



Sustainability
Report 2021



Bendigo and
Adelaide Bank

Our 2021 reporting suite

Annual Financial Report

Our statutory financial reporting

Tax Report

Corporate Governance Statement

Annual Review

Summary highlights of our performance over the past year

Sustainability Report

Our first report on our material ESG topics

Additional disclosures:

Climate-related Financial Disclosures

Modern Slavery Statement

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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, present and emerging. Our head office is located on Dja Dja Wurrung land.

Firmly focused on our sustainability horizon

Australians and the economy have faced another challenging and disruptive year. In a year marked by crisis, the 2021 financial year has reminded us how forces beyond our control can profoundly shape and impact our lives. It has reinforced the urgency to change the way we treat our planet. The need to build a more sustainable world has never been greater.

Our important role of supporting customers and communities became even more apparent through the course of the past year. Our commitment remains, as the nation faces further disruption, with an ambition to transition out of the pandemic. This underlines the importance of our longstanding purpose – feeding into prosperity, not off it.

Increasingly, stakeholders have come to value the holistic performance of businesses across important environmental, social and governance (ESG) topics. We too have made changes to show our commitment to change and taking action in this space. That's why this year, we are proud to introduce our first Sustainability Report. This annual report will document our ESG journey, providing a greater level of transparency, measurement, and accountability to our stakeholders.

We hope our first report demonstrates the importance of sustainability throughout our Bank, as we seek to formalise our sustainability focus and approach.

Over the past year, we continued to strive to act with care and compassion, with our customers and communities top of mind. Through our transformation work we've been able to offer customers improved capability and experience as well as enhanced productivity, efficiency, and speed to market. As a result, we have grown market share, customer numbers and total lending and deposits. Our underlying business, balance sheet, brand proposition, provisioning, risk profile and transformation have made our business stronger for the future.

Our leading corporation reputation and net promoter scores provide positive encouragement that we're on the right track, but we know we have more to do.

We are proud to have supported our customers, their communities, and all our stakeholders throughout the past financial year. As Australia's better big bank, we will always do this. We have witnessed the resilience of our stakeholders and our business, which have combined with a renewed sense of optimism as we look beyond the challenges of the past eighteen months towards a brighter future.

We remain resolute in our determination to realise our vision to be Australia's bank of choice. We will continue to demonstrate our point of difference, strength of purpose, innovation and community connection.

Jacqueline Hey
Chair,
Bendigo and Adelaide Bank

Marnie Baker
Chief Executive Officer and Managing Director,
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 our Community Bank model, we partner with Community Bank companies across Australia to provide banking services, while sharing the revenue with the local communities.

We have assets under management of more than \$76.2 billion and market capitalisation of around \$5.7 billion. We are Australia's better big bank, with more than 7,000 staff helping more than 2.1 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, superannuation and funds management, insurance, treasury, and foreign exchange services (including trade finance), and trustee services.

Our brands

Our different brands represent the diversity of our Bank. As part of our strategy to reduce complexity, we have been working to consolidate the number of brands we have in market. Together, all brands share a common purpose – to help our customers, partners and communities succeed. Our brands are:

 **Bendigo Bank**  **RURAL BANK**

Community Bank



 **AdelaideBank**

 **LeVeraged**

 **DelphiBank**

 **SandhurstTrustees**

**Community
Enterprise
Foundation**

 **Homesafe
SOLUTIONS**

 **Alliance Bank**

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, shared and trusted.

How we create value

Who we are

Our customers and community

Building on our history of adaptability, innovation and resilience, today we are a proud community focused bank with a strong regional presence. We help our more than 2.1 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 1,900 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 Community Banks.

Our governance, risk and compliance

Our decision making is responsible and risk-based and draws 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 all our stakeholders.

We are low carbon

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

What we deliver

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.

Customers will always be at the centre of our efforts.

The overlap between community, human and digital connections drives how we create value.

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 returns and non-financial 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, enabling people to live where they love.

Our environment

Contribution to climate change mitigation, adaptation, and resilience. Sustainable land and water management practices.

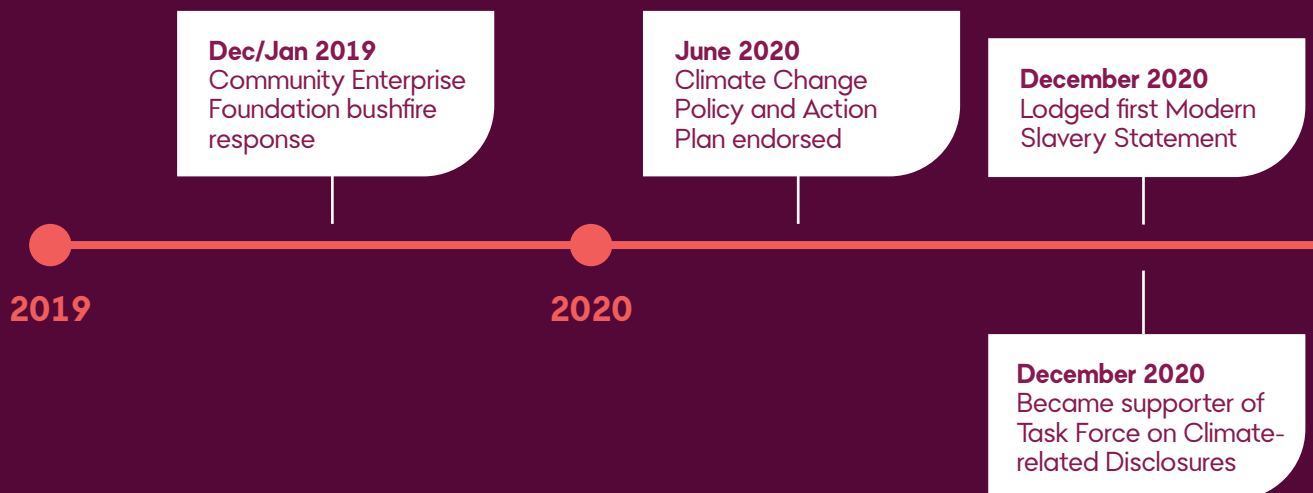
Everything we do is focused on our purpose to feed into prosperity, not off it.

Our approach to sustainability

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

Many of our material issues are interconnected and we understand the need to develop a more strategic approach to driving our sustainability performance. Further, we are acting on the calls from stakeholders to strengthen our communication on our sustainability approach and action.

Recent highlights



For this reason, during FY21 we have worked on a range of activities to formalise our management approach to our most material topics, improve our sustainability communication and align a shared focus and approach to sustainability.

Our key actions include:

- Endorsement of an ESG Reporting Roadmap including a refresh of our material topics and United Nations Sustainable Development Goal (UN SDGs) alignment
- Establishment of a Strategic Community Insights and Investments function to increase our understanding of the social impact and business value of our work in communities
- Implementation of our Climate Change Policy and Action Plan
- Launch and active use of a social issues register to listen and respond to stakeholder concerns
- The determination of emission targets and achievement of carbon neutrality
- Publication of our first Sustainability Report

In FY22, we plan to bring this work together, along with other streams, under a Sustainability Framework. This framework will be guided by materiality, weighing stakeholder views and business impact. It will seek to build an authentic approach that ultimately helps deliver on our purpose, enabling more resilient, capable and self-sufficient communities. Emphasising the importance of sustainability, this goal is reflected in our business strategy, as part of our strategic imperatives to *Reduce Complexity*, *Invest in capability* and *Tell our story*.



Our stakeholders

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 is set out in the following table.

STAKEHOLDER	HOW WE ENGAGE
Shareholders	Full and half year results presentations, briefing, one on one and group meetings as appropriate, investor and analyst briefings and conferences, credit rating reviews and the Annual General Meeting.
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.
Communities	Direct engagement within the communities in which we operate, public meetings, conferences, collaborations, and partnerships.
Employees	Internal communication channels, including virtual forums and meetings, email, video communication, 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.
Partners, including suppliers	Meetings (both formal and informal), experience surveys, contract renewals, risk assessments and joint agreements.
Regulators	Regular meetings with executives and senior leaders, conferences and site visits.
Media	Background briefings, media releases and one-on-ones.
Consumer advocacy groups and NGOs	Customer Advocate Office, meetings and forums, industry-based engagement between banks and customer representatives.
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), the Business Council of Australia (BCA), Regional Australia Institute (RAI), Regional Australia Council (RAC), Mortgage & Finance Association of Australia (MFAA), Committee for Economic Development of Australia (CEDA). The Bank's Managing Director is the Deputy Chair of the Australian Banking Association.
Other specialists and professionals	Meetings, presentations, conferences and project collaboration.

In FY21, we developed an internal social issues register to capture key environmental, social and governance (ESG) issues being raised by our stakeholders. This register is used to listen to stakeholder concerns related to sustainability.

About this report

This report is Bendigo and Adelaide Bank's first Sustainability Report and covers the FY21 financial year. We will report annually following our full year financial results.



Feedback on our Sustainability Report

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

Our material topics

Building on a materiality review conducted by the Bank in 2018, during FY21 we were externally supported to refresh our material topics. We worked through an initial desktop review, followed by internal and external stakeholder engagement and concluded with several rounds of leadership prioritisation and validation.



Materiality process

Desktop review to identify material topics

- Board agendas
- Internal policies
- Internal communication
- Risk framework, policies and management
- Strategy and transformation

Stakeholder engagement

- Internal stakeholder interviews
- External stakeholder interviews (investors)
- ESG industry perspective
- Peers
- Media review

Material topics consolidated, prioritised and categorised

Material topic validation with leadership

Our material topics

The following topics were identified as material for the Bank during FY21. Each of our material topics is important to us. The bold highlighting indicates those topics that have been addressed in detail in this report based on prioritisation, our other material topics are also referenced where we have relevant updates.

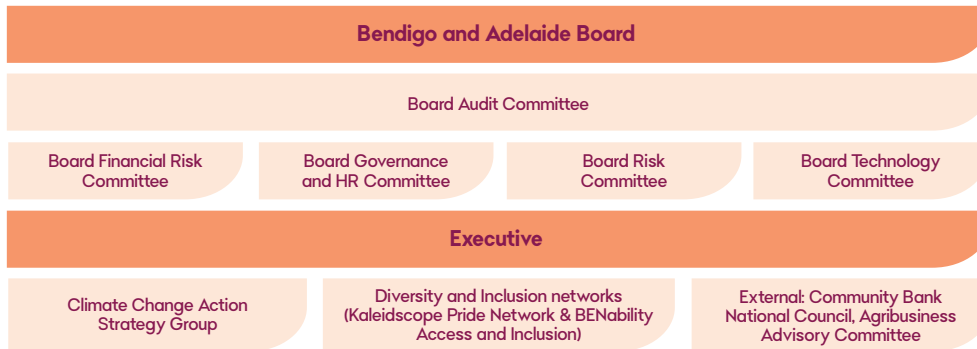
THEME	MATERIAL TOPIC	DEFINITION
Community	Engaging with and contributing to communities	Connect and partner with community members and leadership to invest in the future of communities where we operate, grounded in principles of self-determination and empowering local leadership. This includes investing in communities via philanthropy, volunteering, engagement and in-kind support, disaster relief and capacity building.
	Thriving regional and rural economies	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.
	Indigenous inclusion	Enabling the further access and inclusion of Aboriginal and Torres Strait Islander Australians via employment, procurement and other social and economic opportunities. Developing and providing appropriate and culturally relevant banking products and services to Aboriginal and Torres Strait Islander communities and ensuring ongoing access to further the prosperity of these individuals and groups.
Customer	Maximising value and satisfaction for customers	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.
	Customer wellbeing: vulnerability, hardship & resilience	Managing the Bank's products and services to ensure that customers' financial well being is improved. Identifying and proactively managing customers' vulnerabilities throughout all stages of the customer journey and their relationship with the bank.
	Customer access and inclusion	Ensuring our customers have access to branches, products and the services to meet their banking needs. This includes supporting regional, rural, Indigenous and CALD (culturally and linguistically diverse) customers with appropriate products and services tailored to their specific opportunities and needs.
	Responsible lending	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.
	Access to finance for housing	Supporting the Bank's customers and communities to access affordable housing options, via an appropriate products and services portfolio and tailored financial advice to select the best option for each individual.
Environment	Climate change	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 initially supporting agribusiness customers, to understand, set targets towards and manage the mitigation of their risks and capitalisation of opportunities.
	Sustainable financing	This topic includes both integrating ESG considerations into the current products and services provided by the Bank, and sustainable product development. Integrating ESG considerations includes analysing the negative impacts of the Bank's loan portfolio and mitigating these in lending practices. Applying a retrospective review and disclosure of ESG risk within the Bank's current loan portfolio, and accounting for risk within ongoing sale and management of products and services. Being an active asset owner and lender through engagement. In addition to the negative screening approach, developing products to motivate sustainability action includes incentivising and creating positive impact by linking loans with ESG impact and outcomes; a suite of sustainability-focused products, services and investments.

THEME	MATERIAL TOPIC	DEFINITION
Environment	Operational environmental performance & commitments	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 an operational footprint target that is aligned to the Paris Agreement.
People	Employee engagement and culture	Ensuring our people are engaged in their roles and with our Bank's culture, purpose, values and transformation agenda.
	Talent attraction and retention	Attracting and retaining a values-driven, diverse and capable workforce filling the Bank's needs for the future of work. Planning our hiring and retention policy with consideration for our geographic footprint and commitment to social outcomes.
	Employee development and capability	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	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	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.
Governance	Business conduct and ethics	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. Leading by example within the banking industry.
	Engaging and responding to the regulatory environment	Actively engage with the changing external regulatory landscape and respond with agility to maintain compliance and competitiveness. Participate in and lead the regulatory debate including relevant advocacy around fair banking products and practices in the market.
	Responsible remuneration	Aligning remuneration with organisational values, community expectations and standards deemed appropriate considering outcomes from the Royal Commission on Banking. Ensuring that employees' incentives are aligned to levels of appropriate risk taking.
	Customer privacy and data security	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.
	Fraud and financial crime	Proactively manage 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	Understanding, disclosing and managing sustainability risks in the Bank's supply chain, including environmental and social impacts. This includes a focus on the potential for modern slavery and human rights abuses within the supply chain of the Bank and risks within the broader value chain i.e. in the Bank's lending portfolio.

