Online APPENDIX

This Appendix accompanies Christine Parker and Lucinda Sheedy-Reinhard, ‘Are Banks Responsible for Animals? A Critical Review of Animal Welfare and Climate Disruption in Banks’ Due Diligence Policies for Agribusiness Lending’. It provides further details of methods and sources. All sources are also on file with the first author and available upon request.

Table A1: Banks Operating in Australia and Climate Commitments

|  |  |
| --- | --- |
| **Bank** | **Fossil Fuel Lending Commitments**  |
| **ANZ** | Will ‘no longer directly finance new assets across the thermal coal value chain’; and ‘will exit all directly financed coal-fired power stations and thermal coal mines by 2030’[[1]](#footnote-1) |
| **Bank Australia** | Does not lend to the fossil fuel industry (incl coal, gas or oil extraction) or fossil fuel electricity generation[[2]](#footnote-2) |
| **BEN** | No direct lending to coal or coal seam gas projects.[[3]](#footnote-3) |
| **CBA** | Will reduce its exposure to thermal coal mining and coal fired power generation with a view to exiting the sector by 2030[[4]](#footnote-4)  |
| **NAB** | Will cap thermal mining exposures at 2019 levels and be effectively zero by 2035 apart from residual guarantees to rehabilitate existing coal assets; andSeeking to decarbonize portfolio by supporting coal fired power generation customers to reach net zero emissions by 2050 aligned with the Paris Agreement.[[5]](#footnote-5) |
| **Rabobank** | Will not directly finance the exploration, extraction, production or refining of coal used for power generation and of shale gas and other non-conventional fossil fuels. Will replace coal with less environmentally harmful energy carriers in all financial dealings as soon as possible…[[6]](#footnote-6) |
| **Westpac** | Will ‘manage our thermal coal mining portfolio in line with a commitment to reduce our exposure to zero by 2030’[[7]](#footnote-7) |

Table A2: Summary of Banks Reviewed Showing Sources

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Bank****[Ranking in agribusiness lending: 1-7]**[[8]](#footnote-8) | **Market share in Australia** | **Employees in Australia (approx.)** | **Operations** | **Exposure to credit risk for Agriculture, Forestry, Fishing and Mining sector in 2020** |
| **[3] ANZ**[[9]](#footnote-9) | 11.7% | 39,060 .  | Australian -owned; operating in 33 markets globally including New Zealand, Asia-Pacific, Europe and North America | AUD 54.7 billion;Approximately 4.2% of total exposure. |
| **[7] Bank Australia**[[10]](#footnote-10) | Unknown | 386[[11]](#footnote-11) | The result of the amalgamation of 73 cooperatives and credit unions; a mutual company, limited by shares, and Australia’s first customer-owned bank (formerly Bankmecu);[[12]](#footnote-12) operates only in Australia, and primarily in Victoria and New South Wales. | AUD 8.4 million;Approx. 2.3% of total exposure[[13]](#footnote-13)  |
| **[6] BEN**[[14]](#footnote-14) |  | 4,530  | Operates only in Australia; has a specialised agribusiness division, Rural Bank, which provides financial services to approximately one in 10 Australian farmers, and to the Federal Regional Investment Corporation, a Commonwealth backed finance provider for farmers and farm-related small businesses. | AUD 6.8 billion; Approximately 7.3% of total exposure. |
| **[5] CBA**[[15]](#footnote-15) | 17.4% | 45,170  | Australian-owned; Branches in Asia, Europe, New Zealand and North America. | $11,860 million; Approximately 1.2% of total exposure |
| **[1] NAB**[[16]](#footnote-16) | 15.1% | 34,300  | Largest agribusiness bank in Australia and in 2018, was banking for one in three farmers. | AUD 54.6 billion; Approximately 6.2% of total exposure. |
| **[2] Rabobank**[[17]](#footnote-17) |  | 43,822 (across 40 countries) 1153 average employees | Owned by Cooperative Rabobank UA, a Netherlands based finance provider; main markets for rural banking are Australia, New Zealand, the United States and Brazil. | Specialist agribusiness lender with loan portfolio in Australia of EUR 11.0 billion in total. Specific credit exposure to agriculture is not provided[[18]](#footnote-18).  |
| **[4] Westpac**[[19]](#footnote-19) | 15.6% | 33,288.  | Specialise in Australia and New Zealand, which frames their global operations, in America, Europe and Asia. | AUD 12.4 billion; Approximately 1.3% of total exposure. |

