

Socially responsible investment exclusions at the Bank

As one of Australia's largest mutual banks, we understand the importance of money. When it is invested responsibly, it can make a world of difference to the world around us. We apply strict social responsibility criteria when it comes to investing and lending your money.

We make sure Environmental, Social and Governance (ESG) issues are embedded in our lending and investment practices, and written in our Treasury Credit Risk and Lending Risk Policy.

Socially responsible lending exclusions

Various lending opportunities are disqualified from the Bank's lending origination business. *'Such exclusions are where the primary purpose of the entity or business is alcohol, armaments, correctional facilities, cryptocurrency, deforestation or gross environmental degradation, gambling, military activities, political activities, pornography, slavery, tobacco or uranium'.*

We don't lend your money to Fossil fuel industry

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 has zero direct investment in any large-scale greenhouse polluting activity or company.

Retail and wholesale funds

The Bank's social responsibility exclusion criteria apply **to retail deposits, mortgages, and wholesale funding** via Certification by the Responsible Investment Association Australasia (RIAA).¹

- Members' **mortgages** are from a personal bank with socially responsible strategies that apply to all products. More than 80% of the funds are from other members and customers' deposits.
- When members or customers **deposit funds** with the Bank, these are all subject to specific social responsibility exclusion criteria when providing credit. This means that we do not invest your money in the fossil fuel industry, or other harmful industries.
- The Bank's \$1 billion Debt Issuance Programme (DIP) for **wholesale investors** is a Certified Ethical Investment by the RIAA. Cash proceeds raised are used to fund the Bank's balance sheet, primarily mortgages.
- Capital on the balance sheet in the form of **Members' Equity**, is excluded from being utilised across 14 categories, from alcohol to tobacco. Members' equity is about 7% of the balance sheet.

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.