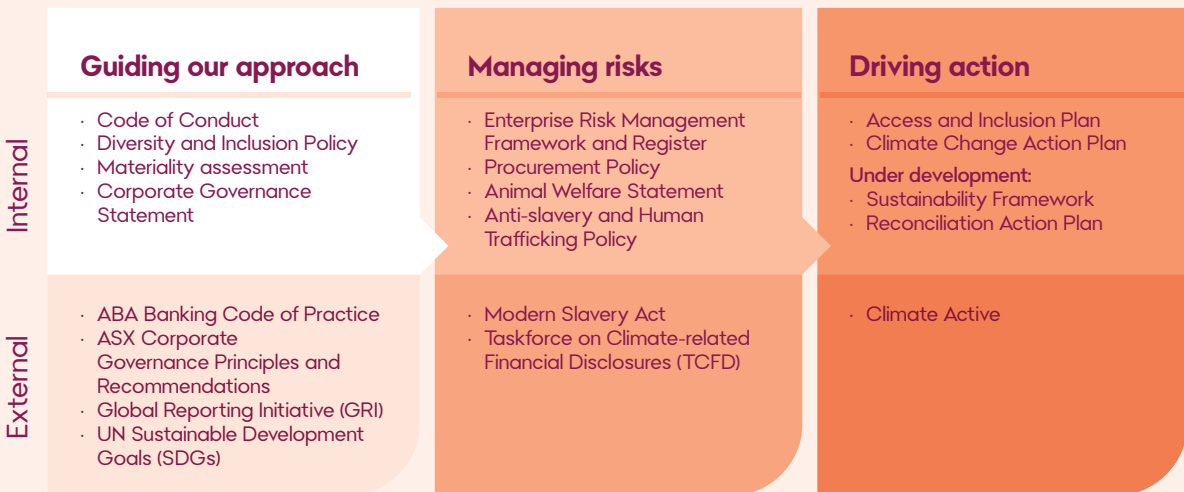
Sustainability governance

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, and a range of policies and position statements (outlined in the Sustainability governance overview diagram below).

Environmental and social risks are highlighted in our Corporate Governance Statement (pages 26-27), along with information on other key ESG issues including diversity and inclusion and ethics and integrity. In FY20, we included coverage of our sustainability initiatives in our Annual Review. In FY21, we have commenced reporting on our sustainability approach and performance aligned to global reporting standards, including the Global Reporting Initiative (GRI), UN Sustainable Development Goals (SDGs) and the Task Force on Climate Related Disclosures (TCFD).



Sustainability governance overview



Strategy and performance reported through annual Sustainability Report and Annual Review

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 alignment with the Global Reporting Initiative (GRI) Standards.

A GRI index is included from page 60 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 43 of this report and a separate detailed Climate Change Action Plan and Climate-related Financial Disclosures report is available on our website.

Enabling 21st century communities

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's 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 good that money can do. 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 more than our words will.

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



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 is three primary ways we currently do this; through our model of Community Banking, our partnerships with mutual companies and non-physical connected communities.

The Community Bank model is a world-recognised example of a shared value business. Through this model our Bank and the communities we partner with 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 a win 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 revenue, with surpluses invested into the community via grants, sponsorships, and dividends to local shareholders.

The Community Bank model provides self-determining communities with a powerful vehicle that delivers local services, creates jobs, and invests in communities' development and prosperity.

Across Australia the model provides employment to 1,540 people, which generates a total of \$131.9 million in salaries per annum with flow on impact to the economy of the community these staff live in. Further to Community Bank staff, 1,770 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 FY21, our Community Bank model enabled \$21.3 million worth of community contributions. Since the inception of the Community Bank model, more than \$270 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.

We know that the contributions flowing back to community enable these communities to realise positive outcomes. We also know that individual community contributions are often used to leverage much larger investment to achieve bigger and more impactful community outcomes.

A recent example of this is in the regional Victorian town of Charlton. The Charlton community accessed \$500,000 from the Charlton Community Bank, along with a community appeal facilitated by the Bank's Community Enterprise Foundation, to leverage funding from federal, state and local government, along with other partners to multiply that Community Bank contribution to build a \$4.2 million facility called Charlton Park. It took 13 years of community commitment for the project to be finished, and this facility is now home to a number of sports clubs in the town, providing upgraded facilities to host events and weekend sports.

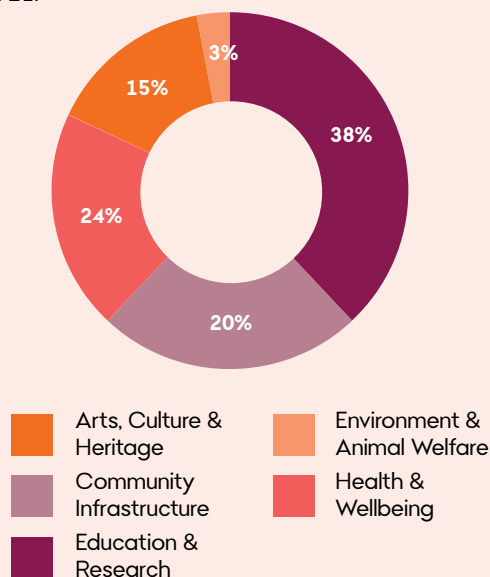
On top of the community contributions we make, local shareholders of profitable Community Bank's received dividend payments totalling \$9.9 million in FY20. More than \$58 million has returned to Community Bank shareholders since the model's inception. These community contributions and dividend payments 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 more than 230 Community Bank companies throughout Australia who operate 314 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 FY20, 212 (91%) companies recorded a profit, up from 208 in FY19 and 202 in FY18. Further to this, and through challenging pandemic conditions and a low interest rate environment, almost 60% of those profitable Community Banks have recorded an increased profit year-on-year from FY19².

1. Final Community Bank dividends are reported per calendar year to Bendigo and Adelaide Bank and the final figure for FY21 was unavailable at the time of writing.

Sectors of Community Investment¹

Through the Bank's charitable arm, Community Enterprise Foundation, funds were distributed to community organisations in the following sectors in FY21:



1. This chart only represents Community Bank and corporate partner grants that were distributed via the Community Enterprise Foundation and does not provide a comprehensive breakdown of all Community Bank grants.

Enabling community to realise outcomes

The Community Enterprise Foundation™ (CEF) is the charitable arm of Bendigo and Adelaide Bank.

The CEF offers communities and not-for-profit organisations across Australia the opportunity to raise and distribute tax-effective donations to benefit their own communities. Further to this, it provides our customers and others across Australia, the opportunity to support important causes through donations. Since the CEF's inception in 2005, it has distributed more than \$139m.

The Bank provides the infrastructure, management and governance support. With this support, donors can have confidence that decisions around how funds are spent always occur in line with clearly stated objectives for each fund, and with rigorous attention to government and regulatory requirements.

The Foundation's focus has always been to support the social fabric of communities across Australia through the facilitation and delivery of grants, scholarships, appeals, partnerships, and other funding.

In FY21, the Foundation oversaw the disbursement of \$15.3 million in funds to disaster recovery initiatives in the wake of recent natural disasters. More than \$29

million has been distributed to affected communities across Australia since the Black Summer Bushfires in 2020. These funds are part of the \$47 million raised since January 2020 through various disaster appeals. The disaster appeals were generously contributed to by more than 145,000 people, with around 20% of donations being made in our branches. This demonstrates the importance of our physical branch footprint in local communities.

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 FY21, 29 Connected Communities contributed \$984,000 to support local projects.

Another shared value business model enables participating mutual companies to serve their members and communities in the true spirit of mutuality. These social enterprises invest their profits in shared value initiatives to deliver positive social impact within their communities.

In FY21, our mutual company partners focused on supporting customers and communities through the impacts of COVID-19, donating more than 8,440 volunteering hours to support community need.

Over the past five years, \$8,562,620 has been contributed to local sporting groups, improving health care, supporting people experiencing domestic violence, youth education programs, charities and not-for-profits, young apprentices and social enterprise entrepreneurs.



Building on its knowledge of disaster recovery, the Foundation will focus future efforts on disaster recovery preparedness and resilience programs. This will draw on the Foundation's knowledge to equip communities and lay the foundations for a timely and considered recovery.

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Our approach to disaster appeals

It's important to know that recovery is a marathon rather than a sprint. The recovery process for people is a very personal journey which involves key stages over time, as well as the important leadership roles some people will find themselves in as a result of the event. Community organisations also play a critical role in rebuilding / strengthening the social fabric within communities and supporting these groups is critical to enable them to facilitate programs, and to return to normal operation.

Our approach to natural disasters appeals provides a formal channel for the public to donate money directly to affected communities and is designed to achieve positive outcomes for the community.

The Black Summer Bushfires had a devastating impact on a number of communities across Australia. In response to this, Bendigo Bank created national and state-based bushfire appeals that sought donations from the Australian public to support recovery efforts in impacted communities. The response was overwhelming with more than \$47 million donated across the appeals highlighting the generosity of Australians and overseas donors, and the support for those impacted.

The Appeal aims to support bushfire affected persons and communities by investing in the recovery, resilience and capability across impacted communities via the distribution of grants to Eligible Charities and Not-For-Profit organisations endorsed with Item 1 Deductible Gift Recipient (DGR) status for charitable purposes as recommended by the Advisory Committee.

The overarching Bushfire Appeal strategy focuses on three key phases:

- Immediate relief – informed by Bendigo and Adelaide Bank, Community Enterprise Foundation, and local Community Bank team's experience in managing disasters of this nature – up to 40% of funds distributed to support immediate relief
- Community recovery short term – informed by local communities*
- Community recovery medium-long term – informed by local communities*

*At least 60% of funds disbursed to support short, medium and long term community recovery, with more than \$29 million distributed to fire affected communities.

Immediate Relief

Informed by our partners and our lived experience in managing disasters

Community Recovery Short Term

Informed by local communities

Community Recovery Medium - Long Term

Informed by local communities

Jan - Oct 2020

Up to 40% of funds dispursed to support Immediate Relief

July 20 - June 2021 July 2021 - 2025 and beyond

Up to 60% of funds dispursed to support the short, medium and long term community recovery with more than \$29 million now distributed to fire affected communities.

To find out how Bendigo and Adelaide Bank is making a difference in fire affected communities, read our disaster relief and recovery stories here: www.bendigobank.com.au/disasterrecovery

Bushfire preparation upgrades for Wairewa Hall

After suffering four years of drought, Wairewa in Victoria's south-east, was badly impacted by the catastrophic fire event on 31 December 2019.

The firestorm that blasted through the community resulted in many losses. 11 homes, hundreds of livestock, and millions of dollars of farm infrastructure and equipment were destroyed.

That night while the fire burned just metres away, 30 people sheltered in the Wairewa Hall. With the mains power failing and affecting the activation of the water pump, the CFA teams set off their hoses. This prevented a potential tragedy and saved their lives and the hall.

Immediately, post-bushfire, the hall became a community relief centre. The hall was utilised by the community as donors and agencies arrived to assist.

Thanks to the generous donors of the Victorian Bushfire Appeal, a \$151,645 grant will fund important safety upgrades to the Wairewa Hall.

The project includes:

- A fully installed bushfire attack sprinkler system to protect the hall and evacuees in the future;
- A covered BBQ area with wheelchair access; and
- A toilet upgrade to allow for disability access with showers in case of emergency evacuations/burns injuries

Upgrades to the hall will provide greater community confidence and resilience knowing that, in event of another disaster, the hall is a safer place in an emergency.

Engaging with Indigenous communities

Australia is home to the oldest continuous living culture on earth. Recognising and respecting Aboriginal and Torres Strait Islander people and their culture is important to us, and we're committed to reconciliation.

We recognise this is an area where we can work to increase our engagement.

Our Indigenous inclusion objectives are to:

- Acknowledge our Indigenous history
- Celebrate the culturally and linguistically diverse backgrounds in our Indigenous workforce
- Seek to improve banking experiences and employment outcomes for Aboriginal and Torres Strait Islanders.

Key initiatives and programs

We're focused on promoting and practicing respect, building relationships and investing in development opportunities with, and for, Aboriginal and Torres Strait Islander employees and customers.

This year we're focused on establishing our inaugural Reconciliation Action Plan (RAP).

Strategic support for community organisations – from cash to capability

Community Banks have always been driven to provide on financial support and have contributed significant funding to Australian communities.

Our Community Bank network is closely connected to the local organisations they partner with. As such, we saw the need to understand where the challenges and opportunities may lie in the face of the COVID-19 pandemic. Therefore, in 2020, we undertook a 'needs assessment' based research project.

This project involved surveying:

- 100 Community Organisations (Sporting clubs, arts and entertainment groups, cultural groups, social groups, NFP's etc)
- 30 Local Government Authorities (from a cross-section of metropolitan, outer metropolitan, regional, rural and remote)
- 130 Community Banks

The insights and findings revealed a strong sentiment that was seemingly catalysed by the disruption to local organisations.

It was clear that more than just 'cash' was required. In addition to cash, upskilling and capability building of

organisations, allowing for greater sustainability and resilience to grow and thrive into the future was now necessary.

As a result of these findings, the Community Development Program (CDP) was initiated. This concept was tested among the Community Bank Network, by Bendigo and Adelaide Bank mentors conducting focus group sessions with Community Bank Boards, to ascertain the appetite for the initiative.

A team of experts will deliver sessions, workshops, or bespoke advice directly to the organisations in participating communities.

Topics include:

- governance
- strategic planning
- financial sustainability
- marketing, communications and
- social media
- mental health and wellbeing.

This new program is in a pilot stage, and we expect it to evolve as we test and implement it in FY22.

Leveraging knowledge to strengthen community

Strong communities draw on knowledge and insights to inform decision making to grow prosperity and strengthen resilience.

We are maturing our knowledge and insights to ensure we are investing with community organisations to achieve better and bigger outcomes. We are also evolving the way we assess our contribution. Historically, this has included the use of a community strengthening index. In 2016, we undertook a national prioritisation project to understand the areas where our communities required our support.

Continuing this journey, the Bank has built on its community investment and insights capability which will provide frameworks, insights, evidence, and tools to capture the data to guide strategic decisions for maximum impact and value.

In FY22, we will work to create an evaluation framework and stronger impact assessments.

This work will strengthen our ability to enable communities to drive the change they want to see while also providing more rigorous reporting and up-to-date data on where contributions are being made in the community. In addition, it will help us to more robustly report the impact these contributions are having, beyond the financial investment.

We have various initiatives in place to improve the ease, satisfaction and effectiveness of our relationship with our Community Bank partners. We are investing time, specialists, resources and technology to support our partners.

While Community Banking is where we have developed the most expertise and understanding in what communities really need to be successful, it is just one way our Bank partners with the communities we operate in.



Understanding the economic impact of our physical regional presence

We have a strong presence across many locations around the country as part of our commitment to live and work in the communities we serve.

At a national level, our economic contribution to the community is evidenced in the total tax we pay (\$271.4 million in FY21), the overall salaries we pay to our employees (\$440 million in FY21), and the dividends we pay to shareholders (\$265.3 million in FY21).

On top of this national contribution, the Bank has undertaken analysis to better understand the economic significance of our presence in various communities across Australia. The work was undertaken to understand the contribution our workforce makes within these local economies.

