

Supporting our customers

To improve our customers' financial wellbeing, we are focused on being a simpler, better bank and supporting our customers through uncertain and challenging times.

Investing in our communities

As the Bank for all Australians, we have a responsibility to improve the financial wellbeing of the communities we serve and to make a positive contribution to society.

Commitment to our people

Our people are our greatest asset and having an engaged, energised and accountable workforce delivers better outcomes for our stakeholders.

Good business practice

By conducting our business responsibly and transparently, we contribute to a strong economy and a trusted and resilient financial system.

Our approach to climate change

We are committed to supporting the responsible global transition to a net zero emissions economy by 2050.

Our commitment to sustainability

Delivering balanced and sustainable outcomes for our stakeholders.



Our approach is guided by evolving global practices and feedback from our stakeholders on material matters.

Global principles and goals

We are signatories to international initiatives, principles and goals.



PRINCIPLES FOR
RESPONSIBLE
BANKING



EQUATOR
PRINCIPLES



Principles for
Responsible
Investment



United Nations
Global Compact

SUSTAINABLE
DEVELOPMENT GOALS

Our policies and targets

We develop policies and targets to drive progress on our commitments. Key policies include:

- Environmental and Social Policy
- Supplier Code of Conduct
- Diversity and Inclusion Policy

➕ View our policies at commbank.com.au/policies

Providing transparency

We report our progress in line with global frameworks and standards.

TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



Assessing our performance

We benchmark our progress using leading sustainability indices and surveys, including:

MEMBER OF
Dow Jones
Sustainability Indices
In collaboration with



MSCI



CDP
DRIVING SUSTAINABLE ECONOMIES

FTSE4Good



Dr Scott Sleep and Jordarna Barber

Commonwealth Bank Teaching Award winner Dr Scott Sleep pictured with Cessnock High School student Jordarna Barber, working on her team's entry for the F1 in Schools STEM Challenge.



OUR COMMITMENT TO SUSTAINABILITY

Supporting
our customers**1m+**calls and online requests
for help during COVID-19**250,000+**home, business and
personal loans deferred
at peak**250m**personalised in-app messages
offering COVID-19 support**We can. Together.**

We continue to focus on being a simpler, better bank and supporting our customers through uncertain and challenging times.

This year, we have worked to maintain essential banking services and provide additional support to customers impacted by bushfires, drought and COVID-19.

Helping customers in need

Through our Emergency Assistance Package for customers affected by bushfires, floods and storms, we expedited more than \$100 million in insurance claims, deferred loan repayments, restructured small business loans, and waived certain fees and charges. We also extended the package to all volunteer firefighters.

We made a Drought Assistance Package available to farmers and regional businesses affected by drought. Support measures included a loan repayment pause, waiving of fees and charges and access to a confidential telephone counselling service.

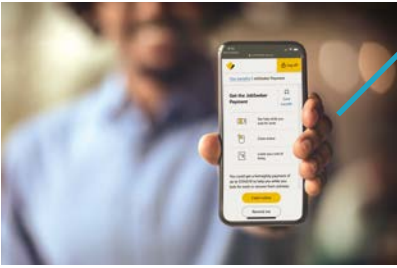
COVID-19 support

To meet the surge in demand for phone and online banking, we reskilled support and frontline employees and added new temporary recruits from the aviation industry to help in our customer contact centres. We kept our branch network open with measures in place to protect our customers and our people.

To meet the needs of customers most at risk from visiting branches, we prioritised calls from customers aged over 70, sent debit cards to those who rely on passbooks and cash, and proactively called 250,000 customers to discuss alternative ways to bank.

At the height of the crisis, we automatically deferred repayments on all eligible small business loans and quickly processed deferral requests for our home loan customers.

We will continue to work with our retail and business customers to provide the support that best meets their individual circumstances going forward.



\$153m+

benefits for customers in FY20

Connecting customers with unclaimed benefits

Each year, Australians miss out on millions of dollars in benefits and rebates offered by government agencies and third parties, such as energy rebates, toll relief and carer allowances. Our *Benefits finder* tool in the CommBank app and on NetBank uses data insights and machine learning to match customers with relevant rebates and benefits. Over 690,000 claims have been started through the tool since launch. This financial year, customers have saved \$69 million in utility bills and over \$84 million in additional government payments.

Benefits finder for businesses



To help customers who run a business, *Benefits finder* now includes COVID-19 related business support packages provided by State and Federal governments. Through the tool customers can now access facilities including instant asset write offs, cash flow assistance, tax relief options and apprentice and trainee support.

