

## 2025 Climate Disclosure

25 August 2025

Bendigo and Adelaide Bank Limited (ASX:BEN) advises that its 2025 Climate Disclosure is enclosed.

The 2025 Annual Financial Report, together with the Bank's Sustainability Report, is also available on the website at <https://bendigoadelaide.com.au/investor-centre/reports>.

Approved for release by: Bendigo and Adelaide Bank Board

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# CLIMATE DISCLOSURE 2025





## Reporting on our progress

Where reference is made to 2025, we are referring to the 2025 Financial Year (1 July 2024 – 30 June 2025). Where reference is made to 'Bendigo Bank', 'the Bank', 'we', 'our' or 'us', we are referring to Bendigo and Adelaide Bank Limited and its wholly owned and controlled subsidiaries, such as Sandhurst Trustees Limited, unless otherwise specified.

Bendigo and Adelaide Bank Limited partners with Community Banks, which are not wholly owned nor controlled by Bendigo and Adelaide Bank Limited and the Bank does not have the power to govern their decision-making.

More information about our progress this year is outlined in our reporting suite.

## Our Reporting Suite

- **Annual Financial Report**
  - Directors' Report
  - Statutory Financial Reporting
  - Sustainability Report
  - Remuneration Report
  - Tax Contribution Report
- **Corporate Governance Statement**
- **Climate Disclosure**
- **ESG Data Summary**

All reports are available on our website via our:

**Investor Centre Reports | Bendigo Bank**

[www.bendigoadelaide.com.au/investor-centre](http://www.bendigoadelaide.com.au/investor-centre)

## Acknowledgement of Country

We respectfully acknowledge the traditional owners of lands across Australia and pay our respects to their elders past and present. Our head office is located on Dja Dja Wurrung land.

Artwork by Troy Firebrace, Yorta Yorta and Dja Dja Wurrung artist and educator.

# 2025 Highlights

## Evolved our climate approach

Developed BEN 1.5°C, a Paris Climate Agreement and Science Based Targets Initiative (SBTi) aligned set of intensity-based 1.5°C targets, to support our customers to decarbonise in our most material cohorts of financed emissions (Agriculture, Residential Mortgages and Commercial Real Estate).

## 92.9% reduction in Scope 1 & 2 emissions

Representing 0.45 tCO<sub>2</sub>e/\$m total income in 2025.

## 100% renewable energy

Wherever we control the electricity contract. This is supported by our commitment to making sure all future Head Offices have a minimum 6-star Green Star Buildings rating.

## Integrating climate in site selection processes

The Bank's Site Selection Framework considers renewable energy access, waste management and potential climate impacts to minimise operational risks and environmental impact to future Corporate Offices, Regional Offices and Retail Branches.

## Completed transition risk climate scenario analysis

The Bank remains resilient, experiencing impacts to its financial position based on credit loss outcomes ranging from minor to moderate based on the scenarios and assumptions applied.

## Carbon neutral<sup>1</sup> organisation

Since 2020.

## No lending to fossil fuels or native forest logging projects

Maintained our commitment to exclude direct lending to coal, coal seam gas, crude oil, natural gas and native forest logging projects.

## Bendigo Bank Green Personal Loan

Awarded the Canstar's Outstanding Value – Green Car Loan Award for the second year running.

## Nature Risk

Commenced development of a Nature Risk Strategy, which will align with the Group Risk Management Framework and builds on the nature risk assessment completed in 2024 using the Locate Evaluate Assess Plan (LEAP) framework.

## Up's partnership with Seabin

Filtered 261 million litres of seawater and successfully captured and removed an estimated 155,176 plastic items and 69,610 microplastics from Sydney Harbour.

1. Bendigo Bank's carbon neutral definition can be found in the Glossary on page 41.

# Preface

## 2025 Climate-related Disclosure

This report represents the 2025 Climate-related Disclosure for Bendigo and Adelaide Bank (**Bendigo Bank**) for the financial year ending 30 June 2025.

Bendigo Bank has monitored the emergence of AASB S2 Climate-related Disclosures and has developed its Climate-related Disclosure with reference to AASB S2 Climate-related Disclosures and from the Taskforce on Climate-related Financial Disclosures (**TCFD**).

This report was authorised for issuance in accordance with a resolution of the Directors on 22 August 2025.