Our assessment was undertaken to support engagement, marketing and advocacy work with a range of stakeholders from investors and community members through to partners and local suppliers.

Three of the locations on which we have completed this analysis include Bendigo, Ipswich and Adelaide. The data clearly demonstrates the significant impact our presence has within these communities.

In Bendigo:

- The finance sector is the 4th most productive sector in this region, contributing \$635,000 of value-added for every finance worker.
- There are 1,581 jobs in the finance sector in Bendigo with Bendigo and Adelaide Bank contributing to 70% (1,100 jobs) of these jobs
- Every job at our Bendigo Head Office supports one additional job for other businesses in Bendigo
- Every \$100 of salaries paid at our Bendigo Head Office supports an additional \$81 of wages for

local workers in other Bendigo businesses

- Every \$100 of revenue generated by our Bendigo Head Office supports \$43 of revenue for other businesses in Bendigo

In Ipswich:

- The finance sector is the 4th most productive sector in this region, contributing \$630,000 of value-added for every finance worker.
- There are 784 jobs in the finance sector in Ipswich with Bendigo and Adelaide Bank contributing to more than 38% (300+ jobs) of these jobs
- Every job at our Ipswich Office supports 0.7 additional jobs for other businesses in Ipswich
- Every \$100 of salaries paid at our Ipswich Office supports an additional \$81 of wages for local workers in other Ipswich businesses
- Every \$100 of revenue generated by our Ipswich Office supports \$30 of revenue for other businesses in Ipswich

In Adelaide:

- The finance sector is the 4th most productive sector in this region, contributing \$573,000 of value-added for every finance worker.
- There are 4,613 jobs in the finance sector in Adelaide with Bendigo and Adelaide Bank contributing to 24% (1,100 jobs) of these jobs
- Every job at our Adelaide Head Office supports one additional job for other businesses in Adelaide
- Every \$100 of salaries paid at our Adelaide Head Office supports an additional \$77 of wages for local workers in other Adelaide businesses
- Every \$100 of revenue generated by our Adelaide Head Office supports \$43 of revenue for other businesses in Adelaide

Another way we seek to leverage knowledge at both a community and industry level is by partnering with national advocacy groups and values-aligned organisations and community groups.

Partnering to strengthen knowledge for regional communities

Our Bank has a strong connection to rural and regional Australian communities. We use this privileged position to be a champion for the regions and advocate for regionalisation. To strengthen our efforts, we partner with the Regional Australian Institute (RAI) – Australia’s leading think tank devoted to issues concerning regional Australia.

In 2019, the Bank supported the inaugural Regions Rising national event series. In 2020, we sponsored Regions Rising for a second year with seven webinars covering a range of topics integral to developing the success of the regions. Almost 2,500 people from every corner of the country were able to attend and participate in these important public debates.

We also work closely with the Regional Australia Institute as a founding member of the Regional Australia Council 2031 (RAC). This council brings together influential and committed organisations and leaders to prioritise regional Australia. The RAC’s focus areas include research into regionalisation trends and developing a regionalisation strategy.

Scholarships are an integral part of how the bank manages its engagement and contribution to communities. By connecting and partnering with community members, we seek to address the disadvantage some students from regional areas face in attaining further education.

Building on the Bank’s 25 years of scholarship history, our scholarship program has grown such that it is now our most financially and socially significant contribution to education.

Since 2007, the Program has provided more than \$10.2 million in support to more than 1,140 students, growing to become one of the leading privately funded scholarship programs in Australia. Most of the program funding is provided via the Bank’s Community Bank network, with the financial support contributing to the costs of accommodation, travel, course materials, study equipment and tutoring.

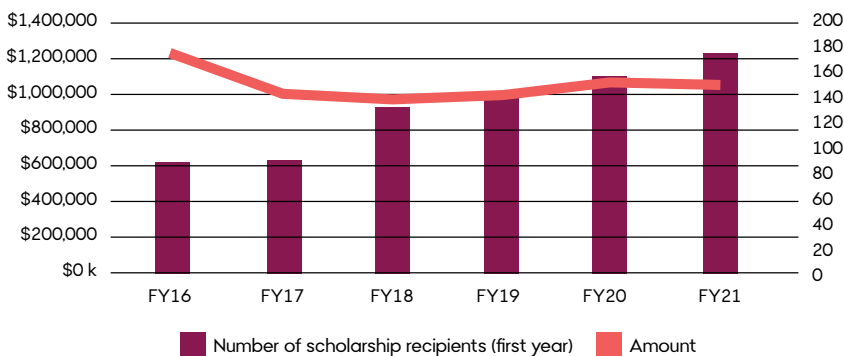
Originating from all corners of Australia, successful recipients represent the next generation of leaders who will bring fresh and innovative ideas to their chosen areas of expertise. In addition, many recipients have returned to rural and regional areas to contribute knowledge and expertise to enable growth in their community and local industries.

The management of the Bank’s Program is overseen by the Bank’s Community Enterprise Foundation. The Foundation oversees the assessment of applications, interviews, the disbursement of funds and monitors the recipient’s study progression (for Scholarships that offer funding in subsequent years of study).

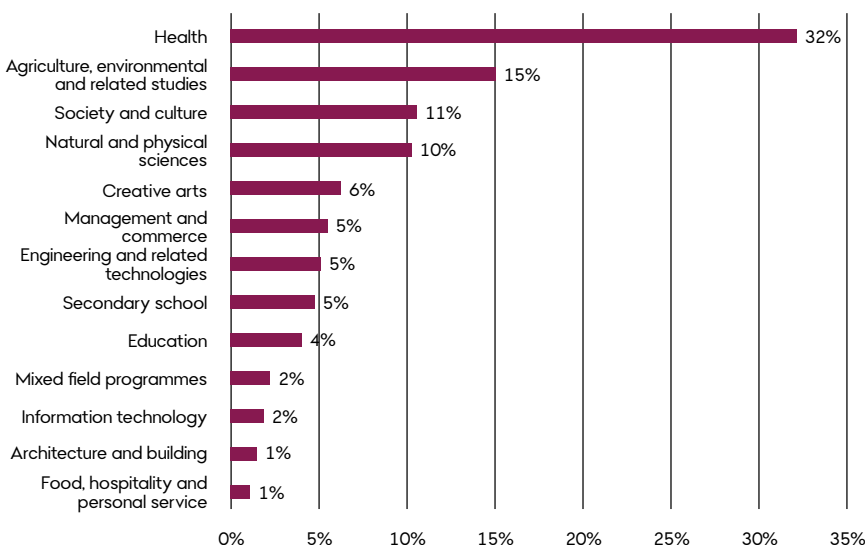
In FY21, via six scholarship programs, the Bank awarded scholarship payments to 274 students across 13 fields of study with scholarships to support their educational ambitions.

Total funds disbursed to scholarship recipients in FY21 was \$1.1 million.

Annual scholarship amount and number



Number of FY21 scholarships by area of study



Accessing opportunities is more than just formal education. An innovative approach undertaken by one of our mutual company partners, BDCU, sees apprentices tooled for their trade. Over three and a half years, more than 65 apprentices have taken part in the BDCU Apprentice Support Program, which sees apprentices provided with interest free loans to buy the tools of their trade, financial literacy support and business mentoring.

Engaging with and supporting our customers

Bendigo and Adelaide Bank provides full banking services to more than 2.1 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 all 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.

We acknowledge there have been instances where we have not met our customer expectations, and we are always taking steps to improve processes and build capability to meet these expectations.



FY21 highlights



Provided local banking services to 560 communities across Australia



Industry leading Net Promotor Score of 27.29



Maintained high customer satisfaction of 87.6%



52.4% of eligible customers digitally engaged using internet banking or apps



Digital bank, Up, has the highest rated banking app in Australia with a customer satisfaction score of 86%



More than one million devices using digital wallets in FY21



Simplified our merchant facility systems through our Tyro partnership

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.

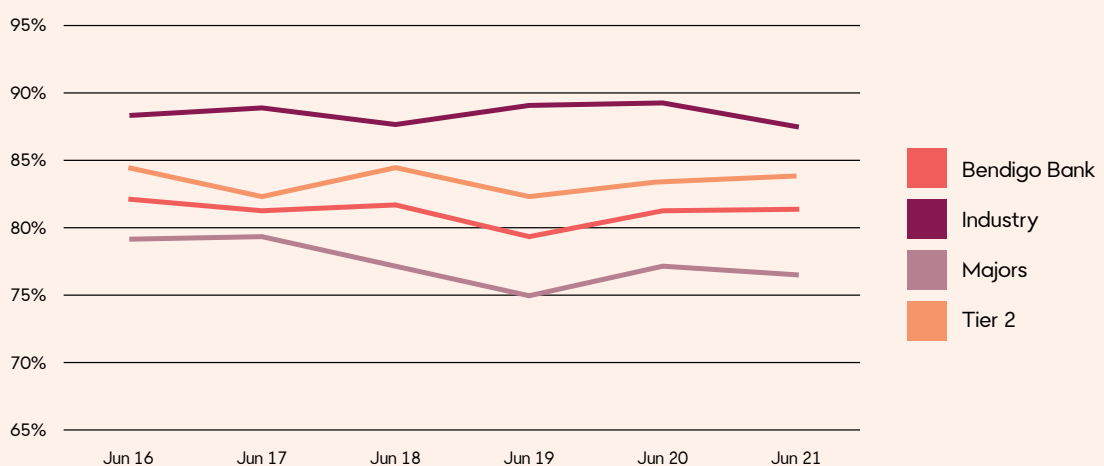
Our reach comprises joint ventures, distribution partnerships, philanthropy, specialist services, and wealth release products for senior Australians.

We know we must constantly evolve because our customers' needs and the economic environment we've 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 87.6%, which has us 12% above the average rating of the major four banks.

Customer satisfaction



Our customer experience

Our customer experience is underpinned by eight guiding principles



Our branches across Australia remain a critical component of our distribution strategy and provide a significant base for customer and community connection. Across our corporate branches, community owned branches and agencies, we provided local banking services to 560 local communities in FY21.

We continue to invest in branches where our customer interactions indicate the need for a physical presence, while making changes to the locations, size and look and feel of our branches to ensure we adapt to customers' changing needs and banking preferences.

Our strategy seeks to unite customers and community with our human and digital strength to create the future of banking and this can be seen in the continued roll-out of our branch designs.

Over the past 12 months, we have redesigned branches in Coffs Harbour, Malvern East, Bendigo, Freshwater, Canterbury and Torquay. These locations reimagine the role of the branch in local communities, including providing spaces for retail pop ups and community events to engage in new ways with existing and new customers.

Several other branches in our network have also received refurbishments to ensure banking in branch continues to be a positive experience for our customers and staff. These projects have allowed us to reduce costs without compromising commitment to our branch network and the customers and communities we serve.

Part of reshaping our branch footprint includes the closure of some branches. 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 using the branch, or proximity to other branches. In FY21, we closed 23 branches across our network. Of these closures, 17 were corporate

Bendigo Bank branches and six were Community Bank branches. Of those 23 branches that we closed, 19 were located within 15km of other branches.

Beyond our branch network, we have a strong focus on our personal relationship approach to supporting the banking needs of our customers. Our Business Bank and Rural Bank divisions are both utilise on a relationship model, working across branches, and maintaining mobility to meet the customer where best suits them and their business. In addition, we have a network of mobile relationship managers who travel to meet our retail lending customers face-to-face.

This approach enables 318 of our Business Bank, Rural Bank and mobile retail relationship managers to form a more meaningful relationship with our customers to ensure they feel supported, and we are appropriately catering to their banking needs.


This local approach means that decisions are made, region by region, that are uniquely tailored to best serve local customers, leading to targeted and effective local banking solutions and better results for the customer.

One aspect of our community connection, which enables and drives us to provide greater value for our customers, comes from the number of our staff who work within the community they live. Across Australia, 40% of our people, including frontline and corporate staff, work in regional and remote areas of the country. Our people interact with our customers every day, which helps build a stronger connection and deeper understanding of what is important to them.


We know we must also evolve to the changing needs of our customers. Increasingly, our customers are interacting with us via digital platforms.

Enhancing customer experience through digital solutions

We provide a full suite of digital banking options including internet banking and our banking app. In FY21:



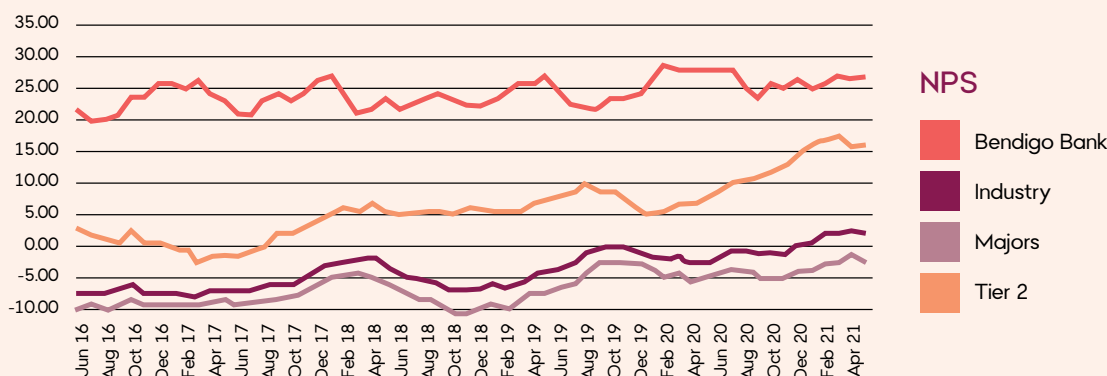
52.4%
of eligible Bendigo Bank customers were digitally active in FY21.
Up from 49.7 in FY20³



The use of mobile payment technology continues to grow, with more than one million devices using digital wallets in FY21 (483,000 unique cards), an increase of 70% from FY20.

The success of our approach to maximising the value and satisfaction of our customer is evidenced through our industry leading NPS⁴, along with being the only bank ranked among the top 20⁵ most trusted brands in Australia.

Our NPS consistently sits at least 25 points above the industry average, with a score of 27.3 at the end of the financial year. Our score has been consistently high for several years which further validates our customer strategy.



Digital banking expert in each branch to train customers

We remain committed to our customers and we are taking steps to ensure no one is left behind. For this reason, we have been running a digital coaching program for the past two years with each branch having a dedicated staff member in the role of digital coach to focus on working with customers who have traditionally preferred to do over the counter transactions to help them find alternative banking solutions to suit their specific needs.

For example, a staff member in our branch network in Victoria assisted a woman recently who came in looking for assistance to get set up on e-banking but also spent two to three hours being shown how to use their iPhone.