+ Learn more at commbank.com.au/benefitsfinder

Delivering better customer outcomes

We use our technology, data and insights to help customers better manage their finances. This year we sent over 27 million smart alerts through the CommBank app and NetBank to enable our retail and business customers to avoid unnecessary overdraft and credit card fees. We provide additional resources where we have identified areas of customer vulnerability. This includes our 'Safe and Savvy' guide to help prevent elder financial abuse. We also provide fee-free banking for customers with low incomes and a dedicated Indigenous Customer Assistance Line for customers in remote communities.

Helping customers in hardship

Customers experiencing financial hardship are supported by our Financial Assistance Solutions (FAS) team. This year, the FAS team worked with 45,787 customers to provide solutions tailored to their situations. To help customers experiencing financial stress due to COVID-19, the team has more than doubled to approximately 1,500 frontline staff. Loans deferred due to COVID-19 impacts are not included in the hardship figure.

Compassionate care for mortgage customers

When our customers face a terminal illness diagnosis or lose a spouse or dependant, they need to focus on their health and caring for their family. To ensure they do not worry about making their mortgage payments, we launched Home Loan Compassionate Care in February. This complimentary insurance policy covers up to 12 months of mortgage repayments for eligible owner-occupied home loan customers.

+ Learn more at commbank.com.au/compassionate-care

Relevant UN Sustainable Development Goals



Listening to customers

This year, our Executive Leadership Team prioritised directly talking with customers, to understand what is most important to them, and get their feedback on the Bank's performance. This included open customer forums, individual customer meetings, spending time in our branches and listening to customer calls in our contact centres.

At the forums, customers asked about our deposit and lending rates, how we are rewarding loyalty, plans for our branch network, and what we are doing on financial education. Customers also wanted to hear what we learnt from the Royal Commission and how we are rebuilding trust and improving our culture.

Responding to complaints

We take customers' complaints seriously and seek to resolve any problems quickly, fairly and transparently. If customers are dissatisfied with the outcome of a complaint investigation, they can turn to our Customer Advocate



Matt Comyn talks to customers at an open forum in Brisbane in November.

team for an independent review. The Customer Advocate's decisions are final and binding for the Bank, but customers can take their dispute to an external resolution body, such as the Australian Financial Complaints Authority, if they remain unhappy with the outcome.

The Customer Advocate team also analyses complaint data to fix problems before they become systemic issues. This helps us to proactively improve our products, processes and decision-making.

+ Key complaint and Customer Advocate metrics are provided on page 47.



OUR COMMITMENT TO SUSTAINABILITY

Farmers in Armidale received hay donated through the Bank's Christmas Drought Appeal and partnership with Rural Aid.

Investing in our communities

\$332m

in community investment

377,214

students enrolled in Start Smart financial education

\$10m

commitment to bushfire recovery grants

Making a positive contribution

As the Bank for all Australians, we have a responsibility to improve the financial wellbeing of the communities we serve and to make a positive contribution to society.

For more than 100 years, the CommBank Staff Foundation – our people's charity – has been supporting Australians' wellbeing. As part of the Foundation's 2020 grants program, more than 200 grants of \$10,000 have been awarded to community organisations to enable them to continue the important work they are doing to help communities in need. Recipient organisations of this year's grants are working to address a diverse range of issues across our community – including homelessness, Indigenous disadvantage, domestic violence and cancer support.

This year, to raise money for communities impacted by drought, we launched the Christmas Drought Appeal. Customers and staff donated generously through our branches and the CommBank app, adding to the \$1.6 million donated by the Bank. The donations were provided to four

community partners including Rural Aid which delivered over 4,500 bales of hay to more than 440 affected farmers. Other beneficiaries included the Bush Children's Education Foundation, NSW Rural Financial Counselling and the Australian Red Cross.

Our commitment to education

We have a longstanding commitment to financial education to help the next generation make smart decisions about their financial wellbeing, through our school banking and Start Smart programs.

More than 3.9 million school-aged students have now received financial education through Start Smart, our award-winning financial education initiative. The free program was founded in 2007 and is designed to give young Australians the skills and confidence to make good decisions about money.

This year, with schools closed due to COVID-19, we created Start Smart Digital to take facilitators into online classrooms across the nation. More than 11,000 students have participated in online learning sessions to date.

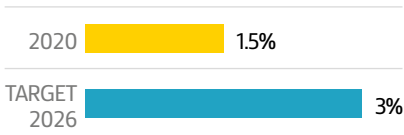
Advancing reconciliation

Through our Reconciliation Action Plan, we are committed to achieving parity for Indigenous representation in our workforce.