**Table A3: Publicly disclosed corporate reports and policies relied on in this study – all are on file with the first author**

|  |
| --- |
| Australia and New Zealand Bank, *2015 Annual Report,* available at: <https://www.anz.com/content/dam/anzcom/shareholder/2015_annual_report.pdf> |
| Australia and New Zealand Bank, *2019 Annual Report,* available at: <https://www.anz.com/content/dam/anzcom/shareholder/ANZ-2019-Annual-Report.pdf>  |
| Australia and New Zealand Bank, *2019 Environmental, Social Governance Supplement,* available at: <https://www.anz.com.au/content/dam/anzcom/shareholder/ANZ-2019-ESG-Supplement.pdf>  |
| Australia and New Zealand Bank, *2020 Annual Report,* available at: <https://www.anz.com/content/dam/anzcom/shareholder/ANZ-2020-Annual-Report.pdf>  |
| Australia and New Zealand Bank, *2020 Environmental, Social Governance Supplement,* available at: <https://www.anz.com.au/content/dam/anzcom/shareholder/ANZ-2020-ESG-Supplement.pdf>  |
| Australia and New Zealand Bank, *Insight Issue* (2018)*,* on file with the first author. |
| Australia and New Zealand Bank, *Insight Issue 2* (2011)*,* on file with the first author.  |
| Australia and New Zealand Bank*, Insight Issue 3* (2012)*,* on file with the first author. |
| Bank Australia, *2015 Corporate Report,* available at: <https://www.bankaust.com.au/support/corporate-report-2015>  |
| Bank Australia, *2016 Corporate Report,* available at: <https://www.bankaust.com.au/support/corporate-reports#-reports>  |
| Bank Australia, *2017 Corporate Report,* available at: <https://www.bankaust.com.au/support/corporate-reports#-reports>  |
| Bank Australia, *2018 Corporate Report,* available at: <https://www.bankaust.com.au/support/corporate-reports#-reports>  |
| Bank Australia, *2019 Impact Report,* available at: <https://www.bankaust.com.au/support/corporate-reports#-reports>  |
| Bank Australia, *2020 Impact Report,* available at: <https://www.bankaust.com.au/support/corporate-reports#-reports>  |
| Bank Australia, *2020 Financial Report,* available at: <https://www.bankaust.com.au/support/corporate-reports#-reports>  |
| Bendigo and Adelaide Bank, *2020 Climate Change Policy,* available at: <https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/governance/policies/climate-change-policy.pdf>  |
| Bendigo and Adelaide Bank, *2020 Annual Review,* available at: <https://www.bendigoadelaide.com.au/investor-centre/reports/> |
| Bendigo and Adelaide Bank, *2020 Animal Welfare and Livestock Farming Policy Statement,* available at: <https://www.bendigoadelaide.com.au/investor-centre/reports/>  |
| Commonwealth Bank of Australia, *2009 Sustainability Report,* available at: <https://www.commbank.com.au/content/dam/commbank/about-us/shareholders/pdfs/2009-asx/Commonwealth_Bank_Sustainability_Report_2009.pdf>  |
| Commonwealth Bank of Australia, *2013 Annual Report,* available at: <https://www.commbank.com.au/about-us/investors/annual-reports.html>  |
| Commonwealth Bank of Australia, *2015 Climate Disclosure Project Submission,* available at: <https://www.commbank.com.au/content/dam/commbank/about-us/docs/sustainability-2015-CBA-CDP-submission.pdf>  |
| Commonwealth Bank of Australia, *2018 Annual Report,* available at: <https://www.commbank.com.au/about-us/investors/annual-reports.html>  |
| Commonwealth Bank of Australia, *2019 Annual Report,* available at: <https://www.commbank.com.au/about-us/investors/annual-reports.html>  |
| Commonwealth Bank of Australia, *2019 Climate Disclosure Project Submission,* available at: <https://www.commbank.com.au/content/dam/commbank/about-us/docs/2019-cdp-submission.pdf>  |
| Commonwealth Bank of Australia, *2019 Environment and Social Framework,* no longer available online; available on file with authors. |
| Commonwealth Bank of Australia, *2020 Annual Report,* available at: <https://www.commbank.com.au/about-us/investors/annual-reports.html>  |
| Commonwealth Bank of Australia, *2020 Environment and Social Framework,* no longer available online; available on file with authors. |