## Bendigo Bank

From our origins in the Bendigo goldfields in the 1800s, we have grown into an ASX 100 listed bank.

As the only ASX 100 bank headquartered in regional Australia, we are one of Australia's most trusted<sup>1</sup> brands and for 167 years we have actively listened and responded to the needs of our customers and their communities.

Our network of brands, including Bendigo Bank and Up, provide a wide range of products and services to 2.9 million customers including personal and business banking, financial planning, commercial mortgages, unsecured loans, investment products, insurance and superannuation.

Relationships are at our core. We have grown to be the third largest branch network in Australia and our digital bank Up has grown to 1.2 million customers in seven years. We deliver long-term sustainability and prosperity through our Community Bank model.

In the late 1990s in response to changes in the banking environment, Bendigo Bank saw an opportunity to create the Community Bank model, a new way of banking.

This model was developed on principles of shared value, recognising that partnering and sharing revenue with communities could enable their long-term sustainability and prosperity while also creating business value for the Bank through new markets. Today, 27 years later, we partner with more than 300 Community Bank branches throughout Australia and have returned more than \$416 million back into communities across our country.

The value creation model in the Bank's Annual Report provides greater detail on our value drivers, our business, what makes us unique, our sustainability-related material topics and how we create value for relevant stakeholder groups.

## Bendigo Bank value chain

Our upstream and downstream value chain has been considered using all reasonable and supportable information available to establish an understanding of our climate-related risks and opportunities.

We have leveraged data across our value chain to disclose quantitative metrics. In instances where quantitative metrics and amounts cannot be measured directly, we estimate value chain metrics using internal and external information (including industry benchmarks and other proxies) available.

For example, input estimations are used for Scope 3 greenhouse gas (**GHG**) emissions, leveraging sector-average emissions factors. The accuracy of GHG emissions is contingent on the quality of data and the representativeness of the proxies used. Similarly, the estimation of anticipated financial effects is influenced by the assumptions and scenarios underpinning risk models.

Bendigo Bank is committed to continuously improving the accuracy of these metrics. We are investing in improving our data collection and reporting systems, engaging with stakeholders to obtain more precise data and participating in industry initiatives to refine the methodologies for calculating value chain emissions.

1. Roy Morgan, 30 May 2025.

# Governance

## Governance

The Board of Bendigo Bank is responsible for the effective oversight and prudent management of the Bank. This includes the consideration and oversight of climate-related risks and opportunities.

The Bank’s Corporate Governance Framework can be found in the [Corporate Governance Statement](#).

### Bendigo Bank’s climate governance structure



The Climate & Nature Action Plan (CNAP) is an enterprise-wide plan ensuring operational management of climate-related risks and opportunities through the following prioritised functions:

Strategy Function	People & Culture Division	Finance Division	Risk Division	Consumer Division	Business & Agribusiness Division
Integrates climate considerations into the Bank’s business strategy	Supports building the climate capability of our people and links Executive remuneration to climate-related activities	Sustainability function enables the management of sustainability-related risks and opportunities across the business	Assesses climate-related risks through the Risk Management Framework, Risk Management Strategy and Emerging Risk Assessment	Delivers actions and support to our retail customers to support them in the transition to a 1.5°C future	Delivers actions and support to our business and agribusiness customers to support them in the transition to a 1.5°C future

Performance of the CNAP is monitored in the following forums:

Sustainability Council	CNAP Delivery Group	Divisional Management Committees	Targeted Working Groups	Community Bank National Council
Supports enterprise-wide management of sustainability risks and opportunities	Executes actions and ensures accountability for divisions to successfully execute CNAP and associated Transition Plans	e.g. Divisional Risk Committees	e.g. Sustainable Procurement Working Group, Motor Vehicle Policy Working Group	Builds strong collaborative relationships across the Community Bank network

## Roles and responsibilities for climate governance

### Board oversight

The Board Charter specifically outlines the Board's responsibility for oversight of the Bank's climate-related risks and opportunities including:

- Annual approval of our material topics (climate change remained a material topic in 2025).
- Approval of the CNAP and noting annual updates on CNAP delivery.
- Annual approval of ESG and climate-related disclosures.
- Approval of our approach to managing ESG risks (including climate change, biodiversity and natural capital risks).
- Approval of our risk appetite, including climate-related risk.