Training and employment pathways are critical to accomplishing this goal. To that end, we sponsor several traineeship programs and launched an Indigenous Training Academy to encourage the take-up of careers in technology. More than 30 trainees and interns have now graduated from the Academy and many are pursuing their careers with us in areas such as engineering, end user experience and cyber security.

We are committed to increasing Aboriginal and Torres Strait Islander representation in our domestic workforce to 3% by 2026.

Indigenous workforce



Awarding great teachers



Together with Australian Schools Plus, the Bank continues to celebrate outstanding Australian educators through the Commonwealth Bank Teaching Awards. Now in its fourth year, the 12 selected teachers and school leaders each receive a \$45,000 Teaching Fellowship to fund a strategic project in their school and further their own professional development. This year's winners include Dr Scott Sleep, deputy principal of Cessnock High School in the Hunter Valley. Dr Sleep helps his students see new career possibilities in science, technology, engineering and maths through The Cessnock Academy of STEM Excellence.

Tackling financial abuse

For several years we have invested in programs that support customers, employees and members of the community who are affected by financial abuse in the context of domestic and family violence.

This year, we established a Community and Customer Vulnerability team to identify and respond to those in need with sensitivity and skill. Our frontline branch staff are also trained to provide support and affected customers can speak confidentially to our specialist Community Wellbeing team.

We have partnered with leading experts and community organisations to develop the resources and support networks required to help those affected get back on their feet.

We have also worked with other financial services companies and industry bodies to identify and stop abuse via digital banking platforms, such as the use of transaction descriptions to threaten and intimidate.

Fostering green shoots



Students and teachers at Quaama Public School.

From the start of the bushfire season, we used our branch network and the CommBank app to help gather donations from customers and employees. Thanks to their generosity, nearly \$6 million was raised for affected communities.

To help with the rebuild and provide practical, on the ground support, we committed up to \$10 million to bushfire recovery grants. Community groups were able to apply for a grant of up to \$50,000 to replace lost or damaged equipment or support community wellbeing.

One bushfire grant recipient is Quaama Public School in the Bega Valley Shire. The town's residents had spent years raising money to build a teaching garden at their local public school. Less than two weeks after the garden was officially opened, fire swept through.

The grant will now allow the school to rebuild the garden, replace the irrigation system and get back to teaching the students how to grow food.

Focusing on reputation and trust

It is critical that we meet the community's expectations and are trusted. To rebuild trust, we have been focused on demonstrating through our actions that we are capable and reliable, doing the right thing and improving outcomes for all of our stakeholders. To emphasise the importance of rebuilding the Bank's reputation, executive leaders' long-term variable remuneration granted since FY18 is in part linked to relative improvements in our RepTrak score.

➕ See page 90 for more details.

Relevant UN Sustainable Development Goals



OUR COMMITMENT TO SUSTAINABILITY

Commitment to our people

89%

proud to work for the Bank

90%

confident in the future of the Bank

41%

women in Executive Manager and above roles

Engaged and energised

Our people are the Bank's most important asset and an engaged, energised and accountable workforce is essential to delivering better outcomes for all of our stakeholders.

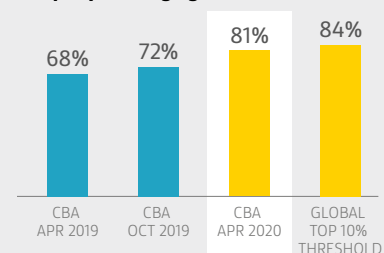
We track and measure employee engagement through the Your Voice people and culture survey. Our goal is to be among the top 10% of companies globally for our employee engagement score. Our most recent results show a significant improvement in engagement, with our people indicating they feel proud of the work we have been doing to provide essential services to customers, communities and the broader economy during this year's bushfires and COVID-19. During the pandemic, we conducted additional, focused surveys to assess our people's key concerns.

In the April survey, employee engagement was 81%, up 13% on April 2019. 89% of our people said they feel proud to work for the Bank, 90% expressed confidence in the future of the Bank, and 82% said they felt a personal sense of accomplishment in the work we are doing.

Strengthening culture and accountability

Our Code of Conduct incorporates our purpose and values, and sets expectations on how our people should act. It includes the 'Should We?' test to ensure our people do the right thing by our customers and the community. This year, further work was done to embed our Code of Conduct into our processes to support the skills and mindset required to deliver the best customer and risk outcomes. Our new recognition programs celebrate colleagues who are living our values, and allow our people to nominate those who have gone above and beyond for Excellence Awards.