| Commonwealth Bank of Australia, *Assessed Emissions of Group’s Business Lending Portfolio* *FY16,* <https://www.commbank.com.au/content/dam/commbank/assets/about/opportunity-initiatives/FY16-Assessed-emissions-report.pdf>  |
| Commonwealth Bank of Australia, *Climate Strategy FY19,* no longer available online; available on file with authors. |
| National Australia Bank, *2002 Social Impact Report,* available at: <https://www.nab.com.au/about-us/social-impact/shareholders/performance-and-reporting> |
| National Australia Bank, *2004 Corporate Social Responsibility Report,* available at: <https://www.nab.com.au/about-us/social-impact/shareholders/performance-and-reporting> |
| National Australia Bank, *2015 Annual Review,* available at: <https://www.nab.com.au/about-us/social-impact/shareholders/performance-and-reporting> |
| National Australia Bank, *2017 Sustainability Report,* available at: <https://www.nab.com.au/about-us/social-impact/shareholders/performance-and-reporting> |
| National Australia Bank, *2018 Sustainability Report,* available at: <https://www.nab.com.au/about-us/social-impact/shareholders/performance-and-reporting> |
| National Australia Bank, *2019 Annual Review,* available at: <https://www.nab.com.au/about-us/social-impact/shareholders/performance-and-reporting> |
| National Australia Bank, *2019 National Carbon Offset Strategy,* available at: <https://www.nab.com.au/about-us/social-impact/shareholders/performance-and-reporting> |
| National Australia Bank, *2019 Sustainability Report,* available at: <https://www.nab.com.au/about-us/social-impact/shareholders/performance-and-reporting>  |
| National Australia Bank, *2020 Annual Review,* available at: <https://www.nab.com.au/about-us/social-impact/shareholders/performance-and-reporting> |
| National Australia Bank, *2020 Sustainability Report,* available at: <https://www.nab.com.au/about-us/social-impact/shareholders/performance-and-reporting> |
| National Australia Bank, *Animal Welfare Principles* (2019), available at: <https://www.nab.com.au/content/dam/nabrwd/documents/reports/corporate/animal-welfare-principles.pdf>  |
| National Australia Bank, *2018 National Carbon Offset Standard,* available at: <https://www.nab.com.au/content/dam/nabrwd/documents/reports/corporate/2018-national-carbon-offset-standard.pdf>  |
| Westpac Banking Corporation, *2005 Carbon Disclosure Project Submission,* available at <https://www.cdp.net/en/responses/19051>  |
| Westpac Banking Corporation, *2006 Carbon Disclosure Project Submission* available at <https://www.cdp.net/en/responses/19051> |
| Westpac Banking Corporation, *2014 Financing Agribusiness, ,* no longer available online; available on file with authors. |
| Westpac Banking Corporation, *2018 Climate Disclosure Project Submission* available at <https://www.cdp.net/en/responses/19051> |
| Westpac Banking Corporation, *2019 Agribusiness Position Statement,* no longer available online; available on file with authors. |
| Westpac Banking Corporation, *2019 Sustainability Performance Report,* available at: <https://www.westpac.com.au/about-westpac/investor-centre/financial-information/annual-reports-archive/> |
| Westpac Banking Corporation, *2020 Climate Change Position Statement and Action Plan,* no longer available online; available on file with authors. |
| Westpac Banking Corporation, *2023 Climate Change Position Statement and Action Plan,* available at: <https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/WBC-climate-change-position-statement-2023.pdf>  |
| Westpac Banking Corporation, *2020 Annual Report,* available at: <https://www.westpac.com.au/about-westpac/investor-centre/financial-information/annual-reports-archive/>  |
| Westpac Banking Corporation, *2020 Sustainability Performance Report,* available at: <https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/WBC_2020_sustainability_performance_report.pdf>  |
| Rabobank, *2020 Climate Change Policy,* no longer available online; available on file with authors. |
| Rabobank, *Sustainability Policy Framework (2016),* no longer available online; available on file with authors. |

