

Climate action strategy

March 2022



Message from Judith, our Chair, and Damien, our Managing Director

Climate change is the defining issue of our time. Science tells us that decisive action this decade is our only chance to have a safe and prosperous future for both people and the planet.

Our customers tell us that climate change is their number one issue, and that they want Bank Australia to lead in solutions that respond to climate change in a way that's regenerative and supports our customers with a just transition.

Across Australia, people overwhelmingly support climate action. We believe that leading purpose-driven businesses can help shift the conversation and demonstrate what can be done.

We've long had a strong position around not lending to the fossil fuel industry, but we know it's time to raise the bar for climate action and do more.

Reducing emissions is an essential first step. That's why we've set clear targets to achieve net zero emissions by 2035, including across our operations and the emissions from the things we finance.

These targets are bold. We don't yet have all the answers on how we're going to achieve them, but we're committed to working hard and being transparent about our progress.

We do know that to achieve these targets, we need to work with our customers to collectively reduce our emissions, and this aligns well with our foundation as a customer owned bank.

We're proud to already have examples of products that support climate action, like our Clean Energy Home Loan, and our commitments include scaling up our financing for the clean energy transition and conservation. We're looking to strengthen links between our climate and conservation goals as well, by exploring how to protect and restore land on our conservation reserve in line with our emissions reduction ambitions.

We're also starting to think beyond emissions reductions – with ambitions to continue supporting the economy in Victoria's Latrobe Valley where we have a strong history, to lift up First Nations voices on climate, and to manage the risks posed to our business by climate change.

The challenge before us is enormous, but the tide is shifting rapidly and – together with our customers – we can take the climate action we know is needed.

We look forward to you joining us on this journey.



Judith Downes,
Chair



Damien Walsh,
Managing Director





Our vision

The (re)generation

Climate change is the challenge of our time. At Bank Australia, we've been listening, we know it's your number one concern, and it's one we share. We're proud of the things we've achieved together but we know there's more to do – reducing emissions is just the first step.

We've been asking ourselves some big questions and taking stock. We've realised our role is supporting communities in Australia to respond to climate change in a way that's regenerative. We want to help Australians build the future we all deserve.

Our ambitions

Decarbonisation



1. We will achieve net zero operations and portfolio by 2035
2. We will have a validated 2030 science-based emissions reduction target
3. We will explore directly investing in projects that draw down emissions

Customer action



1. We offer support and products to assist our customers to better understand and reduce their emissions

Regenerative products and services



1. We will be financing \$1.5 billion of clean energy transition and conservation by 2025

Protection of nature



1. We are a leading voice on corporate conservation innovation to draw down carbon from the atmosphere, while protecting and preparing our conservation reserve for a warmer climate

Climate justice



1. We are actively supporting the economy in the Latrobe Valley as it transitions from fossil fuels
2. We are seeking guidance and leadership from First Nations voices on climate action

Climate risk



1. We will assess, disclose and manage the risk posed to our business by a changing climate

Transparency and accountability

Publishing this strategy is just the beginning. We've got a lot of work to do over the next decade and beyond to make it happen.

We'll be keeping you up-to-date with our progress on the climate action strategy at our web page:

www.bankaustralia.com.au/climate

Each year in our Impact Report, we'll also take stock of how we've performed over the last year against our climate action strategy:

<https://www.bankaustralia.com.au/page/bank-reporting>



