

# TEACHERS MUTUAL BANK LIMITED

OCTOBER 2021

## 10 years of climate change action

### Banking that does not take money from, or invest in the fossil fuel industry

We have pioneered banking without fossil fuels, one that does not invest in or take money from the fossil fuel industry – across our entire balance sheet.

In 2015 we were the first bank to Certify Debt with zero investment in the fossil fuel industry, the first and only bank to offer both wholesale and retail, the first bank to offer these as standard to all customers, and the first bank to sign the Climate League 2030 and support their call for deep emissions cut by 2030.

As a \$9.8 billion bank, we've already reached \$8.3 billion in Responsible Investment Association Australasia (RIAA) Certified Responsible Investment products<sup>i</sup>, and committed an additional \$20 billion to Climate League 2030. We've been net zero since 2012 for our direct emissions.

100% of wholesale investors and 100% of customers of every retail mortgage or deposit product sold by our five brands are guaranteed that their product is a Certified Responsible Investment at no extra cost.

We know there's a lot more to do to help the world avoid catastrophic climate change, so we'll be working even harder over the next 10 years.

### 2012

- We changed from a credit union to be Teachers Mutual Bank Limited, with **sustainability as 1 of our 3 core values**. We also set 74 targets including:
  - **10%** of building energy sourced from **renewables**
  - All fleet cars to have **3.5 star rating** on the Green Vehicle Guide
- **10% reduction** in building **greenhouse gas** (GHG) emissions by 2015

### 2013

- Achieved **net zero emissions** for Scope 1&2 GHG emissions (electricity, gas, fuel use)
- **Reduced building emissions by 18%** with 10% of power sourced from renewables
- Established a **GHG inventory** and assurance audit
- Reviewed **renewable** supply options to power our buildings
- **100% office paper** certified as **carbon neutral**

### 2014

- Set out our **new policy on the fossil fuel industry**. *"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."*
- Purchased a **\$65,000 Holden Volt** (1 of 400 electric vehicles in Australia)
- Joint **Winner, Board Leadership of the Year** Leadership Awards, Climate Alliance
- Finalist, **Climate Change Leadership** NSW Government Green Globes
- Commenced dialogue with **RIAA** on how to certify wholesale cash products as a new asset class

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## 2015

- Formally **excluded lending to fossil fuel industry** in our Lending Risk and Treasury Credit Risk policies
- 1 of 12 companies to sign up to the **Australian Climate Leadership Summit**<sup>ii</sup>, set up one month before Paris as a platform for Australian businesses to highlight their leadership on climate and help to begin a new climate conversation.
- Issued an **RFP for solar power** and commissioned a review of our structural roof space **requirements**
- **\$500m Debt Investment Programme** (DIP) Certified by RIAA based on criteria for **zero investment in fossil fuel industry**. This is the bank's first DIP
- **First bank** to certify its entire DIP, **first** to Certify wholesale cash, and **first** to exclude fossil fuel industry investment via RIAA Certification

## 2016

- Invested **\$239,000 in 612 solar PV panels** on our owned buildings, increasing the known PV capacity in the banking sector from 240kWp to 426kWp.
- Spent **\$215,000 on 1,826 LEDs** at 3 offices to replace 2,938 lamps
- **Winner, Innovator of the Year**, Leadership Awards, Climate Alliance
- **Finalist**, Sustainability and Environmental impact, FM Facilities Management Industry Awards for Excellence

## 2017

- Total RIAA Certified products on the balance sheet reach **\$200 million**
- Issued the **first \$200m RIAA Certified wholesale product** in Australia with zero investment in fossil-fuel industry
- Solar PV starts and generates **16% of building electricity**, with two sites exporting solar power to the grid.
- Reviewed **battery storage** options for our head office
- Joint **Winner, Climate Change Leadership**, NSW Government Green Globes

## 2018

- Total RIAA Certified products on the balance sheet reach **\$220 million**
- **100% of new retail mortgage and deposits** products Certified by RIAA based on criteria of zero fossil fuel industry investment
- Invested **\$57,000 in 37kWp** of solar PV on our new Queensland office
- Spoke at the **United Nations Environment Programme Finance Initiative (UNEP FI)** and backed the Joint Statement in Support of a Sustainable Financial System for Australia and New Zealand
- **Published** 'Acting on climate change and fossil fuels'