**Table A4: Searches and Keywords Used**

|  |  |  |
| --- | --- | --- |
| Source  | Documents | Keyword searches |
| Publicly available information from the respective banks’ websites | Annual Report; Financial Report; ESG Supplements; Industry Publications | * ‘animal’; ‘livestock’; ‘meat’ ‘fish’ ‘wild’
* ‘welfare’
* ‘forest’ ‘drought’ ‘water’ ‘scarcity’
* ‘Agriculture’; ‘Ag’; ‘Agribusiness’
* ‘Committee’ ‘board’
* ‘ESG’; ‘Ethical’ ‘reputation’
* ‘united nations’; ‘UN’;
* ‘commitment’; ‘initiative’; ‘panel’
* ‘training’ ’compliance’ ‘non-compliance’ ‘education’
 |
| IBISWorld | Company Profiles; Industry/Sector Profiles  | * Agriculture;
* Finance Sector;
* Bank
 |
| Desktop internet search | Business Benchmark on Farm Animal Welfare | Soft commodities Animal welfare initiatives Financial sector AND animal welfare |

**Table A4 Criteria (Based on BBFAW) and Scoring**[[20]](#footnote-20)

|  |  |  |  |
| --- | --- | --- | --- |
| **BBFAW Question Number**[[21]](#footnote-21) | **Criteria**  | **Description of scoring (including adjustments made)** | **Scoring** |
| 1 | The bank has identified animal welfare as a relevant business issue  | This question was binary. Companies received a full score or nothing at all.  | 0 or 10 |
| 2 | Does the bank publish an overarching policy on animal welfare?  | Only scored if Q1 received a score. This question does not differentiate between stand alone policies or statements made within broader sustainability policies | 0, 5, 10 |
| 3 | Does the policy scope cover geography or species? | Only scored if Q1 received a score. If companies used words such as ‘all’ they were awarded a full score, but asked to provide further detail. 5 = universal application. Part 3, Product Scope was not assessed in our study.  | 0, 2, 5  |
| 4 | Does the policy address close confinement and intensive systems? | Confinement – clear position needed.  | 1, 3, 5 |
| 11 | Does the Bank have a position on long distance live transport?  | Live export - scope of application needs to be provided | 1, 3, 5 |
| 12.1 | Has the bank assigned management responsibility of farm animal welfare to employees?  | All or nothing. Policy that discussed general information on management or oversight of CSR only credited if it was clear animal welfare was integral part.  | 0, 2, 5 |
| 12.2 | Has the bank assigned management responsibility of farm animal welfare to the Board or senior management?  | The score of 2 was introduced to tailor BBFAW to Banks. 2 was awarded if the bank provided information on responsibility regarding ESG policies that could cover animal welfare but doesn’t necessarily say so explicitly. | 0, 2, 5 |
| 15.1 | Does the bank publish information on employee training to effectively implement its animal welfare policy?  | Employee training;  | 0, 5 |
| 15.2 | Does the bank provide for action to be taken in the event of non-compliance with its animal welfare policy?  | The score of 2 was introduced to tailor BBFAW. 2 was awarded if the bank made general statements about non-compliance. | 0, 2, 5 |
| 17 | Does the bank commit to enforcing relevant assurance schemes and or standards of good animal welfare? | Q17 was amended to include a score of 1 if Banks identified relevant standards and conventions but did not commit to them. Note that Q17 is aimed at identifying companies that are assuring their standards to a higher welfare potential than basic legislative requirements.  | 0, 1, 3,6,10, 15, 20.  |
| 19 | Does the bank promote higher animal welfare to consumers through education and/ or awareness raising activities? | Promotion:5 – one example; 10 – multiple examples | 0, 5, 10 |