Board oversight of our approach to climate change throughout the reporting year included:

- Board approved the outcomes of the Bank's annual materiality assessment.
- Board reviewed the progress in delivering CNAP actions.
- Board reviewed and approved updates to climate risk measurement and management.
- Board approved the Bank's evolved climate approach BEN 1.5°C.

Climate-related considerations are not part of Board remuneration or incentives.

### Committees in place to support Board oversight

#### Board Audit Committee

The Board Audit Committee acts as the primary conduit to the Board for Environment, Social and Governance (ESG) management and reporting controls. It assists the Board through the oversight of Bendigo Bank's collective ESG efforts.

The Board Audit Committee met six times in 2025. Its Charter specifically outlines the Committee's responsibility for overseeing ESG matters, including:

- Overseeing and monitoring the effectiveness of the Group's approach to determining ESG focus areas (through review of annual ESG materiality assessment) and management controls linked to these focus areas on behalf of the Board to align with Group Strategy.
- Monitoring the Group's ESG risk and opportunities profile, including emerging risks and opportunities.
- Receiving and considering regular updates from management on matters relating to the Group's ESG-approach (including CNAP progress updates).
- Reviewing the CNAP on a six-monthly basis and recommending it (on an annual basis) to the Board for approval.
- Reviewing the Sustainability Report and other ESG-related disclosures and recommending these for approval to the Board.
- Reviewing the Group's Modern Slavery Statement and recommending it to the Board for approval.
- Considering ESG-related position statements of the Group and recommending these for approval to the Board.
- Overseeing independent assurance processes over non-financial reporting.

The Board Audit Committee's oversight of our approach to managing climate change throughout the year included:

- Reviewed and endorsed outcomes of the Bank's annual materiality assessment for Board approval.
- Monitored the delivery of the CNAP and the overall ESG & Sustainability Business Plan on a quarterly basis.
- Received a half-year and full year CNAP performance update reporting on progress against the Bank's climate strategy.
- Reviewed and endorsed the Bank's evolved climate approach BEN 1.5°C for Board approval.

#### Board Risk Committee

The Board Risk Committee assists the Board by providing oversight of our risk profile and Risk Management Strategy which includes monitoring the impact of environmental, social and governance risk on the operational risk profile.

The Board Risk Committee met seven times in 2025. In discharging its responsibilities to oversee the Bank's risk management approach, climate is considered through the following responsibilities in the Board Risk Committee Charter:

- Advising and providing recommendations to the Board on the current and future risk appetite and Risk Management Strategy.
- Reviewing and recommending to the Board the Risk Management Strategy, Risk Appetite Methodology, Risk Appetite Statement and Risk Appetite Indicators.
- Reviewing and recommending to the Board the Risk Management Frameworks in line with the Risk Management Strategy.
- Considering and approving, as required, proposed changes to strategies, plans, policies, processes, rating systems, models, limits and tolerances used to govern risk which are consistent with the Risk Management Strategy and risk appetite.



The Board Risk Committee's oversight of our risk management approach (which includes our approach in managing climate-related risks) throughout the year included:

- Reviewed the current and future risk profile position and the management of material risk relative to the approved risk appetite, capital strength and resilience.
- Provided constructive review and challenge of management analysis, proposals and decisions on all material aspects of risk management.
- Provided objective, non-executive oversight of new or emerging material risks and treatment plans to mitigate material risks.
- Monitored the impact of ESG risk on the operational risk profile.
- Monitored the independence, performance, and effectiveness of the risk management function.
- Provided objective non-executive oversight of risk culture.
- Reviewed the outcomes of the Bank's Transition Risk Scenario Analysis (August 2025).

#### **Board People and Culture Committee**

The Board People and Culture Committee is responsible for reviewing and recommending to the Board our Remuneration Framework and Remuneration Policy and for aligning Executive remuneration with strategic priorities, including in relation to climate matters.

The performance measures for the 2025 Short-Term Incentive reward for Executives include a 'People and Planet' category which contains climate-related measures aligned with delivering the CNAP.

The Board People and Culture Committee met six times in 2025. In discharging its responsibilities to oversee the Bank's people and culture programs, climate is considered through the following responsibilities in the Board People and Culture Committee Charter:

- Reviewing and recommending the setting of the scorecard to the Board for approval. The monitoring of the scorecard is the responsibility of the Committee.