Employee Engagement Index score



Prioritising health, wellbeing

This year, more than ever, our priority has been the safety, health and wellbeing of our people. To ensure we maintained essential banking services and met the surge in customer demand for assistance during COVID-19, we quickly adapted our branches and offices to maintain physical distancing and keep our people and customers safe. We also quickly scaled our remote working technologies allowing more than 39,000 of our people and delivery partners to work from home.

To help our people manage coronavirus-related health, anxiety or financial concerns, we provided a range of wellbeing and family support resources via podcasts, webinars, videos and our Thrive wellness portal. Employees were able to book free health checks through our online health hub, and access confidential counselling through our MyCoach telephone service. We also offered an interest-free cash advance to employees who were having difficulty meeting expenses due to the impact of COVID-19 on them or their families.


Creating a diverse, inclusive culture

When our people and leaders reflect the diversity of our customers and when our people feel respected and supported, we can deliver the best outcomes for all of our stakeholders.

Our employee-led networks play an important role in promoting inclusion and informing solutions for our people and customers. They include WeCAN (gender equality), Yana Budjari (Aboriginal and Torres Strait Islander peoples and cultures), Unity (sexual orientation and gender identity), Mosaic (cultural diversity), AdvantAge (life-stage and age) and Enable (accessibility and inclusion for people with a disability).

We know that sharing child caring responsibilities promotes workforce participation and are happy to see male employees continue to access parental leave this year. Parents at Work, an organisation that provides work and family education and policy advice, featured the Bank in a case study on our gender-neutral parental leave. We also created Financial Wellbeing Guides to further support parents.

We have achieved the goals set in 2015 to increase the number of women in leadership roles, and so this year have set a new ambitious goal to achieve 47-50% of women in Executive



Promoting a SpeakUP culture

It is important that our people feel they can raise any issue or conduct that concerns them, and know that they will be taken seriously. This year, we enhanced our whistleblower policy to meet the requirements of ASIC Regulatory Guide 270 and provided additional avenues for our people to raise concerns, including the introduction of an anonymous online channel. The policy was also expanded to include spouses, dependants and relatives of employees, in addition to current and former employees, contractors, consultants and suppliers. As a result of these changes, whistleblower cases raised through our SpeakUP program increased to 103 from 30 in FY19. More broadly, general SpeakUP cases decreased to 284 for the year, from 311 last year.

[Learn more at commbank.com.au/policies](https://commbank.com.au/policies)

Welcome aboard

We hired new colleagues from the aviation industry to help our contact centres manage the increased volume of customer assistance requests during the coronavirus pandemic. The temporary recruits, from Qantas and Virgin, bring customer service skills that transfer well from aviation to banking. To prepare them for supporting customers, we launched a 15-day training program. We also provided dedicated coaching and observation, so that our new recruits had the confidence and capability to take calls with customers.



Molly Beveridge, Scott Thompson and Louis Diamond have joined the Bank from the aviation industry.

Support for staff impacted by domestic and family violence

Due to the size of our workforce and the scale of the issue, we know that many of our people are directly impacted by domestic and family violence. To support affected employees, we offer as much paid leave as they need to navigate their situation. We also provide up to five days' paid leave to employees helping an immediate family or household member.

Relevant UN Sustainable Development Goals



Manager and above roles by 2025. We are also committed to gender pay equity and review it throughout the year as part of our remuneration review process.

While we are proud that the Bank overall is more culturally diverse than the Australian population, we will continue to focus on cultural diversity across our senior leadership roles.

Our key workforce metrics are provided on page 50-51.

Women in leadership

	2020 target	2020 actual
Executive Manager and above roles	40%	41%
Manager and above roles	45%	45%

New goal
47-50% women in Executive Manager and above roles by 2025



OUR COMMITMENT TO SUSTAINABILITY



Good business practice

100%

of Australian electricity needs now sourced from renewable energy, 10 years ahead of target

\$5.4bn

in low carbon project financing

11 days

average time to payment for small business suppliers; moved to immediate payment terms for small businesses during COVID-19

Building partnerships

The Bank's heritage and scale means that we have a responsibility to contribute to a strong economy and a trusted and resilient financial system. We can achieve this when we work transparently and constructively with government, regulators, industry associations and the community.

During the coronavirus pandemic, we have been working with the industry, the government and regulators to quickly mobilise a broad range of support and stimulus measures. By working together, we have been able to get money into the economy and take pressure off households and businesses by offering lower cost loans and loan repayment deferrals. This collaborative environment has also enabled unprecedented change and accelerated innovation in the sector, including increased adoption of electronic payments and digital engagement by the community.

To help the government and regulators get a gauge on how the economy, businesses and individuals are faring, we are providing access to aggregated real-time banking and payments data. This data will continue to help policy

makers design policies that support economic recovery over the longer-term.

