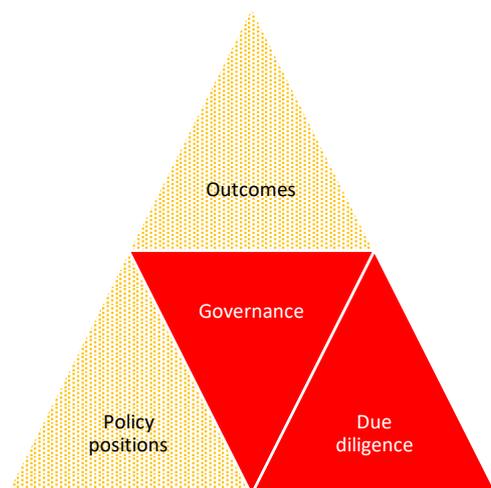


## BENDIGO AND ADELAIDE BANK LIMITED 2019 REPORT FINANCIAL SERVICES HUMAN RIGHTS BENCHMARK

Company Name	Bendigo and Adelaide Bank Limited
Industry	Bank
FY end	30 June 2019
Revenue FY19	\$415.7m
Employees	4,540
Retail divisions	Consumer
CLIS divisions	Business, Agribusiness
Law reform contributions	13, 14
Overall level of disclosure	Limited level of disclosure

Our overall rating of Bendigo and Adelaide Bank's human rights performance is set out below



### RETAIL: RED

There is little recognition of the human rights risks arising from its consumer banking and financial services at the governance level. The absence of recognition at this level filters into the policy positions we could find of relevance to this domain. Some of these appeared to be tackling important issues like financial abuse that can impact categories of anti-discrimination (age, race, disability) but also domestic violence, as well as privacy. We note that there is a customer feedback management policy that includes a Customer Advocate to review complaints that have not been able to be resolved internally. There was no evidence of any human rights due diligence in these areas, nor more extensively within the Consumer division.

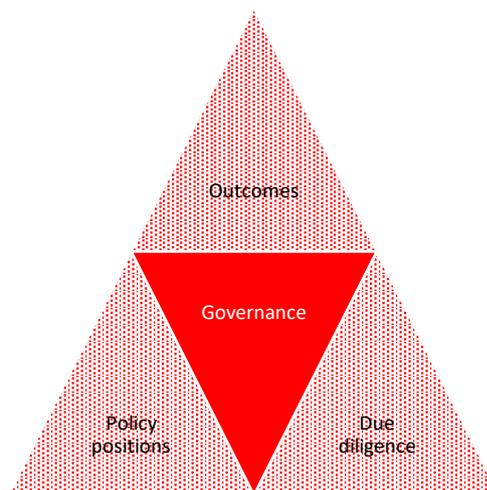
In terms of outcomes, we note customer remediation expenditure in FY19 but no data on the numbers of customer complaints handled internally. AFCA data indicates complaints were addressed via this external mechanism. We interpret this to confirm that there were internal complaints during the FY2019 year. While

the banking and financial services group has a hardship policy, there is no information on its usage during the period, nor is there any data regarding numbers of persons and dollar values involved in its FAST initiative to deal with financial abuse. We note the involvement of the group in lending as part of the Unpack for Good initiative.

### COMMERCIAL LENDING INVESTMENT AND SERVICES (CLIS): RED

Bendigo and Adelaide Bank's non-retail lending is based on three models: corporate model, commercial real estate model and an agribusiness model.

There is no recognition of how the group's Business and Agribusiness divisions are a source of human rights risk at the governance level. We could not find any policies that speak in detail to the human rights risks in this area. For example, in relation to 'green' issues via our outcomes indicators, we found a lot of disclosure around the group's own carbon usage, but nothing about the footprint of the businesses it lends to. We note the comment on page 27 of the Annual Review 2019: 'In the agricultural space, we have committed to better understand climate risk in terms of its potential impacts on that sector.' We further note that the group's FY19 Annual Review comments that the group is under increasing demand to develop a public climate change policy and contemporary commitment to the environment. Such language, indicates no such public policy yet exists. Comments made do not speak to a full understanding of these impacts.