Board People and Culture Committee oversight of our people and culture approach (which includes climate change-related people and culture initiatives) throughout the year included:

- Conducting regular reviews of, and making recommendations to the Board on, the remuneration strategy and policy taking into account the Group's objectives, risk profile, shareholder interest, regulatory requirements and market developments.
- Input into the Group's risk management framework, in particular recommending to the Board the remuneration arrangements of Specified Roles under CPS 511.
- The remuneration arrangements for executives, including the terms on which performance-based remuneration will be provided.
- The performance-based remuneration outcomes for the executives.
- The setting of the annual bonus pool.

#### **Management responsibilities**

The Board delegates the responsibility of assessing and managing climate risks and opportunities to the Chief Executive Officer and Managing Director, who in turn delegates this accountability to the Executive Committee, as part of the Bank's sustainability considerations.

The Executive Committee is accountable for implementing the CNAP and each Executive has specific accountabilities for delivering actions relevant to them.

Sustainability and climate-related accountabilities are included in Executive Financial Accountability Regime (**FAR**) statements, as well as the Responsibility Statements of those who report to members of the Executive Committee.

Formal accountability for the development, maintenance, implementation, monitoring and review of the ESG & Sustainability Business Plan and climate strategy is included in the Chief Financial Officer's FAR statement.

Performance against the CNAP is reported to each Executive on a quarterly basis. The Executive Committee receives half-yearly CNAP updates prior to the Board Audit Committee.



### Delegations on climate management

CNAP actions are delegated by Executives to their relevant teams, with accountability remaining with the Executive. The members of those connected teams are represented on the CNAP Delivery Group.

The CNAP Delivery Group's purpose is to provide guidance, monitor implementation and ensure accountability for business divisions and accountable Executives to successfully execute the CNAP within agreed timeframes, ultimately delivering on the Bank's purpose and strategy.

The CNAP Delivery Group meets formally each quarter. In 2025 we continued to uplift governance, accountability and attestation through enhanced quarterly performance reporting developed to inform each division. This has resulted in uplifted integration into divisional business planning and engagement across our business divisions.

CNAP performance is also reported to the Sustainability Council, our forum that examines and guides the management of sustainability-related risks and opportunities across the Bank, including climate change. The Board and Executive Committee have a standing invitation to attend the Sustainability Council twice a year.

### Training for Bendigo Bank employees

This year we also focused on targeted training to support our team members to better engage with our customers. This included:

- Maintaining a 52% completion rate of the Bank's voluntary climate change training (53% of Bendigo Bank employees completed the training in 2024).
- Melbourne Business School delivered training to uplift the climate and nature capabilities of over 120 Bendigo Bank Agribusiness managers to help them embed climate and nature into customer conversations. This training enabled attendees to have informed climate and nature conversations with customers, articulate the financial implications of climate and nature for customers and understand the Bank's climate and nature-related strategy and targets.
- 119 Bendigo Bank Business Bankers participated in the Bank's Delegated Lending Authority training suite for business bankers, which includes Moody's Principles of ESG module. It focuses on uplifting banking capability around terms, concepts and regulatory frameworks that form the basis for ESG risk identification. This supports Bendigo Bank employees to understand ESG risk and fluently engage in ESG related discussions with customers.
- Our Senior Leader Risk Capability Learning series, which targets Executives and Senior Leaders, but is available to all. Key topics in this year's four-part series included deep dives into Climate and Data Risk, continuous improvement, promoting a proactive risk culture and exploring systems thinking, value chains and root cause analysis.

### Governance of climate strategy and targets

The Board is responsible for overall climate-related leadership, including the setting and overseeing of strategies designed to respond to climate-related risks and opportunities, approving targets and ongoing risk management.

Targets are monitored by the Board Audit Committee on a quarterly basis to track progress. Any updates to the targets are approved by the Board.

The Board People and Culture Committee is responsible for ensuring Executive remuneration aligns with strategic priorities, including in relation to climate matters.

### Climate-related skills and experience

The Board has deep experience and a wide set of skills articulated by the Board Skills Matrix. The Skills Matrix supports the Board to self-assess and review its collective skills and expertise to ensure a balanced and effective composition of the Board.

In 2025, one Director was assessed as having Expert and seven Directors were assessed as having *Advanced Social and Environmental* skills where climate-related expertise is captured.

