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## TEACHERS MUTUAL BANK LIMITED SIGNS THE GLOBAL TOBACCO-FREE FINANCE PLEDGE

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THE BANK HAS BECOME A SIGNATORY OF THE TOBACCO-FREE FINANCE PLEDGE, 1 OF 161 FINANCIAL INSTITUTIONS WORLDWIDE.

THIS BUILDS ON OUR EXISTING BANK-WIDE POLICY THAT WE DON'T LEND TO, OR INVEST IN, DAMAGING INDUSTRIES SUCH AS TOBACCO.

The Tobacco-Free Finance Pledge is a growing network of financial institutions that are working collaboratively towards a tobacco-free world. Addressing the financing of tobacco companies is an essential part of global tobacco control efforts.

In the 55 years since we were founded, the Bank has never invested in, or taken money from, the tobacco industry. This applies to all divisions of the Bank.

The tobacco industry exclusions are also part of the Responsible Investment Certification of every mortgage and deposit product sold across all divisions i.e. Firefighters Mutual Bank, Health Professionals Bank, Teachers Mutual Bank and UniBank.

### THE TOBACCO-FREE PLEDGE

Tobacco Free Portfolios launched the Tobacco-Free Finance Pledge at a High-Level side event on 26 September 2018 at United Nation's Headquarters, New York City, on the sidelines of the UN General Assembly, support included the Honourable Malcolm Turnbull 29th Prime Minister of Australia.

As of today, there are 160+ leading financial organisations, across 22 countries, with combined Assets Under Management of over AUD\$14 trillion, that have become Signatories.

Addressing financial support of tobacco companies is a crucial and to date elusive element in global efforts to control tobacco. Tobacco Free Portfolios professionally engages with the finance sector to encourage tobacco-free finance, playing a unique role in enabling the finance sector to align with governments, the health sector and the non-government community

The Tobacco-Free Finance Pledge recognises the significance of the United Nations' Sustainable Development Goals (SDGs), and also recognises the World Health Organisation Framework Convention on Tobacco Control, the first global public health treaty.

The Tobacco-Free Finance Pledge builds on key global finance initiatives such as the Investor Statement in Support of World No Tobacco Day, produced in 2017 by the UN-supported Principles for Responsible Investment (PRI), UN Environment Programme Principles for Sustainable Insurance (PSI) and Tobacco Free Portfolios.

We choose to be part of the solution to ensure a tobacco-free world for present and future generations.



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## KEY OBJECTIVES OF THE TOBACCO-FREE PLEDGE

- Highlight the leadership of financial institutions that have implemented tobacco-free finance policies and encourage others to follow suit;
- Prioritise tobacco on the corporate agenda as a product and industry distinct from any other with no safe level of use and no opportunity for effective engagement;
- De-normalise financial and corporate associations with tobacco companies;
- Raise awareness among financial institutions of the essential role the finance sector must play to assist effective tobacco control;
- Encourage the transition towards tobacco-free finance policies.

## WHAT IT MEANS FOR OUR MEMBERS

Greater reassurance that members' money is invested ethically and responsibly and the Bank actively contributing to a better world – one free from tobacco. Members can be confident that:

- When they deposit money with us, we don't lend it to the tobacco industry.
- If they borrow money from us, it never comes from the tobacco industry
- The Bank has never invested in, or taken money from, the tobacco industry ever since we first started in 1966.
- Their choice of bank is having a big impact. People can 'vote with their wallet' and align their money with their values.
- Banking responsibly with us comes at zero cost to them.

## Socially responsible lending exclusions

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. 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'*

## Socially Responsible products as standard

The tobacco industry exclusions are part of the formal certification of every mortgage and deposit account we sell. These products are independently verified and certified as Responsible Investments by the Responsible Investment Association, and the lending exclusions form the basis of the certification assessment.

RIAA Certification exists on all retail mortgage and deposit products sold by the four divisions: Firefighters Mutual Bank, Health Professionals Bank, Teachers Mutual Bank, and UniBank.

Third-party verification from RIAA means our responsible investment credentials can be trusted. RIAA's Responsible Investment Certification Program is the trusted source on quality responsible investment products and services. The Program and Certification Symbol forms the most comprehensive market initiative for responsible investment in Australasia<sup>i</sup>



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## KEY FACTS WORLDWIDE

- Tobacco use is the single greatest preventable cause of death in the world today, currently on track to kill one billion people this century.
- It is estimated that 33 million people are engaged in tobacco farming worldwide. In a report issued in March 2017, the International Labour Organisation stated that 'in tobacco growing communities, child labour is rampant'.
- Cigarette butts are the number one littered item worldwide. They foul waterways, are toxic to the environment and are not biodegradable.
- Tobacco growing is responsible for biodiversity losses, land pollution through the use of pesticides, as well as soil degradation, deforestation and water pollution. Tobacco manufacturing is related to 30% of deforestation in Bangladesh.

## AUSTRALIA

- Smoking is the leading preventable cause of death and disease in Australia. The most recent available figures estimate that almost 21,000 Australians died from tobacco use in 2015. This equates to one tobacco-related death every 25 minutes, or more than one in every seven deaths.
- In 2015, 9.3% of the disease burden in Australia was due to tobacco use,
- Tobacco is responsible for more than three times as many deaths as the next most common drug, alcohol. Tobacco is responsible for 22.1% of the disease burden due to cancer, and 11.5% of the disease burden due to cardiovascular disease
- Up to two thirds of deaths in current smokers can be attributed to smoking and current smokers are estimated to die an average of 10 years earlier than non-smokers.
- For every 8 smokers who die from a smoking-related disease, 1 non-smoker dies from second-hand smoke exposure.
- In the 60 years from 1960 to 2020, smoking is estimated to have killed 1,280,000 Australians.
- The social costs of smoking in Australia is estimated to be \$137 billion for tangible and intangible costs. The cost of healthcare due to smoking is \$6.8 billion, including \$1.5bn for Inpatient hospital treatment and \$1.5billion for primary healthcare treatment.

## Further information and references

<https://www.unepfi.org/psi/tobacco-free-finance-signatories/>

<https://tfportstage.wpengine.com/wp-content/uploads/2021/01/The-Tobacco-Free-Finance-Pledge-A4-Digital-14-01-21.pdf>

<https://www.health.gov.au/health-topics/smoking-and-tobacco/about-smoking-and-tobacco/what-are-the-effects-of-smoking-and-tobacco>

<https://www.tobaccoinaustralia.org.au/home.aspx>

<https://www.cancer.org.au/media-releases/2019/new-report-highlights-the-137-billion-cost-of-smoking>

<https://www.tmb.com.au/social-responsibility/certified-responsible-mortgages-deposits>

<sup>1</sup> Retail mortgages and deposits have been certified by 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.