We are examining how we can build scale in providing digital education to customers and communities through our Community Bank network, connecting with community groups, and investigating the value of grants or sponsorships to deliver specialist education.

As part of this approach, we are also working with our financial crimes team to deliver in-branch sessions for customers on how they can stay safe online.

We know we have an enormous responsibility to not push customers into solutions that they can't safely manage themselves. So, we are helping people to find a transition that works for them and that they can safely manage.

3. Eligible refers to those aged 12+ and active representing those that logged into eBanking during FY21
 4. Roy Morgan Net Promotor Score – Roy Morgan Research, 6 month rolling average. Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
 5. Roy Morgan Risk Monitor, February 2021

Delivering on transformation for our customers

Delivering on transformation for our customers

We strive to make it simpler for our customers to bank with us and for this reason, over the past two years, we have progressed a significant transformation program to reduce complexity and invest in capability for our Bank.

Key achievements in FY21 have seen us:

- Introduce new Connect mobile banking App features to further enhance customer experience
- Increase our Mobile Relationship Managers by 27% in the retail network
- Launch authenticated web messaging for a more personal and convenient customer experience
- Broaden the use of digital acceptance of documents to improve customer experience
- Simplify our merchant facility systems through our Tyro partnership
- Use Cloud and API capability to increase scalability, security, agility, and ability to adapt to changing customer needs
- Upskill more than 400 employees in cloud, machine learning, and information security

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 21 years.

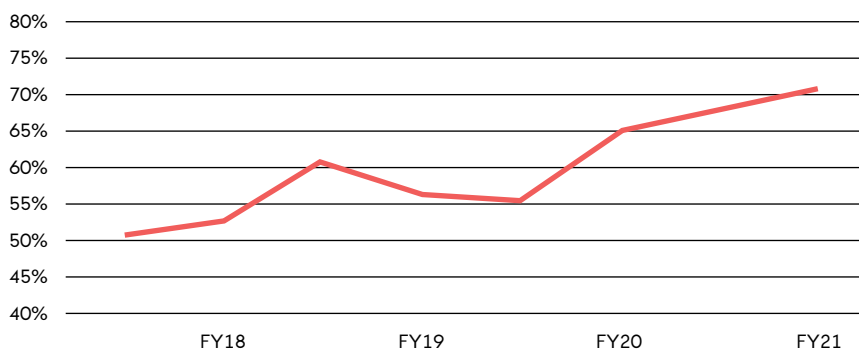
- Our partnership with Melbourne-based fintech Ferocia to build Australia's first mobile-only digital bank, Up
- Our three-year partnership with Australian fintech Tic:Toc – the world's fully digital home loan platform. This platform offers customers access to our own instant home loan, Bendigo Express.

The Bank has a community partner experience index to track and measure how well we are meeting our key partner's expectations. This index also helps us to understand the strength of our partner relationships and know how our partners want to be supported so they can deliver exceptional outcomes for our customers and theirs. The Index is a leading indicator of the results, representing an aggregate of positive survey scores across three key measures:

- **Ease** – whether it's easy to deal with us
- **Effectiveness** – is our partnership and/or solutions delivering value
- **Satisfaction** – overall satisfaction with their relationship with Bendigo and Adelaide Bank

In FY21, the index score of 69.5% up 8% on FY20, demonstrates the Bank's strategy for engaging with our partners continues to have an impact.

Partnership experience index





Australia's first and largest mobile-only digital bank platform

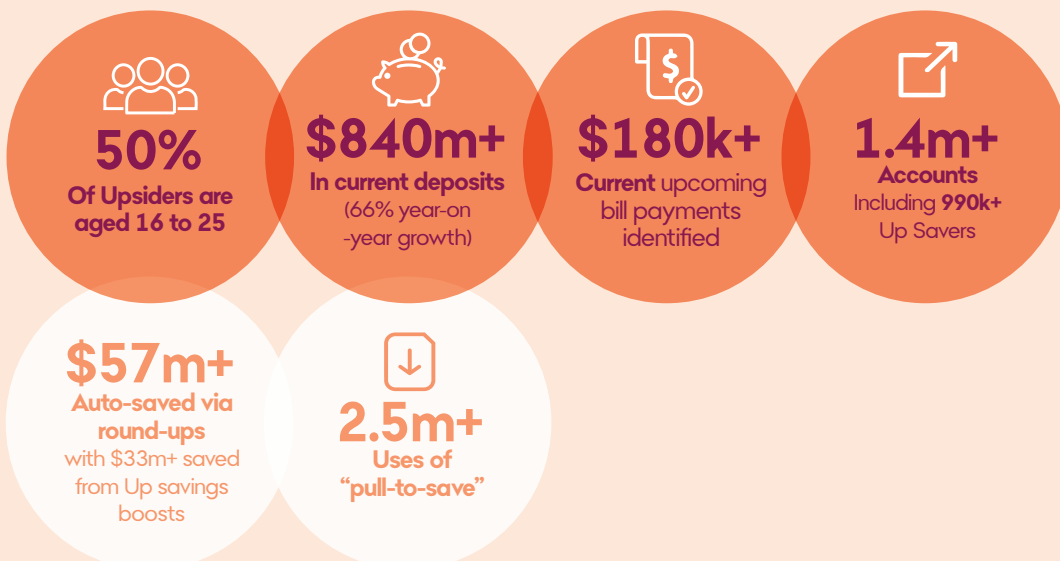
Through a design and technology-led banking approach, Up helps young Australians improve their financial wellbeing and reconnect with their finances, taking them from a place where money is a cause of stress and anxiety to a place where they feel empowered and in control of their money.

Up is Australia's fastest growing digital banking platform with more than 400,000 customers, most of whom are 26 years of age or younger. Up customers, or 'Upsiders', as we call them, love Up because they're attracted to saving, and are looking for a banking app that's truly built for purpose. Of active users who signed up in 2020, around 85% managed to build savings despite the many challenges of COVID-19. They're adapting, saving, and building their own financial future with Up's reimagined banking tools and features.

Those tools and features keep coming. Up already offered Savers, Round Ups, Auto Transfers and Salary Splits to make money easy. In 2021, Up added 2Up (joint bank accounts for modern relationships that are simple to set up and shut down), payment requests to make money transfer easier between friends, and trackers for simple, stress-free budgeting. The Up team also created new technology to detect and stop payment abuse.

Upsiders are building a different financial story for themselves, and Up's most important goal is to make sure they have the tools and knowledge they need. Up will continue to evolve, to help them get in control of their finances and make every dollar work.

The highest rated banking app in Australia with a customer satisfaction score (CSAT) of 86%, Up is banking totally redesigned with the tools young Australians need:



Listening to our customers

Listening to our customer 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 improve customer experience. It is responsible for direct customer feedback – complaints, compliments, and suggestions. 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 to complaints raised through the internal dispute resolution process. This includes engaging with the business 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.

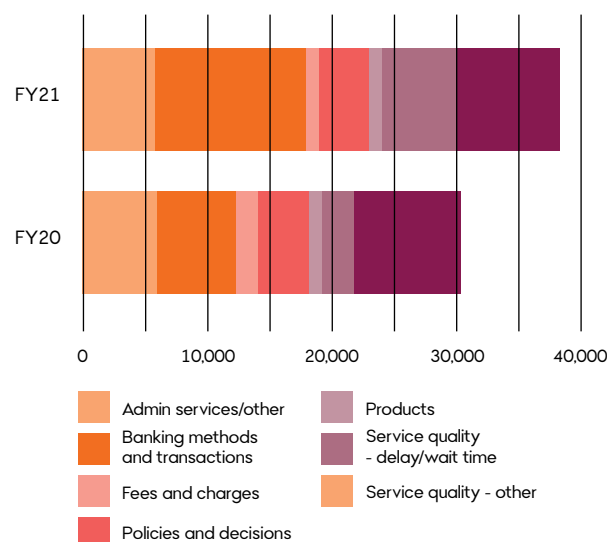
We do not always get it right and while we strive to ensure the best outcome for our customer in every interaction, sometimes we do not meet their expectations.

Our customer complaint numbers are an area that we monitor 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.

While the topics of complaints from our customers are quite evenly dispersed, the topic with more customer complaints than others is 'on hold' call wait times. Our call wait time increased to an average 6.83 minutes which we acknowledge is too high. We are continually striving to improve our customer experience and to improve wait times.

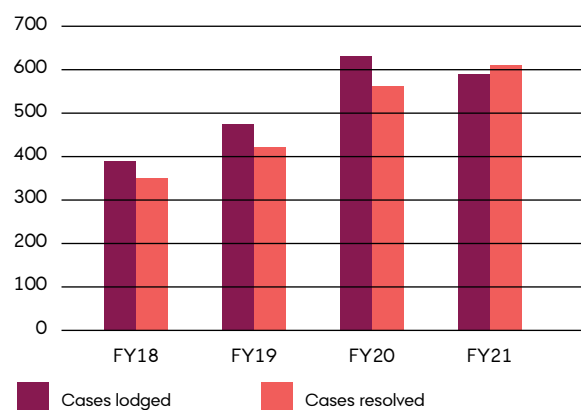
We have strong satisfaction information for those who speak to our contact centre, showing we help our customers effectively – 90% of customers surveyed at the end of their call said they were satisfied or very satisfied with the help they received.

Number of complaints by category



On infrequent occasions, our Customer Advocate Office and internal disputes team are unable to reach an outcome sought by a customer and the matter is escalated by the customer to the Australian Financial Complaints Authority.

AFCA Cases



In line with other financial institutions, we are seeing an increase year on year of new cases received. The higher than usual increase in cases received in FY20 was due to the number of new Great Southern cases received which were then closed in FY21. The prevalence of scams and hoaxes has also contributed to the increase in case numbers.

Another way that we listen to our customers is through our informal customer community called miVoice. This is an online community of more than 5,000 customers, where members can share their views, opinions and ideas via regular surveys and discussion forums. Feedback from this community helps us continue to improve the banking experience and ensures we are focusing on the things that really matter to our customers.

In the past year, we have undertaken research on topics including: customer accounts, customer communication, products, customer experience, COVID-19 support, payments, and our Climate Change Action Plan.

Advocating for digital execution

Australia is a vast country and despite our best efforts and network of branches there are still many Australians who must travel significant distances to engage with the Bank in person.

As a customer-focused bank, we know digital signatures are important to many of our regional and rural customers. We have recognised the significant benefit of this process to financial inclusion and for this reason we have been advocating to government for the permanent implementation of digital signatures.

During the onset of the COVID-19 pandemic, the acceptance and use of digital signatures was

accelerated. This allowed for some great outcomes including for our customers, in many cases regional and rural customers, to manage their time and banking needs more effectively.

While this is amplified for regional and remote customers, this is a solution that has saved time and effort for all customers. Unfortunately, the COVID-19 temporary legislation provision to allow digital signatures for business and agribusiness customers was not continued late in the financial year.

Acting in our customer's best interest

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.

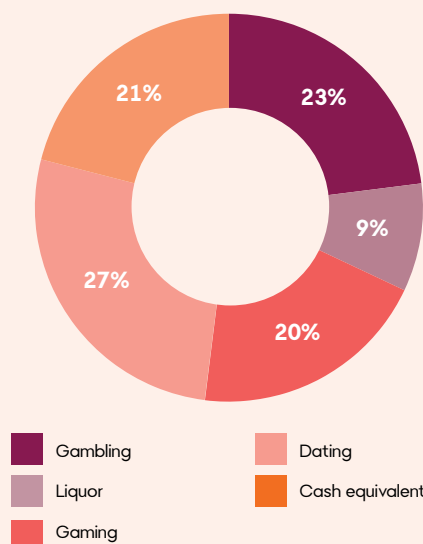
Empowering customer choice

In FY21, we expanded the ability for our customers to have greater control over the purchases they can and cannot make with their debit and credit cards.

Card Controls allow customers to block different types of purchases on their cards. This includes domestic or international, in-store or online and contactless transactions.

As part of this, customers can also apply Merchant Category Controls to block different types of purchases based on the products and/or services the business provides to our customers. This includes places such as gambling venues and liquor stores.

Merchant Category Controls - category portions



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.

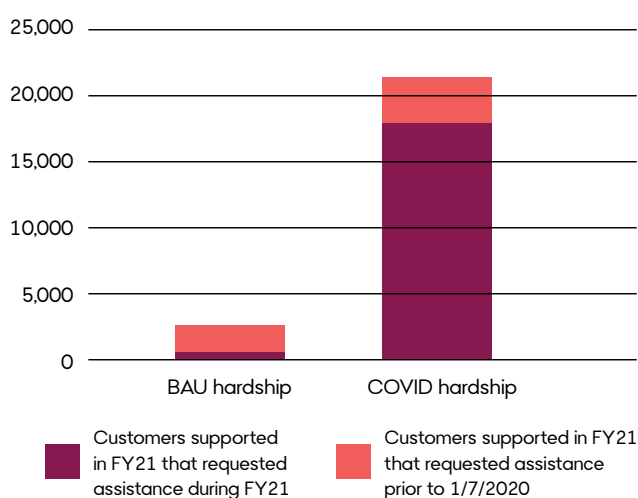
Where hardship does occur, we leverage our knowledge of the customer to enact a fit for purpose solution to help them work through the challenge.

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 houses, in businesses and on farms, not kicking them out.

This purpose, coupled with our personal relationship with the customer allows us to appropriately provide the tools required to see themselves through any financial hardship. We believe our approach to customer hardship support is the reason we experience below industry average credit losses.

The strength of our approach is also evidenced in the outcomes of our COVID-19 relief support with only 6.4% of our COVID-19 impacted customers requiring ongoing support after March 2021. 23,900 customer accounts were supported through hardship in FY21, with 89% of these customers seeking support related to COVID-19. This demonstrates the incredible support our hardship team provided, with significantly more customers to support during this unprecedented time.

Customers supported through hardship during FY21



Supporting our customers through COVID-19

COVID-19 has had a significant impact on Australians in how they live their lives, how they work and how they manage their businesses. Our Bank is fully committed to supporting our customers and communities through this unique time, with measures designed to provide financial relief from COVID-19, as restrictions change and the economy recovers.

More than 23,000 personal and business customer accounts have been provided with support to help customers manage the impacts of COVID-19 through to the end of FY21. During the pandemic, we contacted our business and agribusiness customers individually to understand the impact on their operations and to inform them of the support available from both the Bank and the Australian Government.

Throughout the pandemic, the Bank introduced a range of assistance measures to ensure short and long term support for business, consumer and agribusiness customers affected by COVID-19. These included;

- First announced in March 2020, Home Loan and Business customers had the ability to apply for relief on loans for up to six months in March 2020 and up to a further four months for eligible customers
- Discounted interest rates on new personal loans taken out by existing Bendigo Bank customers
- Waiver of interest rate reduction for early withdrawals on term deposits prior to maturity
- Deferral of payments and extensions for Equipment Finance on a case by case basis

The Bank also reduced rates on various consumer and business loans during the onset of COVID-19 to assist in navigating the challenges at that time. Our approach has seen us become the highest rated bank for supporting business customer through COVID-19.