1. *2020 Annual Review*, p. 7. Full citation details of each corporate document are given below in Table A3. [↑](#footnote-ref-1)
2. *2020 Impact Statement*, p. 85. [↑](#footnote-ref-2)
3. *2020 Annual Review*, p. 29. [↑](#footnote-ref-3)
4. *Environmental and Social Framework*, p. 8. [↑](#footnote-ref-4)
5. *2020 Annual Review*, p. 28. [↑](#footnote-ref-5)
6. *Rabobank 2020 Climate Change Policy,* p. 17. [↑](#footnote-ref-6)
7. ’Climate Action Plan’, *2020 Sustainability Performance Report,* p. 31. [↑](#footnote-ref-7)
8. In Australia. Based on information in far right column. [↑](#footnote-ref-8)
9. IBISWorld, *Australia and New Zealand Banking Group Limited*, Australia Company Profile [↑](#footnote-ref-9)
10. Bank Australia, *2020 Financial Report*, p. 49. [↑](#footnote-ref-10)
11. IBISWorld, *Bank Australia,* Australia Company Profile, p. 7. [↑](#footnote-ref-11)
12. Bank Australia, *About Bank Australia*, <https://www.bankaust.com.au/about-us/> [↑](#footnote-ref-12)
13. Bank Australia, *2020 Impact Report,* at p. 78. [↑](#footnote-ref-13)
14. IBISWorld, *Bendigo and Adelaide Bank,* Australian Company Profiles, p. 3; BEN, *2020 Annual Report*, pp18, 95; Regional Investment Corporation, *About us*, available at: <https://www.ric.gov.au/about>. Rural Bank, *Our History* (accessed online 4 October 2020) available at: <https://www.ruralbank.com.au/about-us/our-history/> [↑](#footnote-ref-14)
15. IBISWorld, *Commonwealth Bank of Australia*; CBA, *International Branches,* available at: <https://www.commbank.com.au/about-us/our-company/international-branches.html>; CBA, *2020 Annual Report,* p. 211. [↑](#footnote-ref-15)
16. IBISWorld, *National Australia Bank Limited*, Australian Company Profiles; NAB, *2019 Sustainability Report*, p. 27; NAB, *2020 Annual Report*, p. 142 [↑](#footnote-ref-16)
17. Rabobank Australia Limited, *2019 Annual Report, p. I*7; IBISWorld, *Rabobank Australia Limited,* Australian Company Profiles; Rabobank, *2020 Interim Report*, p. 20. [↑](#footnote-ref-17)
18. *Rabobank Annual Review*, p77. [↑](#footnote-ref-18)
19. IBISWorld, *Westpac Banking Corporation,* Australian Company Profiles; Westpac, *Global Presence*, <<https://www.westpac.com.au/corporate-banking/corporate-institutional/global-presence/>>; Westpac, *2020 Annual Report*, p. 249. [↑](#footnote-ref-19)
20. Adjusted from N. Amos, R. Sullivan, H. van de Weerd, *The Business Benchmark on Farm Animal Welfare Methodology Report* (2019), available at <https://www.bbfaw.com/media/1790/bbfaw_methodology_report_2019.pdf> [↑](#footnote-ref-20)
21. There were 37 questions in the BBFAW but the other questions were judged as to be not applicable to banks or in the case of most of the later questions the banks did not provide any information to answer them, do they have been omitted from this evaluation. [↑](#footnote-ref-21)