To drive increased customer choice, competition and innovation, we have been an active participant in initiatives such as Open Banking, Comprehensive Credit Reporting and the New Payments Platform.

To support financial and economic stability more broadly, we contribute to initiatives that address financial crime and cyber security. As a member of the Fintel Alliance we work with Australian and international regulators to combat money laundering and terrorism financing; and through our cyber security program we invest in cyber skills education and capacity building to strengthen system-wide resilience.

We are also committed to making the changes necessary to restore and maintain trust in the Bank and our industry. We have participated in more than 65 government inquiries in recent years which have led to changes in legislation, regulation and industry practice.

Managing environmental and social risks

We manage environmental and social risks in our operations, lending activities, and superannuation and investment business. This includes minimising our environmental footprint and supporting the transition to a low carbon economy, as well as identifying and improving human rights impacts through our value chain.

Our Environmental and Social Policy outlines our commitments and targets, as well as how we manage the risks and identify opportunities.

We are committed to playing our part in limiting climate change in line with the goals of the Paris Agreement and supporting the responsible global transition to net zero emissions by 2050. This year, we achieved our target to source 100% renewable electricity for our Australian power needs, 10 years ahead of our 2030 deadline. As at 30 June 2020, we had total committed exposures of \$5.4 billion to low carbon projects, including \$4.2 billion in renewable energy exposure.

All institutional bank loans, as well as large loans in other business units, are evaluated through a compulsory ESG Risk Assessment Tool. Annual training is undertaken by the relevant client, risk and product teams to ensure they are up-to-date with requirements.

ESG risks are also incorporated into our investment decisions to deliver sustainable, long-term outcomes.

✚ For more information on how we manage climate change risk and opportunities, see pages 38–45.



Responsible investing

Our investment and superannuation business, Colonial First State (CFS), has exited all investments in companies associated with the production of tobacco and controversial weapons across its bond and equity portfolios. The exclusion applies to all fund managers engaged by CFS, and was achieved as at 31 December 2019.

Managing our supply chain

We have more than 7,200 Australian and international suppliers so it is important that we fulfil our responsibilities to those businesses as well as manage potential risks.

We are a signatory to the Australian Supplier Payment Code which requires us to pay eligible Australian small business suppliers on time and within 30 days of receiving an invoice. This year, our average payment time for these suppliers was 11 days; and to keep cash flowing during COVID-19 we changed all payment terms for small businesses to immediate payment.

Our Supplier Code of Conduct outlines how we manage supply-chain risks such as data security and privacy, human rights, modern slavery, environmental impact, and bribery and corruption. We require all suppliers to acknowledge this code as part of their contractual agreement with us.

Minimising the risk of modern slavery

Our approach to human rights and modern slavery is guided by our Environmental and Social Policy. We engage with new and existing suppliers to actively identify, manage and mitigate these issues. This year we added detailed questions on modern slavery to our tender questionnaires for all new supplier arrangements; and we updated our Supplier Code of Conduct to provide guidance to suppliers on how we will work with them when issues are suspected or identified.

We undertook country and industry level risk analysis of key suppliers. For our property operations, this identified that the high risk suppliers were in construction, catering, cleaning and security services. We then asked these suppliers to provide detailed information on their policies, processes and remediation mechanisms. We also sought advice from the Mekong Club on supply chain due diligence and invited Be Slavery Free to present to key property services suppliers to build awareness.

We will release our Modern Slavery Statement in the 2021 financial year as required under the *Modern Slavery Act 2018* (Cth).

✚ Our annual Modern Slavery and Human Trafficking statement which responds to UK requirements is available at commbank.com.au/CRreporting



Banking Code of Practice

As a member of the Australian Banking Association we helped develop the new Banking Code of Practice which came into effect on 1 July 2019. The code adds new protections for vulnerable customers, loan guarantors, co-borrowers and small business customers.

Political donations

Our Group External Communications and Engagement Policy explicitly precludes the Bank from making political donations. We may, however, pay to attend some political events aimed at the business community. To attend these events in the 2020 financial year we contributed \$70,500 to the Australian Labor Party, \$70,000 to the Liberal Party of Australia and \$11,175 to the National Party of Australia. These payments are disclosed in line with the requirements of Federal and State governments.

Industry associations

The Bank is a member of a number of industry associations and we participate both through those associations and directly with policy makers in the development and advocacy of public policy positions. Industry associations represent a range of members with diverse interests so the policy positions adopted by an industry association should not be assumed to represent the views of the Bank.

Relevant UN Sustainable Development Goals

