Collaborated with local government on a food waste recycling trial at our Bendigo Head Office</p> <p>Have contributed feedback on challenges and barriers for customers and the role government can play to support farmers to reduce farm emissions and build resilience in 2022</p> <p>Collaborated with scientists to better understand the impact of climate change on our farming customers</p> <p>Joined the Greater Bendigo Climate Collaboration as a Founding Partner</p>
Communicate Climate Change Action Plan and progress	Make the Climate Change Action Plan and progress available to stakeholders	2020 - 2022	Be transparent	<p>Climate Change Policy Statement launched to market and internally with all collateral updated in 2020 followed by an update in 2021</p> <p>Climate Change webpage established on Bendigo and Adelaide Bank corporate webpage with links established on other brand sites</p> <p>Climate Change Action Sharepoint page established in 2020 with the Climate Change Action Plan disclosed and progress on outcomes shared with staff</p> <p>Enhanced 2020 Annual Review reflecting policy position and action plan</p> <p>Climate Change Action Plan and Climate-related Financial Disclosures 2021 (TCFD) released publicly alongside an inaugural Sustainability Report</p> <p>Regular presentations delivered to staff from 2020 onwards including open invitations for employees and bespoke sessions for specialised teams</p>

TARGETED OUTCOME	ACTION	TIMEFRAME	FOCUS AREA	STATUS AT 30 JUNE 2022
Risk management				
Establish processes for identifying, assessing and managing climate-related risks	Review the GRMF to ensure climate change risks are adequately contemplated, described and addressed	2020	Understand and manage the risks	The Bank has completed a comprehensive review of the Group Risk Management Framework
	Integrate climate change risk into the GRMF, Risk Appetite Statement, credit policy and assessment processes	2020 - 2022	Understand and manage the risks Support our customers	<p>Group Risk Management Framework (GRMF): Climate change risk has been incorporated</p> <p>Risk Appetite Statement: Work currently underway to understand the Group's climate change risks which will assist in calibrating future risk appetite settings. Shadow Risk Appetite settings are in development and will be monitored for a period before formalising RAS indicators.</p> <p>Credit Policy: Climate related changes to credit policies were made in 2021 and 2022</p> <p>Assessment processes: Management Credit Decisioning Committee has created a standing agenda item for climate in the credit submissions it considers. Development of additional credit considerations specific to climate risk has commenced.</p>
Climate-related risk training	Develop training on climate-related risks for the front-line and credit assessment staff	2020 - 2022	Understand and manage the risks	<p><i>An introduction to managing the financial risks from climate change</i> online course from the TCFD Knowledge Hub piloted by members of the Climate Change Action Strategy Group and Commercial Credit Team in 2020 and undertaken by Commercial Credit and Agribusiness Credit Teams across 2021-2022</p> <p>Climate Change channel for BenU, an employee learning platform, launched in 2021 with tailored content developed for each of the four climate focus areas.</p>
Metrics and targets				
Climate-related metrics & targets	Review opportunities to improve the environmental impact of the Group's operations	2020	Reduce our footprint	<p>Various opportunities have been explored including:</p> <ul style="list-style-type: none"> · Discounted solar panels, solar batteries and green unsecured personal loans for staff to reduce working from home emissions · 200kW solar panel installation completed at the Bendigo Centre in December 2021 · 51 branches and offices had rooftop solar installed at the end of FY22 · 2 branches procure their electricity from the Warburton Hydro facility they operate · Engaged in the Climate Active process to audit and improve our emissions reporting · Offset all BEN's emissions from FY20 onwards in addition to offsetting business travel by supporting native revegetation activities with Greenfleet through a partnership that's been in place since 2014 · Electricity for "Large Sites" power contract matched with renewables during 2HFY21. This includes Bendigo, Docklands and Sydney offices and the data centre. · Undertook a feasibility assessment to reduce the reliance on natural gas in operations during FY22 · Uniform recycling program rolled out in August 2021 to coincide with new branch uniforms