The Bank's Board Skills Matrix can be found in the [Corporate Governance Statement](#).

## Remuneration systems

The Board People and Culture Committee is responsible for ensuring Executive remuneration aligns with strategic priorities, including in relation to climate matters.

Bendigo Bank continues to include climate-related metrics in Executive variable reward remuneration in the Short-Term Incentives (STI).

Climate-related performance is measured as part of the Executive Reward Framework. In 2025 the People and Planet category was weighted at 10% of variable reward remuneration for each Executive.

One of the three metrics included in the category was climate-related. This year, the People and Planet category was partially achieved. The climate-related target (Planet) result was:

Category	Measure	Threshold	Target	Stretch	FY25 Performance
People & Planet	Delivery against in-year objectives of the CNAP	Delivery of 80% of FY25 CNAP goals	Delivery of 90% of FY25 CNAP goals	Delivery of 100% of FY25 CNAP goals	Target achieved

Full details of the Bank's remuneration approach can be found in the *Remuneration Report* in the [Annual Report](#).

# Strategy

## Our strategy

This year, we delivered on the final year of our 2022-2025 strategy, making significant progress in executing against our strategic imperatives of reducing complexity, investing in capability and telling our story.

Banking is increasingly homogeneous, and our belief is that we remain differentiated through our authentic customer focus, and our unique qualities that resonate deeply with our customers.

- Strong reputation as a trusted bank.
- Proud regional heritage and values.
- Enduring support for local communities.

This year, we developed our new five-year strategy, which came into effect on 1 July 2025.

The CNAP drives our climate-related activity and enables the delivery of our strategic imperatives. The CNAP also delivers the Environment pillar of the ESG & Sustainability Business Plan.

## ESG & Sustainability Business Plan

**Bendigo Bank Strategy**

**ESG and Sustainability Risk Management, Policies and Positions**

**ESG & Sustainability Business Plan**

**Ambition:** To drive action towards a resilient and sustainable future to grow the prosperity of our customers, communities, shareholders and our people

**Climate Change**

Supporting our customers, communities, our people and business to prepare for and adapt to the impacts and opportunities of climate change

 <p><b>Environment</b></p>	 <p><b>Social</b></p>	 <p><b>Governance</b></p>
Understanding and reducing environmental impacts and improving nature and biodiversity related outcomes throughout our value chain	Identifying and managing issues and opportunities on a range of social topics impacting and shaping customers, communities and our people	Being a responsible and ethical business by ensuring high standards of corporate governance

## Bendigo Bank decarbonisation targets and climate strategy

### Evolving our climate strategy

This year we evolved our climate strategy. In 2022 we launched BENZero, our public climate commitment to reduce absolute emissions by 50% by 2030 and 95% by 2040. This commitment included both the Bank's operational emissions and the financed emissions of our customers.

Since then, climate science has evolved and we have matured our management of climate-related risks and opportunities through implementation of our Climate Change Action Plan (2021 – 2023) and more recently, our CNAP (2024 – 2026).

We have developed methodologies and processes to calculate our financed emissions, and in 2024 we disclosed our 2023 financed emissions for the first time since launching BENZero.

### BEN 1.5°C: a data-informed approach

BEN 1.5°C is Bendigo Bank's evolved, data-led climate approach.

We have retired our absolute emissions reduction commitment. In its place, we have developed BEN 1.5°C, a set of Paris Climate Agreement and SBTi aligned, intensity-based 1.5°C targets to support our customers to decarbonise in our most material cohorts of financed emissions (Agriculture, Residential Mortgages and Commercial Real Estate).

The actions that we are taking and will take to support our customers to decarbonise will be detailed in sector-specific transition plans.

We acknowledge that we can't do this alone. Global commitments, the Australian Government's implementation of their Net Zero Plan, technology, innovation, community choices and market developments and sentiment will contribute to shaping Australia's transition to net zero. This will enhance our ability to achieve BEN 1.5°C.



**Bendigo Bank’s strategic approach to climate change**

**Climate Change Policy Statement**

A Board-approved, public position outlining the Bank’s position on climate change, aligned to limit warming to 1.5°C as per the Intergovernmental Panel on Climate Change (IPCC) report and COP26 UN Climate Conference.

