

Acting on climate change and fossil fuels at the Bank

Climate change is the largest and most urgent environmental issue facing us. The environmental damage caused by banks is largely caused by their investment and lending operations. Climate change is increasingly seen as a material, prudential risk by government regulators.

Our Credit and Lending Policies

Various lending opportunities are disqualified from the Bank's lending origination business. Such exclusions are where:

- The purpose would be to finance large scale greenhouse gas pollution from fossil fuel exploration, extraction, production and use
- The purpose would be to directly lend to, buy equity or debt in any large scale greenhouse polluting activities from fossil fuel exploration, extraction, production and use.'
- The Bank will not directly invest in any large scale greenhouse gas polluting (i.e. fossil fuel exploration, extraction, production and use) activities or companies'.

What this means for members

- The Bank does not use members' deposits to directly lend to, buy equity or debt in, any large-scale greenhouse polluting activities from fossil fuel exploration, extraction, production and use.
- The Bank does not use members' funds to finance large-scale greenhouse-gas pollution.

\$1 billion Ethical Investment for fossil fuel exclusion

The Bank's \$1 billion Debt Issuance Programme (DIP) for wholesale investors is a Certified Ethical Investment by the Responsible Investment Association Australasia (RIAA)¹. We are the first and only Australian bank to have its entire wholesale debt issuance programme certified, and it is the first based on fossil fuel exclusion.

The cash proceeds from the Ethical Investment are used to fund the balance sheet, primarily mortgages and deposits.

Solar power and green buildings

Solar energy is generated across five owned buildings, and two export solar PV to the grid. Combined with energy efficiency, mandated EDs and carbon offsets, the Bank has "net zero" buildings – those which generate clean energy and have net zero carbon emissions.

For six years we have been a carbon neutral bank, and so all members' accounts are with a carbon neutral bank. Our emissions from electricity and fuel use (Scope 1 and 2), are offset to zero.

¹ Wholesale DIP, retail mortgage and deposits products at Teachers Mutual Bank Limited have been certified by RIAA (Responsible Investment Association of Australasia) according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsibleinvestment.org for details.