MARK WHELAN

Thanks Shayne.

Today I'll update you on our Environmental Sustainability strategy - in particular, our climate commitments and customer engagement.

We're continuing to support our customers in the transition to net zero.

For example, we played a leading role in a $540 million financing for Lightsourcebp, to support the development of solar farms in New South Wales and Victoria.

And we helped fund our Queensland customer Tandy Group to upgrade to more fuel-efficient equipment. This was through our partnership with the Clean Energy Finance Corporation.

In April we launched a new target to fund and facilitate at least an additional $100 billion in sustainable finance by the end of 2030. This includes financing to help lower carbon emissions, protect nature and biodiversity, increase access to affordable housing and support financial wellbeing. This would bring our total sustainable finance commitment to $166 billion since October 2015.

Let me turn now to our decarbonisation pathways and targets.

We have six sectoral pathways in place, for power generation… large-scale commercial property… oil and gas…..aluminum… cement… and steel.

Our next steps are pathways for thermal coal and three transport sub-sectors – auto-manufacturing, airlines, and shipping. We plan to disclose these in November.

We are also strengthening our due diligence and transaction decision-making process in the energy sector.

Major energy transactions are scrutinised to, among other things, assess the robustness of a customer's transition plan, especially the milestones and trajectory of their commitments and disclosures.

Transactions that are considered material are escalated for review to myself, our Chief Risk Officer and the Group General Manager ESG. If required senior level meetings are then held with the customer.

One of these approvals was for a new-to-bank energy customer.

Their transition plan included Scope 1, 2 and 3 targets. 100% renewables to power their operations within the next few years, short and medium term targets and good disclosure.

More broadly, we are upgrading how we identify and evaluate customer climate risks

This will further integrate our climate and credit risk assessments, while also supporting frontline conversations with our customers.

The approach has been piloted for all Project Finance credit assessments and over time we will expand this to cover more Institutional customers in high emitting sectors.

We’re also further improving the tool with a focus on simplification, digitisation and consolidation of existing climate-related analytical tools. We will make further disclosure about this at year end.

Many of you will be familiar with the program in place since 2018 focusing on engagement with 100 of our largest emitting business customers.

In 2022, we broadened our engagement with these customers to include a focus on biodiversity. The aim is to encourage and support customers to identify and manage their potential biodiversity impacts and dependencies.

Through our engagement, we had three key observations:

First, customers are increasingly willing to improve oversight and management of biodiversity. For example, putting formal governance in place.

Second, resource sector customers are particularly well placed partly due to their focus on regulatory compliance for more than two decades. They have progressively strengthened their commitments to what they will not do. For example, restricting exploration or extraction of resources to protect high value biodiversity areas.

Third, our customers are less progressed in setting biodiversity targets and disclosures compared with their climate response. This is not unexpected.

However, it is likely that adoption of the Taskforce on Nature-related Financial Disclosure framework will see progress over time.

While it’s early days, we are also starting to see customers considering biodiversity KPIs in Sustainability Loans.

For example, we participated in North Queensland Airport’s Sustainability Loan in September 2022 which included a KPI on natural habitat restoration.

We also joined a pilot study of the TNFD framework’s application to a particular sector of the economy. The aim was to help us learn how to conduct better informed conversations with customers.

Finally, I’d like to leave you with some insights from recent discussions held with regulators and peers in the UK and Europe.

These conversations help us get a pulse check on what may come next here in Australia.

Our peers and regulators are at an early stage on biodiversity. So, ‘good practice’ is still forming. Our customer engagement was viewed positively by regulators and we plan to build on it, as I said earlier.

In addition, the importance of building capability to support the transition continues to be key. This includes bringing in external partnerships for their specialist expertise, such as our partnership with Pollination.

To summarise, we continue to support the transition to net zero. We believe we are well positioned for future challenges and opportunities.

And, I want to emphasise that we will continue to take a measured approach, and that above all, we are conscious of getting the balance right.

With that, I’ll hand over to Mo.