We are currently offering support to personal and business customers significantly affected by the various COVID-19 restrictions announced nationwide since the middle of calendar year 2021.

Our Financial Awareness Support Team assists our staff and customers in recognising and managing cases of financial abuse and customer vulnerability. The team assists in coordinating the relevant bank support areas to provide a seamless experience for our customers.

Our Financial Awareness Support Team has seen significant growth over the past two years as we have placed increased focus on helping our most vulnerable customers. Growth in calls from customers from FY19 to FY20 was 178%, FY21 also saw significant growth with cases increasing by 95%.

In addition to supporting this increasing volume of customer, the team has evolved in understanding the needs of our most vulnerable customers and further developed connections with specialist community service providers.

In FY19, 89% of our cases involved us supporting customers experiencing domestic, elder or disability abuse. Despite the significant growth in cases of domestic, elder or disability abuse since FY19, that growth has not been sustained, and in some categories we have seen a decrease. Calls are now more evenly spread across 29 categories because our team is equipped to better identify the underlying issues our customers are facing and in turn provide more effective solutions to them.

Inclusive approach to banking

We understand the most vulnerable in our community need access to specialised products and services. We believe people should be treated fairly and decently and feel supported no matter their circumstances. As a signatory to the 2020 Australian Banking Association Banking Code of Practice, we have programs directed at financial inclusion.

The rights of all people to access banking services is central to our vision and purpose. Our unique Community Bank model was built around ensuring communities have access to banking services and subsequently access to capital, in a manner that best serves that community.

As communities grow and change, we strive to meet the needs of our evolving customer base to ensure everyone continues to have access to their banking needs

Physical access is not the only barrier to banking services. We are determined to ensure all barriers are addressed, whether they be cultural, linguistic, due to disability or barriers of another nature.

Where we're making an impact:

In October 2017, we became Gold Members of the Australian Network on Disability (AND), a national not-for-profit membership-based organisation that specialises in supporting businesses in building disability confidence, engagement and action.

Since joining the network some of our key customer achievements include:

- Introducing debit and credit cards for vision impaired Australians. These cards include braille and finger cut outs to help customers identify cards and the direction they should go into ATMs
- Launching a Dignified Access Resource and

created a guide for inclusive experiences in any Bank place or space

- Ensuring imagery now regularly features people with disability
- Group websites becoming WCAG 2.1 'AA' compliant which means they're more accessible to all
- Facilitating more accessible communications and events through captioning and Auslan adjustments
- Partnering with Dementia Australia to develop Better Banking for People Living with Dementia online learning and in branch Dementia Friendly Environmental Audits

Language is another significant barrier we are committed to addressing. Australia is a diverse and multicultural country and access to banking should not be limited by the language an individual speaks.

We offer interpreter services using our own staff, as well as external interpreter services. We are examining best practice in this space, with a goal to continue to enhance our approach.

Acknowledging the many languages spoken across our country, we are also engaging with the ABA on an approach to make interpreters available for the banking community to ensure every cultural community has access to fulfil their banking needs.

Supporting equitable access to finance for housing

HomeSafe

The HomeSafe Wealth Release® product is a great example of a successful shared value business model, providing positive returns and social outcomes. HomeSafe is a debt-free equity release product for older Australians to access the wealth in their homes without the need to downsize. The equity release product ensures the right of the homeowner to live in the family home is fully protected.

The product allows homeowners to access the capital in their home to supplement living standards during their later years, which helps to address the challenge of funding retirement for an ageing population. As at the end of June 2021, the total funds advanced to vendors was \$493.9 million, which is a slight increase from the \$485.6 million that had been advanced at the end of June 2020.

HomesVIC

HomesVic is a Victorian State Government initiative to support up to 400 Victorians to purchase their first home, with the State providing up to 25 percent of the purchase price as an equity stake. Bendigo Bank was chosen by the State as one of two panel

financiers for the program, which was launched in February 2018. Under the scheme more than \$54.4 million has been loaned, allowing many Victorians to own their first home that would otherwise have not been possible without this support.

First Home Loan Deposit Scheme

In February 2020, Bendigo Bank commenced as a participating lender to the National Housing Finance and Investment Corporation's (NHFIC) First Home Loan Deposit Scheme. The Scheme, which provides support for up to 20,000 first home loan guarantees for eligible first home buyers each year, aims to

help first home buyers purchase a home faster, while also stimulating community prosperity and economic growth. In both years the Scheme has been offered, Bendigo Bank's allocation was fully exhausted.

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 7,000 people, 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.



FY21 highlights



73%

Employee engagement score



58.9%

women employed with 43% women in leadership roles and 63% of all promoted staff women



Consistently low voluntary turnover of 12.89%



Over 150 senior leaders and regional managers participated in our Lead BEN program



Refreshed our approach to employee experience insights with launch of SPARK surveys



Grown our employee disability network to over 100 participants



Built on our commitment to supporting LGBTQ+ employees with launch of Gender Affirmation Toolkit and Allyship Guide

A workforce and culture for our 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 realising our culture aspiration and 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 HR 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 HR data.

In the 2020 financial year, the Bank made significant investments to centralise our recruitment capability – improving our ability to attract talented and diverse employees across all areas of the Bank. This year, multiple improvements have been made to both candidate and hiring manager experience, including electronic onboarding for all our people.

We have created a people analytics dashboard to help our leaders make informed decisions with confidence. In time, we will also provide leaders with real-time access to people data to help with workforce planning, talent management and controlling labour cost.

Evolving to our aspired culture is a long-term focus for all of us. It includes the continued embedding of our critical few behaviours, introduction of 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 our Group strategy and achieve key outcomes such as strong risk management, customer focus and conduct in the Bank.

In March 2020, we introduced our first SPARK employee experience survey, a new approach to measuring our employee experience and gaining insights to how our people feel about working at the Bank. We are now using SPARK to regularly survey our people, through two deep dive surveys every year.

SPARK is enabled by an employee experience platform through our partner Qualtrics. This platform provides our leaders with a central view of their employee experience data, supporting them to make informed decisions on the actions they will focus on with their teams.

Why is measuring employee experience important?

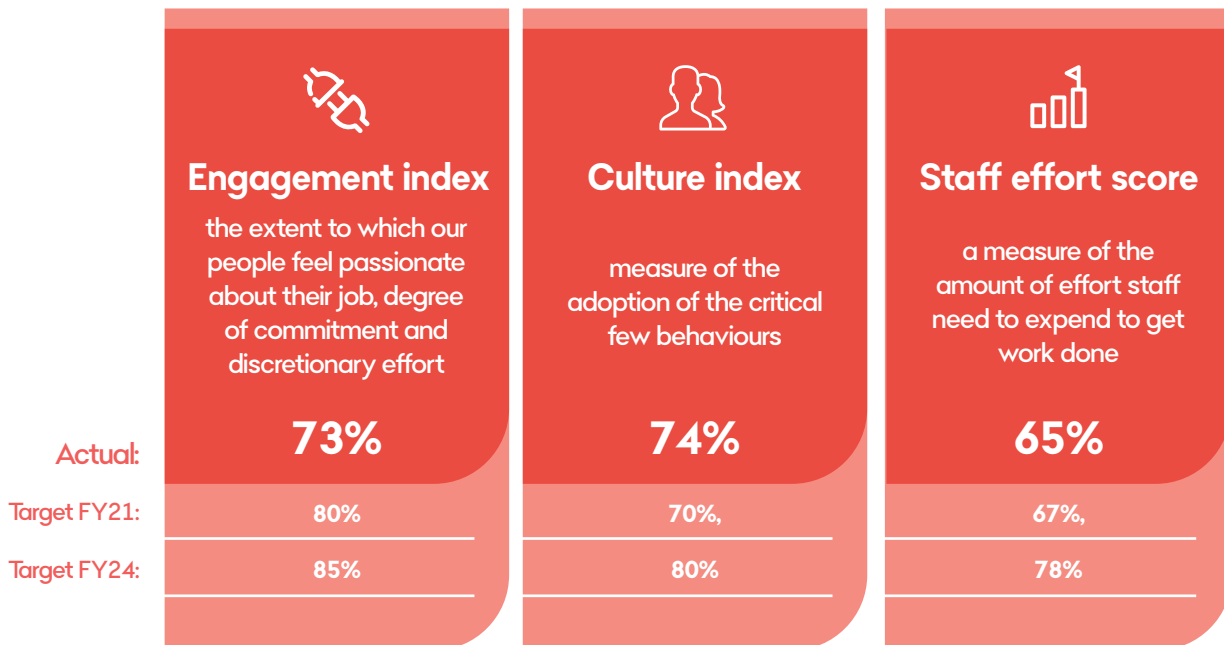
Research shows organisations that focus on the overall employee experience outperform competitors. Uplifting employee experience increases revenue, performance, wellbeing, innovation, and addresses workforce development needs.

It's important to regularly check in with our people, to understand how they feel about their workplace, and identify opportunities for improvement.

We have four key outcomes that underpin our strategy. They are:

1. Seamless experience (made up of both customer and employee experience)
2. Sustainable growth
3. Increased productivity
4. Strengthened risk and compliance

We have three key measures for employee experience, all with targets for FY21 through to FY24:



* as of June 30, 2021

Critical few behaviours

A core element of our Culture Evolution, our critical few behaviours are a set of everyday actions all our people can see, act on and measure to help accelerate our growth and realise our strategic ambitions.

These behaviours are:

- Move fast to help customers achieve their goals
- Act commercially
- Recognise people for their impact
- Actively challenge the status quo.

As part of our culture review, each behaviour was carefully selected based on being key accelerator to our strategy and our cultural aspirations. They are designed to work in concert with our values of teamwork, integrity, performance, engagement, leadership, and passion.

Building our values-driven, diverse and capable workforce

We want our Bank to reflect the rich diversity of the communities we live in, work in, and support. That's why we celebrate what's common and different, and value the qualities that make each of our people unique.

Everyone deserves to feel included and valued. We are proud to welcome people from a range of backgrounds, with a variety of skills, ages and personalities because we believe our differences bring our people together and make our Bank stronger.

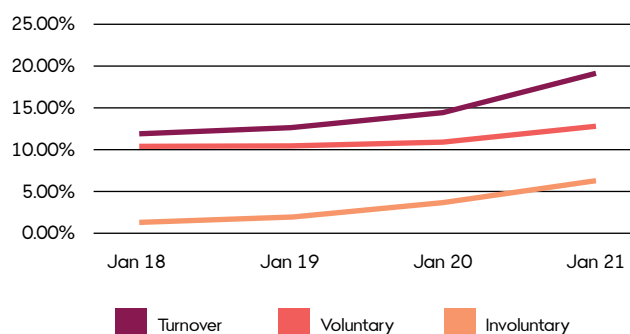
In FY21, we continued to see our workforce evolve. We have changed the way our work is organised and created simpler, yet more effective structures.

The past 12 months has seen significant pressures in the Australian job market, with heightened skills shortages and competition for talent. We have responded by mobilising our workforce and deploying talent where it is most needed. We have provided additional support to our customers by temporarily reallocating staff into our Mortgage Help Centre, Call Centre, and Processing Centre. We have changed the way we work across the Bank to ensure we remain competitive, sustainable, and relevant for future generations.

When we consider the environment in which we are operating, our overall turnover rate of 19.28% (Voluntary – 12.89% and Involuntary – 6.40%) compared with the Retail Banking industry attrition rate of 16% is reasonable.

As we adapt to our new environment and ways of working, we will continue to build flexibility, capability, and diversity in our workforce.

Turnover



Diversity of experience, mindset and background inspires the best ideas, helps our people to challenge the status quo and identify better ways of working.

Belonging at BEN is how we refer to our bank-wide diversity and inclusion strategy

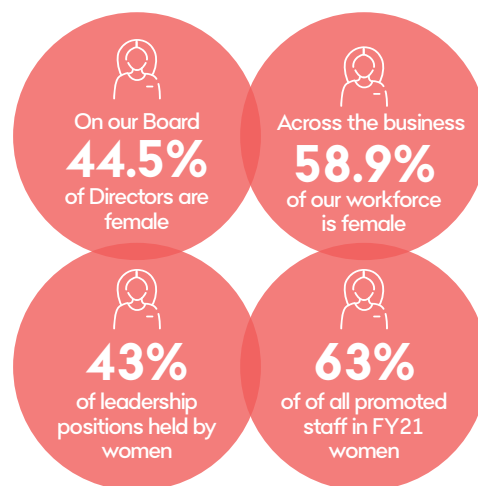
By striving to be inclusive and diverse, we're creating positive change that will make our Bank commercially astute, innovative and socially responsible.

At the same time, we're encouraging an inclusive culture where everyone feels they belong and can thrive.

Our approach to diversity and inclusion is underpinned by our inclusive work policies, processes and practices to improve workplace participation. We are committed to creating a safe, inclusive and respectful workplace for all of our people. Our starting point is for all people to seek to work flexibly regardless of the reason. This includes a focus on equity in opportunity, and workplace adjustments to support access for people of all abilities. We believe in providing equity in career opportunities for everyone, regardless of gender. That's why we're investing to help women across our workforce reach their potential, underpinned by improved reporting, governance and awareness to drive positive change.

How we're making an impact

We're focused on growing women at all levels of leadership so they can build on their skills and create career opportunities, not only for their personal development and our workplace, but to support a gender balanced community.



Our medium-term targets are 40% of Executive women (28.6% in FY21), 40% of Senior Management women (35.3% in FY21) and 45% of total Managers women (43.2% in FY21).

This year we:

- Worked with our Executives to set and embed Divisional Gender Equality targets and plans
- Launched a Gender Equality Toolkit to support our leaders
- Engaged with our Business Banking, Agribusiness, Risk and Technology & Transformation divisions to perform a deep dive and build tailored Gender Equality Plans
- Celebrated and showcased leading women in business through our International Women's Day Masterclass Series
- Developed Inclusive Recruitment Practices and analytics (Women in Leadership report and Talent data)
- Continued our Fair Pay Strategy and conducted an annual Fair Pay Review

Under the Workplace Gender Equality Act, we are required to make annual public filings with the Workplace Gender Equality Agency (WGEA), disclosing its 'Gender Equality Indicators'. These reports are filed annually and serve as valuable insights on the impact of our work in this area to date, as well as informing our opportunities for the future. The latest filing is available in our workplace gender equality report.

Women in Leadership Program

Building capability and confidence in our women leaders to be senior manager ready.