TARGETED OUTCOME	ACTION	TIMEFRAME	FOCUS AREA	STATUS AT 30 JUNE 2022
Metrics and targets continued				
Climate-related metrics & targets	Review existing and develop a key set of metrics and targets to measure and manage climate related risks and opportunities including the setting of emission reduction targets for our operations	2020 - 2021	Reduce our footprint	Some initial targets we committed to, to reduce our footprint include: <ul style="list-style-type: none"> · be carbon neutral by June 2021 · purchase 100% renewable energy by 2025 · reduce absolute emissions by 50% by 2030 · 25% reduction in travel from 2018/19 levels · 90% of statements electronic by 2025 35% reduction in operational emissions across all Scopes was achieved for FY22 compared with FY20
Measurement of carbon intensity of the Group's Wealth portfolios	Review the carbon intensity of the Group's Wealth portfolio and consider opportunities for emission reductions	2021	Reduce our footprint	Initial exploratory work has commenced. Business has noted that climate risk is broader than carbon intensity and therefore will expand this item to: <ul style="list-style-type: none"> · Review the climate change related risks including emissions intensity of the Group's Wealth portfolio, including the superannuation plan. Develop a plan to better manage climate related risks of the Group's Wealth portfolio, including the superannuation plan
	Consider establishing an allocation of investment funds in the Wealth portfolio to low/neutral carbon investments	2021 - 2022	Reduce our footprint	Review identified that the existing Bendigo Socially Responsible Growth Fund is aligned with this outcome <p>Undertook a process to measure the sources of carbon intensity within our investment portfolios during FY22 analysing high carbon intensive areas of our portfolios as it relates to the investment risk of these exposures. Over the next 12-24 months we are developing frameworks to identify and monitor investment risks linked to climate change for direct investment holdings more accurately.</p>
Disclosures reported in line with the TCFD disclosure framework	Become a signatory to the FSB TCFD	2020 - 2022	Be transparent	Completed December 2020
	Track and disclose climate-related metrics and performance in line with the TCFD framework standards	2020 - 2022	Be transparent	Climate-related metrics approved by the Bendigo and Adelaide Board December 2020 <p>Inaugural report aligned with the TCFD framework released in FY21</p>
	Describe and disclose the Group's processes for identifying, assessing and managing climate-related risks and opportunities	2020 - 2022	Be transparent	Included within the Climate Change Action Plan and Climate-related Financial Disclosures 2021 (TCFD)

GRI index FY22

This index relates to our FY22 sustainability reporting and provides a guide on where information can be found aligned to GRI Standards reporting requirements.

Disclosure	Location or comment	Relevant material comment
GRI 101: Foundation		
This Sustainability Report has been prepared in reference to the principles for defining report content and quality, including undertaking a materiality assessment		
GRI 102: General Disclosures		
102-01 Name of the organisation	Annual Report	-
102-02 Activities, brands, products and services	About us section, Sustainability Report	-
102-03 Location of headquarters	Bendigo and Adelaide Bank website, Contact us page	-
102-04 Location of operations	About us section, Sustainability Report	-
102-5 Ownership and legal form	Annual Report	-
102-06 Markets served	About us section, Sustainability Report	-
102-07 Scale of the organisation	About us section, Sustainability Report	-
102-08 Information on employees and other workers	Creating an engaging and purposeful workforce section, Sustainability Report Non-financial summary (data points)	-
102-09 Supply chain	Ethical conduct and responsible banking section, Sustainability Report	-
102-10 Significant changes to the organisation and its supply chain	No significant changes in the year under review	-
102-11 Precautionary Principle or approach	Corporate Governance Statement Ethical conduct and responsible banking section, Sustainability Report	Climate change
102-12 External initiatives	Our approach to sustainability section, Sustainability Report (Sustainability governance) Ethical conduct and responsible banking section, Sustainability Report	-
102-13 Membership of associations	Our approach to sustainability section, Sustainability Report (Sustainability governance) Ethical conduct and responsible banking section, Sustainability Report	-
102-14 Statement from senior decision maker	Chair and CEO message, Sustainability Report	-
102-15 Key impacts, risks and opportunities	Annual Report Our approach to sustainability section, Sustainability Report (Material topics)	-
102-16 Values, principles, standards and norms of behaviour	About us section, Sustainability Report Code of Conduct	-
102-17 Mechanisms for advice and concerns about ethics	Annual Report Corporate Governance Statement Modern Slavery Policy	Business conduct and ethics