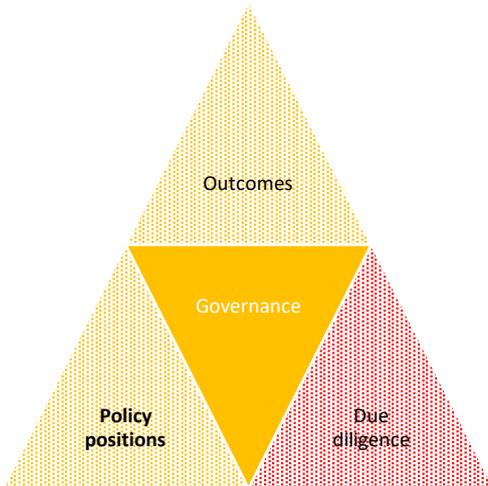
In terms of outcomes, a missed opportunity is for the group to disclose data about the human rights impacts around its agribusiness.

We also note ASIC's proceedings around unfair contract terms in loans with small businesses, with declarations made by the Federal Court in 2020 on this issue.

This report is presented for the purpose of disseminating information and research findings for the benefit of the public. It has been prepared on the basis of evaluation of human rights performance based on publicly available material for the 22 ASX listed entities included in the sample.

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**EMPLOYEES: AMBER**

There is some evidence of employees’ human rights receiving attention via our Governance indicators, particularly in the area of Health & Safety, Anti-discrimination and Privacy (but not on the Information aspects of privacy). Economic Security is less clearly addressed via governance and there is little to indicate awareness of Voice and Participation and Right to Remedy.

Our coding of policy positions reflects the policies we could see, while the patterned shading indicates that there were others we could not see. However, based on what was accessible, we saw little evidence of human rights due diligence with the exception of workplace health and safety, which reflected the legal requirements.

As one of the medium sized employers in our sample, it was disappointing to see very little in the way of voluntary disclosure of employee information in its Annual Financial Report and Annual Review. This is a missed opportunity as WGEA data

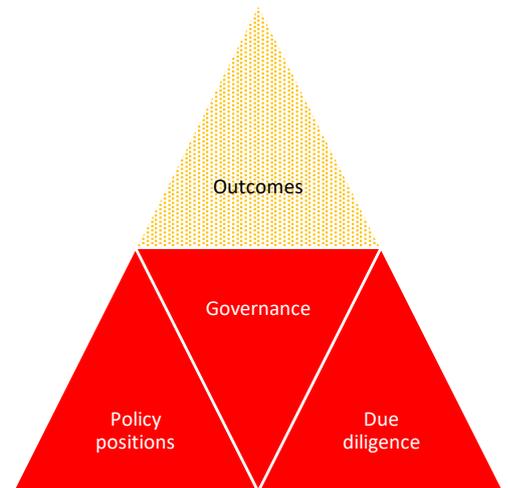
tells only one part of the story of diversity. We didn’t find any evidence in the third party sources we examined, so without data from the company itself we coded outcomes to reflect this lack of disclosure.

**SUPPLY: RED**

There was very little discussion of any matters relating to supply chain in the bank’s FY19 disclosures or in the policy positions we could find.

We note that Bendigo and Adelaide Bank’s first Modern Slavery Statement (dated 22 December 2020) indicates that it has since developed policies around anti-slavery and human trafficking that includes its supply chain as well as its own operations. However, this is outside our reference period for the Benchmark’s Year 1.

Our coding for outcomes is common across our FSE sample.



**SOCIETY: RED**

There is no recognition at Board level of public policy advocacy as a source of human rights risk. We did not see any references to a policy that linked public policy submissions with human rights risk. Taken together, this led us to draw an inference that there is no due diligence process that addresses the human rights risks that can arise via public policy advocacy.

Two submissions were made to the reforms we included in this Year 1 sample. Neither submission addressed the issues we identified as of interest. We coded outcomes as amber but with a pattern to show that we didn’t find evidence, but that our intuition would suggest any such evidence would be mixed on the issue of human rights in the society domain.

We note that Bendigo and Adelaide Bank speaks about the relationship between its success and society in its Code of Conduct under the heading ‘building sustainable communities’. On our reading, this statement links the success of the

banking group’s business with that of the prosperity of the communities it serves. As it stands, however, it lacks any recognition of the potential for both positive and negative human rights impacts from the banking group’s activities.