This is an intensive capability development program designed to stretch female talent towards senior leadership, enabling performance behaviours and mindsets.

The program challenges participants to see themselves, their responsibilities and their

opportunities with fresh eyes, enabling and inspiring them to achieve career and life goals. The significant emphasis on applied learning ensures participants rapidly enhance their leadership abilities along with their capacity and confidence.

The program provides a multi-faceted learning experience enabling facilitated group work through virtual interactive workshops paired with self-directed learning through video tutorials, readings, reflective tasks and workplace activities.

Since its inception, 73 women have completed the program. In FY21, 35 women undertook the program.

Building capability across Community Bank

Our training program for Community Bank Company Directors is another way we contribute to communities. We provide courses through our Community Development team as well as through our governance education partner, Governance Institute of Australia (GIA) and hot topics as they arise. Courses offered and attendee numbers can be seen in the data table below, with a 41% increase in the number of courses run and a 150% increase in attendees. In addition to these courses, in quarter one of FY21, we ran 25 National Conference Programs that were attended by 5,569 people.



COURSE TYPE	INTERACTION	FY20		FY21	
		COURSES	ATTENDEES	COURSES	ATTENDEES
Courses provided by the Community Development Team	Combination of Face-to-Face and Virtual	148	1,535	235	4,901
Hot Topics	Virtual	25	1,234	17	2,499
GIA Courses	Combination of Face-to-Face and Virtual	19	271	-	-
	On-Line	n/a	76	n/a	129
	Virtual	-	-	18	263
Total		192	3,116	270	7,792

Accessibility for our team

Our focus on access and inclusion is a core part of our Diversity and Inclusion Strategy, Belonging at BEN, with our vision centred around making it easy for people to access information, communicate with us, and use our products and services in a seamless experience.

We want our products, services and workplace to be accessible to everyone. We're committed to creating a safe, inclusive and empowering environment where everyone can thrive. Core to our commitment is the understanding that inclusive and accessible design is good for everybody, including people with a disability.

Where we're making an impact

We are committed to improving the accessibility and inclusion of people with disabilities in our business. As part of this commitment, we joined the Australian Network on Disability (AND) as a gold member in 2017. Since joining the network, we have used this membership to:

- Develop the Bendigo and Adelaide Bank's first Access and Inclusion Plan
- Build a Disability Employee Network of 100+ members
- Appoint two senior leader disability champions
- Launch Dignified Access Resource creating a guide for inclusive experiences in any Bank place or space
- Offer the PACE Mentoring – a dynamic mentoring program that connects job seekers with disability to mentors from our Bank.

PACE mentoring program

PACE (Positive Action towards Career Engagement) is a dynamic mentoring program that connects job seekers with disability to mentors from the Bank. This program is mutually beneficial to both mentors and mentees. Our mentors are able to develop their leadership skills and disability confidence, while job seekers gain vital workplace exposure, develop their skills and expand their networks.

With the unemployment rate of Australians with a disability considerably higher than for those without a disability, programs like PACE are vital for helping people with a disability find employment.

The PACE program has helped build confidence and skills for mentors and mentees alike.

- **Disability confidence** increased for all mentors across the duration of the program in the 2020 Spring cohort. This included understanding barriers experienced by people with disability, supporting employees with disability and understanding why access and inclusion matters.
- **75% of mentees** in the 2020 Spring cohort built enough skills and confidence through the mentoring program to apply for a job. Some of these mentees were successful in the outcome of their job application, and several noted that they would consider applying for a job at the Bank in the future.
- **All mentees** in the 2020 Spring cohort rated their employability skills as improved by the program. This included their confidence in their skills and abilities, confidence with job interviews, networking and communication, as well as confidence in building their resume and applying for job in the market.

“

“My mentee gained confidence in how to present himself and his capabilities in both written and verbal situations. We worked through how to approach interviews, how to write cover letters and resumes and how to deal with difficult conversations. This ultimately led to him gaining paid employment within the period we worked together!”

Robyn Clay,
SENIOR MANAGER LOAN FULFILLMENT

“I loved being part of the PACE mentoring program, not only did it improve my confidence in navigating conversations around disability, but I have taken some of the learnings into my regular team catch ups. I would like to think I have helped my mentee grow in confidence and feel more job-ready but the honest truth was that I found her to be an absolute inspiration. In my view, the program is equally a great opportunity for someone looking to move into a people leader role as it is for someone already leading a team because it challenges our unconscious bias. We still catch up regularly outside of the formal program so I guess that goes to show we both enjoyed the process.”

Ceinwen Ahern,
SENIOR MANAGER CHANGE EXPERIENCE AND INSIGHT

LGBTIQ+

We are proud to welcome everyone to the Bank and we are dedicated to creating an inclusive, safe space for all our customers and people.

We support the LGBTIQ+ community, their families and allies inside and outside the Bank. We are dedicated to creating a safe, inclusive and empowering environment for our LGBTIQ+, colleagues, customers, partners and community and we have a dedicated plan of action to deliver on our strategy.

This year we were proud to launch our own Gender Affirmation Policy and Toolkit which includes discretionary paid leave. The guidelines highlight our commitment to supporting any of our people affirming their gender and our gender diverse community here at our Bank.

We support events such as:

- International Day Against Homophobia, Biphobia and Transphobia (IDAHOBIT)
- Wear It Purple Day
- Trans Awareness Week

In 2016, we commenced our partnership with Pride in Diversity, Australia's first and only national not-for-profit employer support program for LGBTIQ+ workplace inclusion, to bring our focus on inclusion to life.

As part of this partnership, we've co-hosted workshops, panel discussions, and networking opportunities exploring the challenges often faced by our LGBTIQ+ employees, with practical guidance on being an ally for our LGBTIQ+ employees.

This year we participated in the Australian Workplace Equality Index (AWEI) for the first time. The AWEI is the national benchmark of lesbian, gay, bisexual, transgender and queer (LGBTIQ+) workplace inclusion. The AWEI is the largest and only national benchmark that gauges the overall impact of LGBTIQ+ inclusion initiatives on organisational culture.

The result places us at approximately the median of the Banking and Financial Services sector and provides us with a roadmap of priorities as we aim to improve this baseline year on year.

Building on the refresh of the BEN Pride Network, Kaleidoscope, we're also focused on:

- Supporting Bendigo Pride Festival and Bendigo Queer Film Festival celebrations
- Developing a two-year LGBTQI strategy in consultation with local sub-committees and our Kaleidoscope network
- Launched LGBTIQ+ Allyship Guide
- Continued participation and progression of our priorities for Australian Workplace Equality Index.

Cultural diversity

Despite migrants making an enormous contribution to Australia's economy, barriers to racial equality remain. This includes people who have experienced racial discrimination, language difficulties, having their skills or qualifications recognised, and barriers to entering – and staying in – the workforce. Our cultural diversity objectives are to:

- celebrate the culturally and linguistically diverse backgrounds in our people
- increase the representation of people from culturally and linguistically diverse backgrounds in our Bank
- provide a culturally safe and inclusive workplace
- build readiness to attract culturally diverse customers and talent to our Bank.

We want to enhance inclusion for our culturally and linguistically diverse (CALD) employees and support all our people to perform at their best. Through our commitment to initiatives that encourage cultural diversity and support inclusion, we aim to have a workforce that reflects all walks of life.



Where we're making an impact

We're encouraging inclusive practices in the way we develop the skills, knowledge and experience of our people to help break down language and cultural barriers and provide fulfilling careers.

We are on track with our commitment to:

- Scope the development of a new internal cultural inclusion strategy, to track and demonstrate progress against our objectives.

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 new 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. In FY21, 74 senior leaders and 81 regional managers commenced our Lead BEN program with a completion rate of 92%. The program runs for 28 weeks with seven hours of webinar content across this period and individuals engaging in roughly 90 minutes a week of self-paced learning and peer catch ups.

Our commitment to upskill our people

Virtual Classroom Sessions on technical skills learning



For a long time, the Bank relied on face-to-face learning to build the skills of our people. In the early days of the COVID-19 pandemic, the team seized the opportunity to reimagine learning with the creation of virtual workshops. They re-designed all technical skills learning curriculum including branch fundamentals, sales and lending and invested in the professional development of their facilitators. By pivoting quickly, our people, regardless of their location, have easy access to high quality and engaging learning spread across their working week.

LinkedIn Learning



Building cloud confidence across the organisation

This year, we partnered with Amazon to embark on a six-month learning program called Unleash.

Aimed at accelerating cloud adoption, the program includes more than 700 seats of training. Ranging from foundational to advanced level, covering security, architecture, development, machine learning and data.

Our partnership with Amazon, enabled us to co-develop a bespoke learning pathway for our business teams. This concept will drive more collaboration between technology and business teams, enabling seamless integrations of technology changes across the business.



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

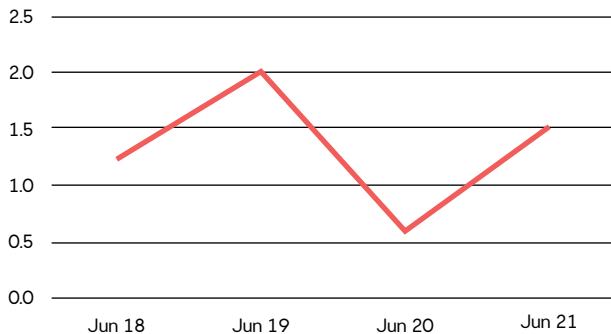
- Family and domestic violence support
- Equip Resilience Toolkit to help develop skills to build and maintain a resilient organisation
- A wellbeing webinar series
- Partnering with Smiling Minds – which included an introduction to mindfulness session, with 269 registering for the live event. We have 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 People safe is through the key safety metrics of Lost Time Injury Frequency Rate.

Lost Term Injury Frequency Rate (LTIFR)



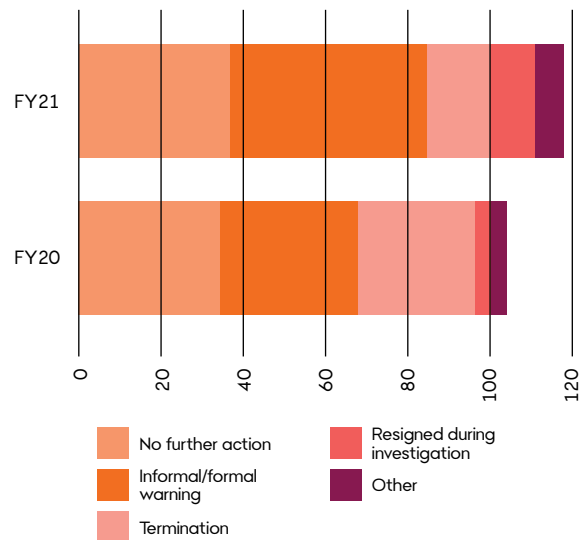
We are committed to creating a safe, inclusive, and respectful workplace that is free from bullying, discrimination, harassment and victimisation. And all of our people, regardless of their position in our organisation, understand that they have a role to play in actively ensuring our workplace is free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

As with many organisations, unfortunately, on occasion, there are instances where our people are subjected to these forms of disrespectful behaviours from colleagues or customers. In these instances, we have established processes in place to support our people to raise their concerns.

When an individual is found to have fallen below our conduct or behavioural expectations, regardless of their position, they will be held to account and disciplinary outcomes will apply.

In FY21, there were 118 incidents reported (up four from FY20), which resulted in 26 individuals leaving the Bank through either termination or a resignation during investigation (down seven from FY20).

Incident Outcomes



This year, we have had an increased focus on asking our people to speak up and call out unacceptable workplace behaviour and for this reason, we expect a possible flow on impact of an increase in our people reporting incidents. We see this as a positive, while at the same time abhor that incidents may occur in our Bank.

Recognising our people

This year, we have undertaken work to ensure our people are clear on their accountabilities and know they will be recognised for their impact and rewarded for positive outcomes. As we continue to experience uncertainty around the way work will look in the future, it will be critical to articulate and showcase what our people value most about work at our Bank via our Employee Value Proposition (EVP).

Impact@BEN is our refreshed 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 new framework and tool, supported by how-to-guides, videos and recognition activities.

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, along with the growing focus of Australian regulators on climate change risk governance within corporations, we seek to reduce and mitigate risks and impacts 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 and establishment of a dedicated Climate Action function. Key highlights of our climate action program in FY21 include:

- Setting initial emissions and environmental footprint targets
- Delivery of a climate risk workshop series
- Achieving carbon neutrality of our business operations
- Commenced reporting aligned to the Task Force on Climate-related Financial Disclosures (TCFD).



FY21 highlights



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



Over 30 branches with rooftop solar installed



Carbon neutrality of our operations achieved



Set environmental footprint reduction targets including purchasing 100% renewable energy by 2025



First set of Task Force on Climate-related Financial Disclosures reporting released

Committed to climate change action

Our Climate Change Policy Statement builds on and replaces the Statement of Commitment to the Environment that the Bank's Executive team adopted a decade ago. Our policy commitment is that:

“Bendigo and Adelaide Bank recognises climate change has far-reaching risks for the environment, the economy, society, our customers and their communities. We support the Paris Agreement objectives and the required transition to a low carbon economy. We are committed to playing our part in this transition. We will work to build climate mitigation and adaptation into our business and work to assist our customers and their communities to build climate resilience into their futures.”

We review the Climate Change Policy Statement annually and continue to evolve our approach as science, technology and policy further develop.

Our Climate Change Action Plan

Our Climate Change Action Plan outlines the action we will take to improve our climate outcomes, drive cultural change and engage our people and customers on our climate change performance. In addition, there is a strong focus on building on our environment and climate action governance and risk management.