## 2019

- Total RIAA Certified products on the balance sheet reach **\$2 billion**
- **All other wholesale products certified by RIAA** (includes MTNs, FRNs, STDs, TDs, <sup>iii</sup>NCDs) and we remain the **only Australian bank** offering these products.
- **100% of wholesale, 100% of retail mortgages and deposits** we sell now certified by RIAA based on zero fossil fuel industry investment - **97% of all products sold**
- The Risk Committee sets climate change as a **strategic risk**
- Named as **1 of 5 leading banks** in Climateworks **Net Zero Bank Tracker**<sup>iv</sup> report

# TEACHERS MUTUAL BANK LIMITED

## 2020

- Total RIAA Certified products on the balance sheet reach **\$4.5 billion**
- 1 of 3 mutuals to contribute to the **Australian Sustainable Finance Initiative** Roadmap
- Finalist, Green Bank of the Year 2020, **Finder Green Awards**
- Donated **\$100,000** to bushfire appeals
- Independent assessment showed that installed **PV and LEDs** avoided emissions of more than 400 tCO<sub>2</sub>-e pa relative to BAU and projected to avoid more than **7,000 tCO<sub>2</sub>-e** over their lifespan.
- Winner, Australian Banking industry award for **Most Green Initiative 2020**, for our RIAA products<sup>v</sup>
- *"Teachers Mutual Bank Limited sets a leading example for responsible investment in the Australian banking community. We congratulate the Bank on the growth of Certified products and ongoing commitment to social responsibility."* Simon O'Connor, CEO RIAA

## 2021

- Total RIAA Certified Products on the balance sheet increase 84% to **\$8.3 billion**
- These now represent over **1/3 of the balance sheet** ( 37% assets, 50% liabilities) and **98%** of products sold
- All 5 **RIAA Certified products** are successfully **re-certified** for a further 2 years under tougher rules
- We are the **first bank to sign up to Climate League 2030**, a private sector led initiative to reduce Australia's emissions in line with the Paris Agreement. As part of this we commit an **additional \$20 billion** in new Certified Responsible Investment products by 2030 with zero fossil fuel industry investment, to a **total of \$27 billion**.
- *"We are proud to have our first bank partner on board. The fresh commitment by Teachers Mutual Bank Limited demonstrates their responsible and practical actions to address climate risk and help achieve the goals of the Paris Agreement."* –Rebecca Mikula-Wright, CEO, IGCC
- **The only bank named as a Responsible Investment Leader** in the annual RIAA industry report<sup>vi</sup>
- We remain **the only Australian bank** with retail deposits, mortgages, and wholesale funding all certified by RIAA as Responsible Investment.
- **Finalist**, Green Bank of the Year 2021, Finder Green Awards
- Point Advisory issued **third party verification** on our **carbon neutral** and **net zero** statements
- Updated our **ESG and CSR Policy** and our exclusions on the fossil fuel industry
- Purchased **2 Kia electric vehicles (EVs)** for \$135,000
- Generating **18%** of our electricity from **onsite rooftop solar PV**

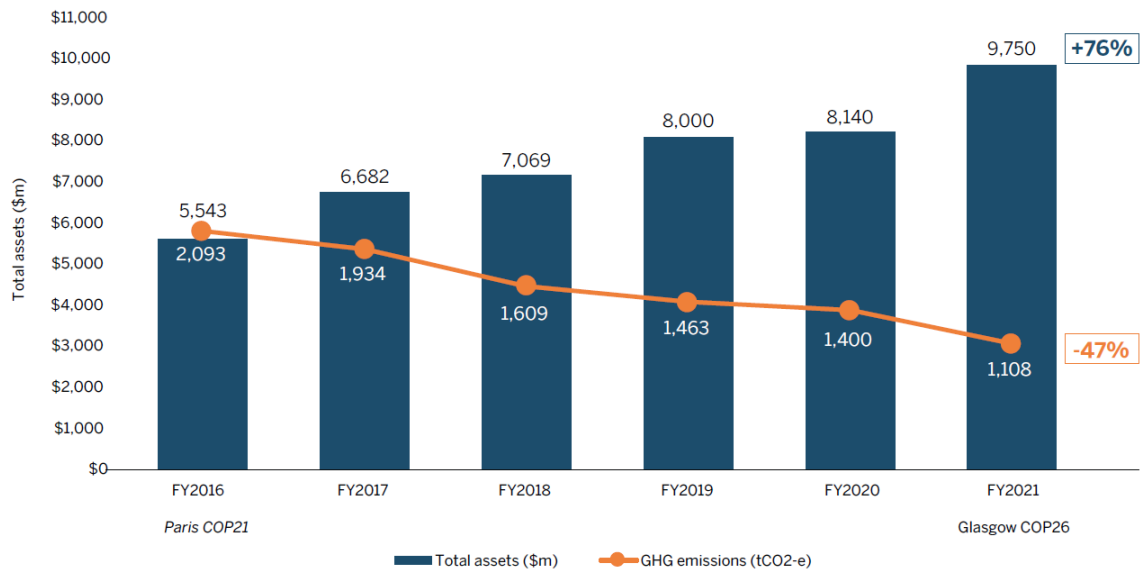
## 2016-2021 from Paris COP21 to Glasgow COP2026