Disclosure	Location or comment	Relevant material comment
102-18 Governance structure	Annual Report Corporate Governance Statement	-
102-19 Delegating authority	Annual Report Corporate Governance Statement	-
102-20 Executive-level responsibility for economic, environmental and social topics	Our approach to sustainability section, Sustainability Report (Sustainability governance) Corporate Governance Statement	-
102-21 Consulting stakeholders on economic, environmental and social topics	Our approach to sustainability section, Sustainability Report (Stakeholder engagement)	-
102-22 Composition of the highest governance body and its committees	Annual Report Corporate Governance Statement	-
102-23 Chair of the highest governance body	Annual Report Corporate Governance Statement	-
102-24 Nominating and selecting the highest governance body	Annual Report Corporate Governance Statement	-
102-25 Conflicts of interest	Annual Report Corporate Governance Statement	-
102-26 Role of highest governance body in setting purpose, values and strategy	Annual Report Corporate Governance Statement	-
102-27 Collective knowledge of highest governance body	Annual Report Corporate Governance Statement	-
102-28 Evaluating the highest governance body's performance	Annual Report Corporate Governance Statement	-
102-29 Identifying and managing economic, environmental and social impacts	Annual Report Our approach to sustainability section, Sustainability Report (Material topics)	-
102-30 Effectiveness of risk management processes	Annual Report	-
102-31 Review of economic, environmental and social topics	Our approach to sustainability section, Sustainability Report (Material topics)	-
102-32 Highest governance body's role in sustainability reporting	Our approach to sustainability section, Sustainability Report (Sustainability governance)	-
102-33 Communicating critical concerns	Annual Report Corporate Governance Statement Ethical conduct and responsible banking section, Sustainability Report	-
102-34 Nature and total number of critical concerns	Annual Report Corporate Governance Statement Ethical conduct and responsible banking section, Sustainability Report	-
102-35 Remuneration policies	Annual Report Corporate Governance Statement Ethical conduct and responsible banking section, Sustainability Report	Responsible remuneration

Disclosure	Location or comment	Relevant material comment
102-36 Process for determining remuneration	Annual Report Corporate Governance Statement	Responsible remuneration
102-37 Stakeholders' involvement in remuneration	Annual Report Corporate Governance Statement	Responsible remuneration
102-38 Annual total compensation ratio	Annual Report	Responsible remuneration
102-39 Percentage increase in annual total compensation ration	Annual Report	Responsible remuneration
102-40 List of stakeholder groups	Our approach to sustainability section, Sustainability Report (Stakeholder engagement)	-
102-41 Collective bargaining agreements	As at June 30 2021, 43.5% of employees across Bendigo and Adelaide Bank are employed under an Enterprise Agreement	-
102-42 Identifying and selecting stakeholders	Our approach to sustainability section, Sustainability Report (Stakeholder engagement)	-
102-43 Approach to stakeholder engagement	Our approach to sustainability section, Sustainability Report (Stakeholder engagement)	-
102-44 Key topics and concerns raised	Our approach to sustainability section, Sustainability Report (Stakeholder engagement and Material topics)	-
102-45 Entities included in the consolidated financial statements	Annual Report	-
102-46 Defining report content and topic boundaries	Our approach to sustainability section, Sustainability Report (Material topics)	-
102-47 List of material topics	Our approach to sustainability section, Sustainability Report (Material topics)	-
102-48 Re-statements of information	Any re-statements are indicated using footnotes in the report	-
102-49 Changes in reporting	Our approach to sustainability section, Sustainability Report	-
102-50 Reporting period	Our approach to sustainability section, Sustainability Report	-
102-51 Date of most recent report	Our approach to sustainability section, Sustainability Report	-
102-52 Reporting cycle	Our approach to sustainability section, Sustainability Report	-
102-53 Contact point for questions	Our approach to sustainability section, Sustainability Report	-
102-54 Claims of reporting in accordance with GRI Standards	Report in reference to GRI only	-
102-55 GRI content index	GRI index	-
102-56 External assurance	External assurance not undertaken in FY22	-

Disclosure	Location or comment	Relevant material comment
GRI 103: Management Approach		
103-1 Explanation of the material topic and its boundary	Our approach to sustainability section, Sustainability Report (Material topics)	-
103-2 The management approach and its components	Sustainability Report <ul style="list-style-type: none"> · Serving and supporting our customers · Enabling community and local impact · Creating an engaging and purposeful workplace · Contributing to a sustainable future · Ethical conduct and responsible banking 	-
103-3 Evaluation of the management approach	Sustainability Report <ul style="list-style-type: none"> · Serving and supporting our customers · Enabling community and local impact · Creating an engaging and purposeful workplace · Contributing to a sustainable future · Ethical conduct and responsible banking 	-

About our front cover

This year's cover page features Bendigo Bank customer Nicole Davenport.

Nicole and her family have acquired a new home with the assistance of the Bank and the Victorian Homebuyer Fund.

Bendigo and Adelaide Bank, in conjunction with the Victorian State Government scheme and the Federal Government's First Home Loan Deposit Scheme, have now helped more than 3000 customers achieve their dream of home ownership.

Nicole takes comfort in the security that comes from home ownership and the certainty that comes from putting down roots in a community she knows. She also enjoys the freedom to decorate her home in a way that she, her family and her dog Coco love.

Bendigo and Adelaide Bank's purpose is to feed into the prosperity of the community, not off it, and stories like Nicole's are a good reminder of the important role we play, helping more than a million Australians become homeowners since 1858.

The better big bank.

Sustainability Report 2022
Bendigo and Adelaide Bank Limited.
ABN 11 068 049 178