Our Policy Statement outlines excluded sectors of coal, coal seam gas, crude oil, natural gas and native forest logging. It also details our commitment to continue to support individual and business customers and communities which may rely on those excluded sectors for their livelihood and economic sustainability.

**BEN 1.5°C**

BEN 1.5°C is the approach we will take to play our part in a 1.5°C world. It is Board-approved, aligns to the Paris Agreement and SBTi, and has intensity-based targets for our most material sectors. Over time it will be supported by the development of transition plans for those sectors.

**Climate & Nature Action Plan (CNAP)**

2024 - 2026 Board-approved action plan, driving enterprise-wide activity to manage climate-related risks and opportunities. Supported by defined executive accountability to achieve our public commitments.



**A climate integrated business**

Effective and integrated risk management and opportunity realisation throughout our business



**Climate resilient customers and communities**

Build preparedness for physical and transitional impacts in the communities we serve



**Reduced emissions and natural impact**

Real-world reductions in emissions and impacts on nature – in our business and with our customers



**Trust**

Continue to grow trust through governance, authentic engagement and transparent disclosure

Transition Plans for Agriculture, Residential Mortgages and Commercial Real Estate sectors (from 2026)

**Climate commitments to measure our performance**

No direct lending exposure to coal, coal seam gas, crude oil, natural gas, native forest logging projects<sup>1</sup>

Reduce Agriculture emissions: Develop Agri Climate Toolkit and training to support customers, Insights to include climate messaging, Customer climate conversations (FY28 onwards)

Reduce Residential Mortgages emissions: Science Based Target 2030: 7.26 kgCO<sub>2</sub>e/m<sub>2</sub> (-59% per m<sup>2</sup> by 2030)<sup>2</sup>

Reduce Commercial Real Estate emissions: Science Based Target 2030: 11.68 kgCO<sub>2</sub>e/m<sub>2</sub> (-70% per m<sup>2</sup> by 2030)<sup>2</sup>

Maintain carbon neutral<sup>3</sup> status

Maintain 100% renewable energy

Reduce Scope 1 and Scope 2 operational emissions (market based) by 92% by 2030 from 2020 baseline

1. This applies to all employees and all other parties acting for, or on behalf of Bendigo Bank that prepare credit applications and undertake credit decisioning.  
 2. 1.5°C aligned targets that was derived using a sectoral decarbonisation approach.  
 3. Bendigo Bank’s carbon neutral definition can be found in the Glossary on page 41.

**2025 Climate-related Risks and Opportunities (CRRO) findings**

By leveraging the CRRO Framework, Bendigo Bank has identified specific areas within our business model and value chain where identified CRROs are concentrated. This includes, for example, physical risk impacts to customer assets and the Bank’s ability to offer in-person services and opportunities due to weather events.

The Bank’s assessment identified the following CRROs as ones to prioritise, as they can be reasonably expected to affect the Bank’s prospects, specifically our cash flows, changes in customer asset values, and cost of capital over the short, medium and long-term:

Risks	Opportunities
<ul style="list-style-type: none"> <li>• Natural disasters and extreme weather events</li> <li>• Insurability for our customers</li> <li>• Rising sea levels and changing weather patterns</li> </ul>	<ul style="list-style-type: none"> <li>• Broaden scope of green products and services</li> <li>• Pursue operational emissions reduction</li> <li>• Support biodiversity and reduce impact on nature</li> </ul>



The North Queensland floods in January and February impacted thousands. The Community Enterprise Foundation raised money through disaster appeals to support those communities. We also supported our customers through our Natural Disaster Assistance Package.

## Effects of identified CRROs on Bendigo Bank’s business model and concentration of those risks

For each of the prioritised CRROs, we have determined potential effects on our strategy and business model.

The tables below detail the risks and opportunities the Bank is prioritising, their impact on our business model, as well as activities we can take to mitigate risks and act on opportunities.