We are concentrating our efforts on four 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

Highlights of our climate change action journey so far:

YEAR	HIGHLIGHT	CCAP FOCUS AREA
2000	Launched Ethical Investment Fund, Australia's first ethical bank deposit	2
2002	Energy reduction initiatives explored to control lighting and air conditioning	1
	Introduced Australia's first green loan products	2
2005	Offsetting of vehicle fleet commences through native vegetation restoration	1
2006	Supported bio-diesel pilot with farmers in Victoria's Wimmera and Central Victorian town of Elmore	2
2007	Solar Cities Project Launched with Bendigo Bank as a consortium member	2
	Generation Green range of solutions launched making it easy to help the environment and prepare for the effects of climate change	2
2008	Bendigo Centre our 5 Star Green Star headquarters officially opened	1
2009	'Ban the Bulb' campaign (incandescent lightbulb replacement program)	2
	Bendigo Bank finances Hepburn Wind Farm	2
2010	Environment Working Group formed	-
	Executive Team sign Statement of Commitment to the Environment	-
2011	Commence disclosing our emission footprint via CDP (formerly Carbon Disclosure Project)	4
2012	IT Powerdown initiative rolled out, shutting more than 6000 desktops, laptops and monitors at the end of each working day	1
2013	Sustainable Living Guide released with information to support small and medium sized businesses to manage energy and water use, waste and more	2
2014	Public statement that the bank does not lend to coal and coal seam gas and will not start to do so	3
	80 Grenfell St our 5 Star Green Star Adelaide Office Building officially opened	1
	Partnership with Greenfleet commences to offset all travel emissions through biodiverse revegetation – a milestone of 100,000 trees was reached in 2019	1
2016	Trees for Life – native tree or shrub planted for each new Adelaide Bank customer switching to online statements	1
2017	Bendigo launches Socially Responsible Growth Fund	-
2018	Climate risk exposure review of physical collateral asset addresses for all loans secured by real property	3
	Climate related stress tests conducted on rural lending portfolio	3
2019	Warburton and Yarra Junction Community Bank® Branches begin operating Warburton mini hydro plant	2
2020	Became a supporter of Task Force on Climate-related Financial Disclosures	4
	Climate Change Policy Statement and Climate Change Action Plan approved by Bank's Board and Executive	-
2021	Climate change related adjustments to our credit policy	3
	Initial footprint reduction targets published	1
	· Carbon neutral by June 2021	
	· Purchase 100% renewable energy by 2025	
	· Reduce absolute emissions by 50% by 2030	
	· Reduce travel emissions to 25% below 2018/19 levels	
	· 90% statements to be electronically delivered by 2025	


Reduce our footprint

We are reducing carbon and the environmental footprint of our own operations.

In FY21, to advance reducing the carbon and environment footprint of our operations, we:

- Explored options to expand our solar panel trial by preparing a business case for installing rooftop solar on the Bendigo Centre.
- Embedded business travel emissions tracking in monthly management reporting to embed adherence to our target of 25% reduction in travel from 2018/19 levels.
- Offered discounted solar panels, batteries and loans for staff to assist them to reduce their carbon footprint, especially while working from home.
- Delivered webinars to our staff on Climate Change Action and the impact of Severe Weather in a Changing Climate.
- Collaborated with local government on a food waste recycling trial at our Bendigo Head Office.
- Embedded climate change considerations in our procurement policy and processes including both how suppliers are addressing climate change through sustainable processes and any climate change risks in their supply chain.
- Published targets for renewable energy, emissions and carbon neutrality.

Our performance

METRIC	TARGET	STATUS
Attain and maintain Certification under Climate Active Carbon Neutral Standard for Organisations	by June 2021	<ul style="list-style-type: none"> · Carbon neutral status achieved in June 2021 · Carbon neutral certification achieved 
Sourcing renewable energy for our power needs	100% by 2025	<ul style="list-style-type: none"> · 30 branches with rooftop solar installed · Electricity for our "Large Sites" power contract matched with renewables during 2HFY21. This includes our Bendigo, Docklands and Sydney offices along with our Data Centre.
Reduce absolute emissions	by 50% by 2030 based on a 2019/20 baseline	<ul style="list-style-type: none"> · 20% reduction of Scope 1 & 2 emissions achieved to date · This is based on 15.93kt of Scope 1 & 2 emissions for 2020/21 compared with 19.94kt for 2019/20*.
Reduce travel associated emissions	25% below 2018/19 levels	<ul style="list-style-type: none"> · 67% reduction achieved · 2020/21 Business travel emissions are 1367tn CO²e due to both COVID restrictions and bank initiatives compared with 4151tn CO²e for 2018/19.
Statements to be delivered electronically	90% by 2025	Customer campaign scheduled for branches and call centres in FY22

* These figures are like for like based on emissions estimates measured in house which may vary slightly from the final figures through our CDP submission. Assurance of Scope 1 & 2 emissions for FY20 verified at 20.08kt which is less than 1% variance.

Energy ratings for corporate sites

The Bank has major corporate sites in Bendigo and Adelaide, and both buildings were designed and constructed with environmental sustainability and energy efficiency as a priority. Opened in 2008, the Bendigo Centre was the first 5 Star Green Star building in regional Australia, boasting a water treatment plant with the capacity to recycle 15,000 litres of wastewater per day, underfloor air-conditioning for energy efficiency, and solar hot water to reduce reliance on non-renewable energy.

The Bank's Adelaide office building achieved a 5 Star Green Star rating for construction, design and interior fit out and a Green Council of Australia 5 Star Green Star Office Interiors certification. Using about half the energy of a typical office, the building features underfloor air-conditioning and central atria to encourage natural light, while more than 1,200 plants improve the health and wellbeing of staff and guests.

Solar installation

A pilot project to assess the impact of new installations of PV Solar on energy consumption and costs has been rolled out this year at seven branches across the Australian states - South Australia, Victoria and Queensland. To date, the pilot program has delivered annual energy savings of up to 50 percent per site and reduced the Bank's CO2 emissions by more than 200 tonnes annually. More branch and office sites are currently being assessed to expand this project.

In addition to the solar panels on seven corporate branches, at least an additional 23 of our Community Bank partners sites have solar panels installed.

Greenfleet

We are working to reduce business travel to cut our transport emissions. We also offset our carbon emissions from necessary business travel by partnering with the not-for-profit carbon offset provider, Greenfleet, through their biodiverse revegetation program.

The Bank's contribution to the Greenfleet program this year resulted in 6,337 trees planted across Australia, offsetting our travel emissions while also improving water quality, reducing soil degradation and providing essential habitat for native wildlife. Since our partnership began with Greenfleet in 2014, more than 114,500 trees have been planted.

Uniform recovery and reuse

While staff in our branch network are given an annual allowance for uniforms, sometimes they change size, find they don't wear an item they've chosen or leave the Bank.

For over a decade, a long-term staff member of the Bank has sorted through the uniforms returned from our branch network to retrieve good quality garments, launder them and repurpose them for second-hand use. The staff member established an internal communications message to all staff to advertise these second-hand uniforms and inform staff of the garments available. Interested employees can apply for these uniforms and in return, they are requested to make a gold coin donation to a chosen charity.

Recently the Bank introduced new 'mix and match' uniforms and as such we have taken a further step in partnering with Upparel, through which at least 32 tonnes of old clothing will be shredded and used for stuffing in products like furniture and construction material.

Staff sustainability group initiatives

Staff initiated sustainability groups operate in both our Bendigo and Adelaide head office locations. They collaborate to educate employees on sustainability initiatives in the office and work with building management to identify and implement initiatives such as food waste recycling.

For World Environment Day 2021, employees participated in a sustainability pledge campaign, sharing their ideas on how they are creating a more sustainable future.

Staff discounts to reduce their footprint at home

In June 2020, the Bank partnered with various organisations including with our customer Tindo Solar, Upparel and Greenfleet to support its employees to reduce their environmental footprint by offering these employees the opportunity to access staff discounts on solar panels and batteries, textile recycling and emissions offsets via tax deductible donations.

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:

Review of our current range of green loans to identify enhancement opportunities.

Collaboration with the NSW Government on a national home energy ratings initiative.

Surveying our customers to understand how they'd like to see us support them to mitigate, adapt and respond to climate change

Development of a plan on how we'll engage with our agricultural customers on climate change related matters

Introduction of an option for customers to offset their vehicle emissions

In addition, during FY20, our Community Bank partners, utilising profits generated through the Bank's shared value model, supported 62 community climate action initiatives ranging from school composting, energy and environment forum initiatives, education support, Landcare initiatives, rural climate change sessions for farmers, solar panels for community groups with physical infrastructure such as RSL, Scouts, bowls and golf clubs, along with various tree planting initiatives.



CASE STUDY:

Supporting the national home energy ratings initiative

With our customers' homes making up almost two thirds of our credit exposure, we have recognised a valuable opportunity to support our customers to lower their footprint. For this reason, we are excited to be working with the NSW Government on behalf of the Commonwealth on a national home energy ratings initiative.

The intent of the national home energy ratings initiative includes:

- increasing the energy efficiency of existing homes across Australia
- reducing carbon emissions and tenants' electricity bills
- making more Australian homes cooler in summer and warmer in winter.

This may for example result in mandatory disclosure of a home's energy rating at point of sale or lease and minimum energy efficiency rental standards which is likely to impact the value of homes. It's important to note, the focus is existing homes, not new homes which have had a mandatory six star minimum for some time.

This initiative presents opportunities for us to deliver on the second focus area of our Climate Change Action Plan which is to support our customers and communities by taking actions required to mitigate, adapt, and respond to climate change.

For example, an energy efficient home can assist to mitigate climate change as it has lower or no reliance on fossil fuels while an improved thermal shell (insulation, double glazing etc.) assists our customer to adapt to the increased frequency of heatwaves.

Some opportunities where we can support our customers may include:

- Providing them with easy ways to access finance to upgrade the thermal shell and/or appliances in their home, to improve their rating.
- Sharing facts about how their current or prospective home compares with others in their suburb.
- Incentives to purchase higher rated homes and/or improve the rating of existing customer homes as research has shown that mortgages for energy efficient homes are less likely to default.

Understand and manage the risks

We are optimising our climate change risk governance and risk management framework.

In FY21 we have undertaken a variety of initiatives to identify, assess and manage climate related risks, including:

INITIATIVES	DETAILS
Group Risk Management Framework	The Bank has completed a comprehensive review of the Group Risk Management Framework and incorporated climate change risk to ensure it is adequately contemplated, described and addressed.
Climate Change Action Strategy Group	<p>The Bank has created an internal multidisciplinary working group with management representatives from across the Bank's capabilities. The purpose of this committee is to inform and assist in the development of a comprehensive climate action strategy for the Bank. This committee has a number of critical tasks with respect to climate change including the identification and review of key climate change risks and opportunities to the Bank and our customers, deepening the Bank's understanding of climate change impacts – both present and future, facilitating dialogue across the business and support the implementation of initiatives and monitoring initiatives to ensure they are delivering an integrated response.</p> <p>Recommendations from the Climate Change Action Strategy Group inform the action plan which form recommendations through the governance framework through to Board approval.</p>
Accountability	Climate Change accountabilities and KPIs have been assigned to Executives and the senior leadership group. For example, all Executives are accountable for delivering on the outcome "A mobilised emission reduction program across all staff which includes a 25% reduction in travel from 2018/19 levels".
Education	The Bank has delivered a variety of education initiatives this year including Climate Change Lunch & Learn and Severe Weather in a Changing Climate webinars for all staff. External climate change experts delivered training to staff in advance of workshops and credit and risk staff have commenced climate change financial risk courses from the TCFD Knowledge Hub.
Reporting	Reporting has been enhanced to ensure Executives and Board members are able to monitor the actioning of the Bank's Climate Change Action Plan.
Workshops	Workshops with staff members from across the organisation to identify the climate change risks and opportunities to the Bank and its customers.
External advisors	Expert advice from external climate change experts and advisors to help with the climate change risks and opportunities identification process and other matters related to the Climate Change Action plan.
Credit policy	<p>Our Bank considers the social and environmental outcomes of business decisions we make and believe we have an important role in supporting a transition to a lower emissions future. As an example of these considerations, our Bank does not lend directly to projects in the following sectors, and will not start to do so:</p> <ul style="list-style-type: none"> · Coal; · Coal seam gas; · Crude Oil; · Natural gas; and · Native forest logging. <p>Whilst the Bank does not provide finance directly to projects in these sectors, it does recognise 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 who may provide support to those sectors. We recognise we play an important role in supporting communities, both today, and as we transition to a lower emissions future.</p> <p>Climate change related adjustments were made to our credit policy during the year, reflective of our existing business asset writing strategies and are expected to be ongoing.</p>

Scenario analysis During FY21, the Bank undertook pilot scenario analysis of two geographic regions within its agri-business lending portfolio. The selected regions have similar farming activities (winter cropping) however are in distinctly different geographies. They were selected to allow a comparison of outcomes and develop a deeper understanding to inform future scenario analysis activities across the portfolio.

Using the Network for Greening the Financial System (NGFS) scenario 'Hot House World1' the Bank worked with climatologists to project seasonal conditions in the two selected regions in 2050. The following factors specific to the success of winter crops were considered as they are important to the potential crop yield:

- Changes in growing season rainfall
- Changes in growing season daytime temperatures >35C
- Changes in growing season frost days

1. Hot House World assumes that only currently implemented policies are preserved. Nationally Determined Contributions are not met. Emissions grow until 2080 leading to 3°C+ of warming and severe physical risks. This includes irreversible changes such as higher sea level rise.

Relative to historical average observations, one of the projections indicated adverse seasonal conditions causing reduced productive capacity leading to reduced income, relatively higher input costs and lower land values.

Using actual financial data, stress factors derived from the projections were applied to customers within the relevant regions. Proforma financial statements and balance sheets were calculated and resultant proforma financial data was then assessed using the bank's existing risk models to determine revised risk profiles.

One of the subject portfolios demonstrated a higher credit risk profile under the projected seasonal conditions relative to current observations.

The pilot scenario analysis is considered successful however known limitations are the narrow focus on winter cropping and two geographies within the agri portfolio. Different climatic factors will need to be considered for other agricultural industries and geographies.

Learning and future steps

Whilst further maturity is anticipated valuable experience was gained and applied during the process to refine and improve the accuracy of scenario analysis outcomes, resulting in more meaningful and actionable results.

Work continues to expand and duplicate the process for other key regions, customer business activities and business units. The bank is developing tools which will assist in the identification of potential concentrations and existing vulnerabilities. Prioritisation of future scenario analysis activities will be informed by these tools.

The pilot scenario analysis described above is based on an unmitigated scenario (i.e. Policy responses are ineffective and no adaptation actions are undertaken such that climate change risks are inadequately managed). Accordingly, future scenarios will be developed which considers alternative outcomes such as less severe conditions, mitigation actions by our customers and/or the Bank. We expect to base future scenarios on the NGFS Orderly Transition and/or Disorderly Transition outcomes. We also await the outcomes of the APRA Climate Vulnerability Assessments which will inform scenario analysis across the financial sector in Australia.

Understanding gained from this and future scenario analyses is anticipated to be used to inform future business writing strategies, resource planning, credit underwriting criteria and policy development.

Be transparent

We disclose our climate-related performance.

FY21 marked a decade of the Bank reporting our emissions to the Carbon Disclosure Project (CDP). Our results for the past five years are summarised below:

	FY21	FY20	FY19	FY18	FY17
Total Scope 1 & 2 emissions (kt CO ₂ e)	15.93	19.95	22.84	25.83	27.73
Total Scope 3 emissions (kt CO ₂ e)	2.84	4.52	5.44	5.63	6.11
Total emissions (kt CO₂e)	18.76	24.47	28.28	32.57	35.23
Trees planted to offset business travel emissions	1,068	11,954	14,616	15,422	19,627
Scope 1 & 2 emissions per FTE (tCO ₂ e)	2.39	2.83	3.40	3.97	4.31

Additional information

As some emissions data may not be available at the time some annual reporting is prepared, estimates may have been used in the annual reporting which varies from these figures. This variance is no more than 4% in the reported periods. Emissions stated here are those which we can measure on a monthly basis.