Independent assessment of the Bank's GHG emissions from 2016-2021 showed:

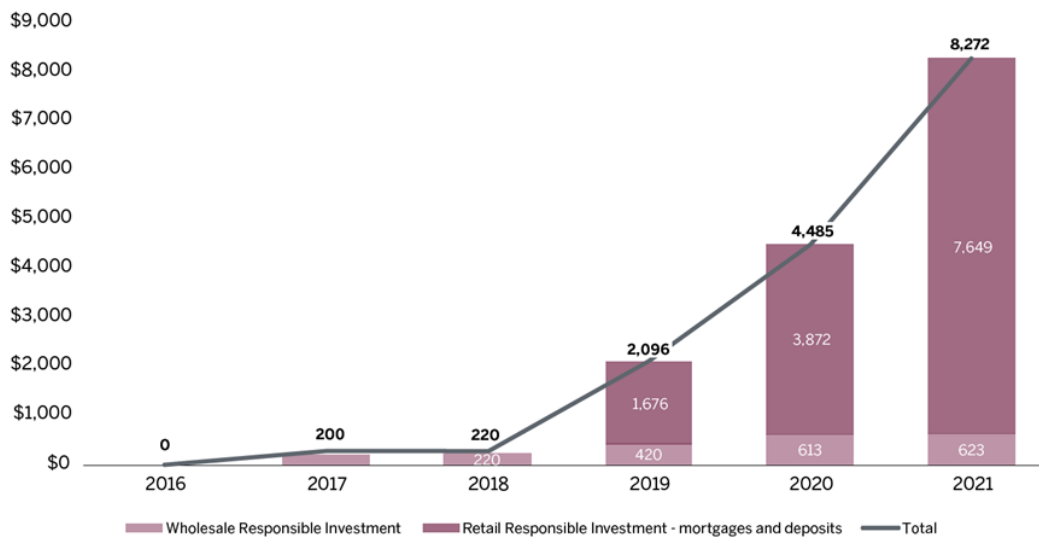
- **Total assets increased 76% to \$9.7 billion**, members increased by 24% to 221,000, the number of offices occupied **doubled from 6 to 12**, and FTE staff up 23% to 567
- Annual **Scope 1&2 GHG emissions** were **reduced by 47%** (from 1,108tCO<sub>2</sub>-e to 2,093), with 91% of emissions from buildings
- **The Bank's annual GHG footprint** is equivalent to just over **138 households**
- **The Bank's emissions intensity reduced by 70%** (0.38 to 0.11 tCO<sub>2</sub>-e per \$ of assets<sup>0</sup>)
- Invested **\$850,000** in emission reduction measures, **83%** (\$705,000) on **PV, LEDs and EVs**, and **3% on carbon offsets**, which are 100% renewables
- Total green technology is **641** solar panels, **3,000+** LEDs and **2** EVs
- Operated as **Net Zero for Scope 1 & 2 emissions** (electricity & fuel)
- **100%** of electricity is sourced from renewables
- Total assets increased by 76% while underlying emissions dropped by 47%

# TEACHERS MUTUAL BANK LIMITED

## TEACHERS MUTUAL BANK LIMITED Scope 1 and 2 Greenhouse gas (GHG) emissions compared to assets, by year



## RIAA Certified Responsible investment products on the balance sheet Assets and liabilities as of 30 June 2021 (\$million)



<sup>i</sup> Wholesale, retail mortgages, deposits have been certified by the Responsible Investment Association Australasia (RIAA) according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See [www.responsibleinvestment.org](http://www.responsibleinvestment.org) for details. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certificate Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence

<sup>ii</sup> <https://cityswitch.net.au/News-and-Events/Events/australian-climate-leadership-summit-15-sydney>

<sup>iii</sup> <https://www.tmb.com.au/-/media/tmb/social-responsibility/pdf/tmb-summary-of-riaa-certified-products-october-2021.ashx>

<sup>iv</sup> <https://www.climateworksaustralia.org/resource/net-zero-momentum-tracker-banking-sector-report/>

<sup>v</sup> <https://www.rfigroup.com/rfi-tv/australian-banking-innovation-awards-2020>

<sup>vi</sup> <https://responsibleinvestment.org/resources/benchmark-report/>