### Climate-related risks

Risks and status based on the Bank’s view of the world	Potential impacts to the Bank	Potential impacts to the Bank’s stakeholders	Mitigation and adaption actions
<p><b>Natural disaster &amp; extreme weather events (Physical Risk):</b></p> <p>These events, exacerbated by climate change, pose significant risks to human health, infrastructure and ecosystems.</p> <ul style="list-style-type: none"> <li>• <b>Time horizon:</b> Short (1-5 years)</li> <li>• <b>Status:</b> Increasing</li> </ul>	<ul style="list-style-type: none"> <li>• Temporarily or permanently impacted branches.</li> <li>• Temporarily or permanently impacted customers.</li> <li>• Increased operational costs.</li> <li>• Reduced income stability.</li> <li>• Increased customer default risks.</li> </ul>	<p><b>Customers:</b> Reduced ability to repay loans or access financial services.</p> <p><b>Investors:</b> Heightened financial risk and volatility impacts the Bank’s profitability and investor confidence.</p> <p><b>Regulators:</b> Increased scrutiny on the Bank’s risk management.</p>	<p>As part of sector specific transition plans:</p> <ul style="list-style-type: none"> <li>• Explore data partnerships with external climate data which provides physical risk hazards and approaches to integrate with Bendigo Bank systems.</li> <li>• Develop a climate toolkit.</li> </ul>
<p><b>Insurability for our customers (Physical Risk):</b></p> <p>Rising costs and potential unavailability of insurance for properties in climate-vulnerable areas can leave banks with a higher risk of loss-given-default if borrowers cannot maintain insurance coverage.</p> <ul style="list-style-type: none"> <li>• <b>Time horizon:</b> Short (1-5 years)</li> <li>• <b>Status:</b> Increasing</li> </ul>	<ul style="list-style-type: none"> <li>• Changes in market demand.</li> <li>• Evolving insurance products and services.</li> <li>• Upskilling staff to changing conditions.</li> <li>• Increased demand for insurance products and competition in the market.</li> <li>• Increased customer default risks.</li> </ul>	<p><b>Customers:</b> Increased risk of default, increased costs related to asset not appropriately insured.</p> <p><b>Investors:</b> Increased portfolio risk, impacting returns and asset valuation.</p> <p><b>Regulators:</b> Increased scrutiny over the Bank’s risk management frameworks to ensure banking system stability.</p>	<p>Continue to embed the requirement to discuss insurance options with each consumer retail lending conversation, where appropriate.</p> <p>As part of sector specific transition plans:</p> <ul style="list-style-type: none"> <li>• Develop a climate toolkit.</li> <li>• Develop climate integrated products and services.</li> <li>• Engage customers through delivering climate and carbon insights.</li> </ul>
<p><b>Rising sea levels and changing weather patterns (Physical Risk):</b></p> <p>Rising sea levels, a direct consequence of climate change, pose significant risks, including coastal erosion, flooding, and ecosystem damage.</p> <ul style="list-style-type: none"> <li>• <b>Time horizon:</b> Long (10+ years)</li> <li>• <b>Status:</b> / Increasing</li> </ul>	<ul style="list-style-type: none"> <li>• Temporarily or permanently impacted branches.</li> <li>• Temporarily or permanently impacted customers.</li> <li>• Increased operational costs.</li> <li>• Reduced income stability.</li> <li>• Increased customer default risks.</li> </ul>	<p><b>Customers:</b> Reduced ability to repay loans or access financial services.</p> <p><b>Investors:</b> Heightened financial risk and volatility impacting returns and investor confidence.</p> <p><b>Regulators:</b> Increased scrutiny on the Bank’s risk management measures.</p>	<p>As part of sector specific transition plans, explore data partnerships with external climate data which provides physical risk hazards and approaches to integrate with Bendigo Bank systems.</p>

