

AUGUST 2021

ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) EXCLUSIONS POLICY

INVESTING MONEY RESPONSIBLY AND ETHICALLY UNDER STRICT RULES

We do not lend to or invest in industries that harm our society or our world. We make sure ESG issues are embedded in our lending and investment practices and written in our lending risk and treasury credit risk policies.

Treasury Credit Risk Management Policy (2216) and Lending Risk Policy (2236) state:

Various lending and investment opportunities are disqualified from the Bank's lending origination business for ESG (Environment Social and Governance) exclusion criteria. Credit is for consumer lending and can only be provided to individuals or members. Therefore the bank does not provide finance (i.e. directly lend to, invest in, buy equity or debt) to corporations that operate in these industries;

1. **Alcohol** (production and distribution)
2. **Controversial weapons manufacturing and sales** (cluster munitions, anti-personnel mines, nuclear, biological and chemical weapons, depleted uranium)
3. **Animal cruelty** (testing on animals, live exports)
4. **Cryptocurrency**
5. **Gambling** (products or services or operations and ownership)
6. **Fossil fuels** (coal, oil and gas - exploration for and extraction of reserves, exports, combustion for power generation, major suppliers to the oil, coal and gas industries)
7. **Logging**
8. **Palm oil** (non –RSPO¹ production, distribution and significant ownership)
9. **Pesticides**
10. **Nuclear power** (including uranium mining, excluding medical uranium use)
11. **Pornography** (production or ownership or operation or distribution)
12. **Tobacco** (growing and production retailing and sales, packaging)
13. **Industries** that create environmental degradation, human rights abuses and labour rights violations.

ESG exclusions described do not apply for the uses derived from the provision of credit to members, for example to purchase alcohol or petrol.

WE DON'T LEND MONEY TO INDUSTRIES THAT POLLUTE OUR PLANET. THE MONEY BORROWED FROM US NEVER COMES FROM POLLUTING INDUSTRIES.

¹ The Roundtable on Sustainable Palm Oil (RSPO) was established in 2004 with the objective of promoting the growth and use of sustainable oil palm products through global standards and multistakeholder governance.