Additional emissions such as those associated with employee commute, post and office equipment are captured through our annual carbon neutral accreditation process.

We are now committed to reporting under the Task Force on Climate-related Financial Disclosures (TCFD). For full detail on our climate action performance, see our first TCFD report accessible on our website.

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 our investor centre) 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.

And, through the process of delivering our first Sustainability Report this year, we have undertaken a review of our ESG data, noting where we have gaps and opportunities for strengthening our data processes. The review will inform how we build on our reporting in future years.



FY21 highlights



First Modern Slavery Statement lodged in December 2020



Speaking UP (whistleblower resource) launched with over 3,300 individual page views



Established partnerships with Supply Nation and Social Traders



93% of our small business suppliers paid within 30 days of invoicing

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 here. 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:

- 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. We are undertaking 140 initiatives across FY22 to improve and 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 training is a core part of our governance strategy.

There is a suite of mandatory online training 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 the workplace.

The completion rate of our mandatory training for FY21 was 96%. The 4% 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

We expect this gap will reduce in FY22 with performance and bonus consequences in place for individuals that do not complete the learning. Further to this, strengthened communication to individuals and people leaders will take place to outline the expectations we have of them and the consequence of non-completion.

Another key pillar of our approach to governance is our Speaking Up program, which includes the operation of our whistleblower policy. This 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 Group policy. It is supported by a dedicated internal support resource which provides 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.

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

Unfortunately, no workplace is free of misconduct. While we strive towards a misconduct-free environment, it is important for us to address our short-comings in this area. In the past financial year, the number of misconduct incidents reported increased by 13%.

The bank also utilises an external independent whistleblower service which has seen an increase in FY21 of three cases to 24, from FY20. Over the past three years, the largest portion of concerns raised through the whistleblower program were concerns raised around policy and procedure.

WHISTLEBLOWER CASES BY TYPE	FY20	FY21
Bullying / Harassment	1	2
Competence	0	2
Discrimination	0	2
Flexible Working	1	0
Forgery / Page Substitution	1	1
Inappropriate Conduct	8	7
Policy / Process Breach	7	5
Recruitment	0	1
Restructure	0	3
Workload	1	0
Work Health Safety	2	1
Total	21	24

To support our people, we launched a new Speaking Up portal which makes it easier for our people to raise concerns. Since its launch in June 2020, it has received more than 3,000 views.

A subset of the Speaking Up page, the Bullying in the workplace section, experienced the most visits with 1,350 people visiting the page. This reinforces the importance for the Bank to have a continued focus on doing more to educate our people. Part of this education is our biannual online training program which provides an overview of the Speak Up and whistleblower policy and a Speak Up September initiative which is designed to raise awareness of the importance of speaking up and the protections available to staff.

Getting it right for our customers

We are committed to ensuring that fair, consistent and timely remediation is provided to 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 (i.e. where we may have applied incorrect interest rates or overcharged fees on customer accounts) or non-financial (i.e. not appropriately disclosing updated terms and conditions) or a combination of both.

All remediation programs are managed by the relevant division, which have a deeper understanding of the issue and impacted customers. As an example, our Consumer Banking Division has established a

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.

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.

All 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 is being fully revamped for FY22.

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

In FY21, there was one material remediation program undertaken across the Bank, following a review of our 'Connect Package' residential lending product. The review identified several benefits were not being applied across a number of customers. This remediation impacted approximately 42,000 customers, with approximately \$9.6 million refunded to customers.

A key principle of the remediation was to ensure a customer-centric review was 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, along with the removal and replacement of the product with a more simplified product range for our customers.

In line with our regulatory compliance obligations, the remediation activity was reported to the Australian Securities Investment Commission (ASIC), with regular updates provided until rectification of the breach.

The Bank is working to strengthen our people's skills in detecting and reporting 'phishing' – the disguised emails commonly sent by cyber-criminals to trick the recipient into opening an attachment with malicious code or entering their password into a fake website. As a proactive measure, we run regular automated 'phishing drills' to help staff learn the tell-tale signs of a phish and to follow the required reporting process. Tailored educational messages are then sent to anyone who has been 'caught' by the phish, giving them advice on what signs to look for next time.

The phishing campaigns are managed through a security awareness platform that also provides a library of training videos and other resources covering topics such as phishing, privacy and insider threat.

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.

Cloud services is another area we are looking to uplift our capability in. As part of our transformation strategy, we have partnered with Google and Amazon to modernise our technology capability using cloud services.

Cloud technology provides highly secure, robust, and controlled environments that improve the risk position of critical business systems. High levels of automation enable vulnerabilities to be patched faster with less disruption. Partnering with world leading global organisations, provides access to global expertise and best in breed services helping us to keep our systems safe and secure.

Cloud technology allows us to move fast to meet our customers' needs. Cloud provides mechanisms to uplift functionality with less effort, allowing business systems

to resolve defects and incorporate new features more rapidly. These mechanisms will also help us improve our customer satisfaction through reduced disruptions. Cloud technology provides increased resilience for business systems by reducing or eliminating outages, enabling rapid scaling to maintain services during peak demand and offering more seamless disaster recovery solutions.

In addition to their suite of cloud services, working with partners allows us to benefit from the work the partner has done in mitigating their environmental impact. As we modernise and simplify our banking applications and systems to cloud, we will be able to contribute to reducing our carbon footprint. By partnering with cloud providers, we can be sure these emissions are not contributing towards climate change.

Our cloud strategy, has been developed, implemented, and internally approved by our governance functions in accordance with endorsed frameworks.

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 the Australian Transaction Reports and Analysis Centre (AUSTRAC) to share information and complete joint investigations into areas of concern, such as money laundering, terrorism financing and organised crime.

Remuneration

To ensure our employees are aligned to our customer's best interests, we structure our remuneration differently to other banks. Our approach to remuneration has always been focused on the long-term, supported by the principles of simplicity, transparency and procedural fairness, alignment to values, appropriate risk behaviours and actions that support good customer outcomes. We believe remuneration which is leveraged towards short-term performance of an individual can create a disconnect between the individual's interests and the long-term interests of shareholders and other stakeholders, especially customers.

This is why:

- Our Executive remuneration approach is weighted towards fixed remuneration and equity that vests over the long term.
- Our 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 strongly 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.

In FY22, we will consider an approach to expanding ESG linked KPIs for our leadership.

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 might 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, 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.

Initiatives over the past year include:

- Our Procurement Policy was recently updated to consider ESG impacts in our procurement principles. In our policy, we now 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, Climate Action Policy Statement, Modern Slavery Policy and Anti-bribery and Corruption Policy.”
- A new procurement tool has been built which includes increased governance for mid-tier supply requests and supplier diversity recommendations.

In FY22, we will implement a new Supplier Code of Conduct. This will ensure anyone we do business with has clear access and understanding of our values, the way we do business and the behaviours we expect from our suppliers.

Modern Slavery

Our approach to reducing the risk of slavery or human trafficking within our supply chain and 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.

In the past year, we have formalised our understanding and management of key risks associated with modern slavery, along with creating a way to identify and handle scenarios where modern slavery may be more prevalent.

Detail on the actions taken to embed our obligations are included in our Modern Slavery Statement available [here](#).

Local and diverse suppliers

Where possible, the Bank and its Community Bank partners seek to contribute to local economies by continuing to source products and services from nearby businesses. As an example, the Bank spent more than \$17 million past financial year on goods and services procured from more than 130 suppliers in the Bendigo region (where the Bank has its headquarters).

In FY21, we also partnered with Supply Nation and Social Traders to assist us to identify Indigenous and socially conscious suppliers. Supply Nation is an Australian leader in supplier diversity, bringing together the biggest national database of Aboriginal and Torres Strait Islander businesses. Social Traders is a marketplace of certified social enterprise businesses that intentionally tackle social problems, improve communities, provide people access to employment and training, or help the environment. With these partnerships we will be able to monitor our impact and set goals that will be outlined in a Social Procurement Strategy which will be completed during FY22.

It is expected that these two partnerships will enable us to identify Indigenous and socially conscious suppliers in our new procurement system – and allow us to make socially conscious decisions in our procurement, in real time.

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 93.1% of our small business suppliers were paid within 30 days.

While we are proud of this effort, there remains work to do. Our new procurement system will help us ensure that issues such as payments to small suppliers do not extend beyond 30 days.

Appendices

Non-financial summary

	FY21	FY20	FY19
Customer			
Points of presence			
Bendigo and Adelaide Bank branches	147	154	168
Community Bank branches	314	320	324
Alliance Bank Branches	16	21	21
Delphi Bank Branches	13	15	15
Total branches	490	510	528
ATMs	497	548	620
Digitally engaged customers ¹	746,496	690,072	-
Digitally engaged customers as % of total customers ²	52.4	49.7	-
Customer satisfaction ³	87.6	89.2	88.8
Net Promoter Score ⁴	27.3	28.5	24.8
Number of total complaints	38,352	30,205	31,992
Complaint resolution to customer satisfaction (%)	74	74	77
Number of customers supported with hardship	23,983 ⁵	-	-
Community			
Community Bank investment (\$)	\$21,300,000	\$21,700,000	\$24,300,000
Number of scholarship recipients (first year payments)	177	157	143
Scholarships funded (\$)	\$1,051,000	\$1,068,000	\$989,500
Partner Experience Index (%) ⁶	69.5	61.5	59.0
Revenue paid to 'Connected Community' enterprises (\$) ⁷	\$984,407	\$995,672	\$1,083,709
Community Enterprise Foundation Donations received (\$) ⁸	\$13,547,495	\$58,714,780	\$12,541,020
Community Enterprise Foundation Grants distributed (\$) ⁸	\$23,495,367	\$22,681,363	\$9,538,117
Social enterprise spend through procurement (\$) ⁹	\$5,478,120	\$6,411,056	\$5,432,569
People			
Number of employees ¹⁰	7,823	7,947	7,604
Employees (FTE) ¹¹	6,976.41	7,041.72	6,719.91
Employee engagement index (%) ¹²	73	74	-
Women in leadership roles (%) ¹³	43.2	43.6	40.3
Turnover	19.28	14.73	12.77
Voluntary turnover	12.89	10.97	10.63
Involuntary turnover	6.40	3.76	2.14
LTIFR	1.5	0.6	2.0

1. Bendigo Bank customers only, data not available for FY19
2. Percentage of total Bendigo Bank customers aged 12+, data not available for FY19
3. Roy Morgan measure, 6 month average as at June each Financial Year
4. Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
5. 89% of customers supported with hardship in FY21 was for Covid-19 support, data not available for FY19 and FY20
6. Our partners are surveyed on the satisfaction, ease and effectiveness of their partnership with Bendigo Bank, with the overall index being an average of these three scores, partners surveyed include: ABL Mortgage Brokers, ABL Mortgage Partners, ABL Strategic Partners, BBL Wealth Management, Community Bank Companies, Alliance Bank, Elders staff, Portfolio funding and Private franchises
7. 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
8. CEF administers three charitable trusts and also undertakes other activities on behalf of Bendigo and Adelaide Bank and other entities
9. Purchases through suppliers listed on Social Traders database
10. Employees includes Bendigo and Adelaide Bank, Community Bank, Mutual Partners, Rural Bank and contractors.
11. FTE includes Bendigo and Adelaide Bank, Community Bank, Mutual Partners, Rural Bank and contractors.
12. A new employee engagement methodology was introduced in FY20
13. 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.

	FY21	FY20	FY19
Environment			
Total Scope 1 & 2 emissions (ktCO ₂ e)	15.93	19.95	22.84
Total Scope 3 emissions (ktCO ₂ e)	2.84	4.52	5.44
Total emissions (ktCO ₂ e) ¹⁴	18.76	24.47	28.28
Scope 1 & 2 emissions per FTE (tCO ₂ e)	2.39	2.83	3.40
Carbon neutrality ¹⁵	In progress	Achieved	-
Governance			
Completed mandatory training (%)	96.0%	94.5%	93.8%
Whistleblower concerns (number) ¹⁶	24	21	20

14. As some emissions data may not be available at the time some annual reporting is prepared, estimates may have been used in the annual reporting which varies from these figures. This variance is no more than 4% in the reported periods. Emissions stated here are those which we can measure on a monthly basis. Additional emissions such as those associated with employee commute, post and office equipment are captured through our annual carbon neutral accreditation process.

15. Carbon neutrality verified annually one year in arrears

16. 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.

GRI index FY21

This index relates to our FY21 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 line with 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 ratio	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 aligned to only, not in accordance with, GRI Standards in FY21.	-
102-55 GRI content index	GRI index	-
102-56 External assurance	External assurance not undertaken in FY21.	-

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"> · Enabling 21st century communities · Engaging with and supporting our customers · Creating an engaging and purposeful workforce · Contributing to a sustainable future · Trust, ethical conduct and responsible banking 	-
103-3 Evaluation of the management approach	Sustainability Report <ul style="list-style-type: none"> · Enabling 21st century communities · Engaging with and supporting our customers · Creating an engaging and purposeful workforce · Contributing to a sustainable future · Ethical conduct and responsible banking 	-
In FY22, we will expand our coverage of GRI metrics to include GRI 200: Economic, 300: Environmental and 400: Social.		

About our front cover

This year's cover page is dedicated to the resilience, professionalism, and dedication of our people. Without their expertise and efforts, the results and achievements outlined in this document would not have been possible, and importantly, our Bank would not have been able to support our customers, communities and all stakeholders to the extent we have.

Jess Brawn is a Local Engagement Officer at our Mitchell Street branch in Bendigo. Like many of our frontline staff, Jess has been a friendly face for customers – and connection for our communities - as they navigated the uncertainty of the last 18 months. Jess and the team have ensured the highest levels of safety and hygiene in their branch so that customers can continue to access essential banking services.

Jess works in one of our reimagined branches that brings together our customer, community and digital strengths to reimagine banking for the future. Our Mitchell Street branch includes space for retail pop-ups where local businesses can showcase their products and services.

As a purpose-led organisation, our business attracts people who are passionate about community. Throughout COVID-19, our people have been experiencing the same challenges as the wider community, but their adaptability and passion have seen them prioritise the needs of our customers and communities, ultimately contributing to Australia's economic recovery and ongoing resilience.

We know that when we support and invest in our people, our customers, communities and stakeholders benefit the most.

Australia's Bank of Choice

Sustainability Report 2021
Bendigo and Adelaide Bank Limited.
ABN 11 068 049 178