## Climate-related opportunities

Opportunities based on the Bank's view of the world	Potential benefits to the Bank	Potential benefits to the Bank's stakeholders	Actions we are taking to progress the opportunities
<p><b>Broaden scope of green products and services</b></p> <ul style="list-style-type: none"> <li>Green products.</li> <li>Pricing incentives.</li> <li>Industry partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>Increase revenue by supporting customers' climate mitigation and adaptation needs.</li> <li>Diversify business activities.</li> <li>Attract a different market of customers.</li> <li>Maintain high levels of trust and customer satisfaction.</li> <li>Strengthen the Bank's reputation.</li> </ul>	<p><b>Customer:</b> More options available to accommodate for shifting preferences, resulting in more customers for the Bank.</p> <p><b>Investors:</b> Strengthened view of the Bank's competitive position in the market.</p> <p><b>Regulators:</b> Satisfied that any new green products and services aligns with RG280 and ASRS, mitigating potential penalties and reputational risk.</p>	<p>Integrate activity into sector specific transition plans.</p> <ul style="list-style-type: none"> <li>Develop climate integrated products and services.</li> <li>Engage customers through delivering climate and carbon insights.</li> <li>Explore industry partnership opportunities.</li> </ul>
<p><b>Pursue operational emissions reduction</b></p> <ul style="list-style-type: none"> <li>Expand renewable energy take up and higher rated energy efficient office buildings.</li> <li>Explore internal carbon price.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce operating costs;</li> <li>Increase value of fixed assets.</li> <li>Improve employee experience – health and safety, employee satisfaction, staff discounts or incentives.</li> <li>Strengthen the Bank's reputation.</li> </ul>	<p><b>Customers:</b> Maintenance of high levels of trust.</p> <p><b>Investors:</b> Confidence that the Bank is demonstrating continued progress in emissions reduction, attracting socially responsible investment.</p> <p><b>Regulators:</b> Satisfied the Bank demonstrates alignment to RG280 and ASRS, mitigating potential penalties and reputational risk.</p>	<p>Integrate into operations emissions transition plans.</p> <ul style="list-style-type: none"> <li>Maintain 100% renewable energy.</li> <li>Maintain carbon neutral<sup>1</sup> status.</li> <li>Explore internal carbon price.</li> </ul>
<p><b>Support biodiversity and reduce impact on nature</b></p> <ul style="list-style-type: none"> <li>Leverage the 2024 Locate, Evaluate, Assess, Prepare (LEAP) nature risk assessment will inform development of our enterprise-wide nature risk strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Identification and reduction of nature risks across the Group.</li> <li>Strengthen the Bank's reputation.</li> <li>Creates long term value through sustainable practices.</li> </ul>	<p><b>Customers:</b> Confidence in the Bank's demonstration of environmental stewardship, fostering stronger connections with eco-conscious customers.</p> <p><b>Investors:</b> The Bank showcases long term risk management and sustainability, increasing appeal to ESG focused investors.</p> <p><b>Regulators:</b> Belief that the Bank is proactively reducing our environmental impact, aligning with evolving regulations.</p>	<p>Continue as part of CNAP.</p> <ul style="list-style-type: none"> <li>Develop and implement a Nature Risk Strategy.</li> <li>Review and revise credit policies and processes to ensure adequate consideration of nature related risks for operational decision making.</li> <li>Conduct annual document review of key nature risks facing our business and customers, in line with the requirements of each Line of Defence.</li> </ul>

1. Bendigo Bank's carbon neutral definition can be found in the Glossary on page 41.



## Climate-related risk and opportunity integration into business strategy

Climate risks and opportunities are addressed across the bank and are increasingly important considerations for our customer-facing divisions: Business & Agribusiness (B&A) Banking and Consumer Banking.

While the Bank's CNAP ensures enterprise-wide management of those risks and opportunities, our B&A Banking and Consumer Banking divisions are positioned to realise opportunities, navigate risk and support our customers in the transition to a 1.5°C future.

It is anticipated that the continued execution of the Bank's simplification and digital transformation initiatives will also provide further climate-related opportunities, including more accurate and comprehensive data, targeted customer engagement and product innovation opportunities.

The Bank delivered a number of strategic climate initiatives across 2025 including:

- Leveraged financed emissions calculations to identify most material cohorts of financed emissions across our customer base (Agriculture, Residential Mortgages and Commercial Real Estate) with work commenced to develop transition plans to support those customer segments to decarbonise.

- Continued the pilot of Ruminati's on-farm emissions calculation software to help Agribusiness customers calculate and reduce emissions to increase value and productivity and better understand and manage climate risk.
- Continued delivery of Agribusiness Insights which included monthly climate and carbon reports as well as delivering climate- and carbon-related episodes through Bendigo Bank podcasts.
- Supported our Agribusiness customers as well as many other farmers impacted by drought through delivering the Victorian Government's Farm Drought Support Grants program.
- Continued to offer our Natural Disaster Assistance Package to customers impacted by a major natural disaster.
- Where appropriate our people discussed insurance options with our customers.

We will continue to identify opportunities to embed prioritised climate-related risks and opportunities into the Group Risk Management Framework (GRMF) and associated risk management tools, divisional business plans and transition planning, alongside uplifting the capability of our people.

## Building resilience through scenario analysis

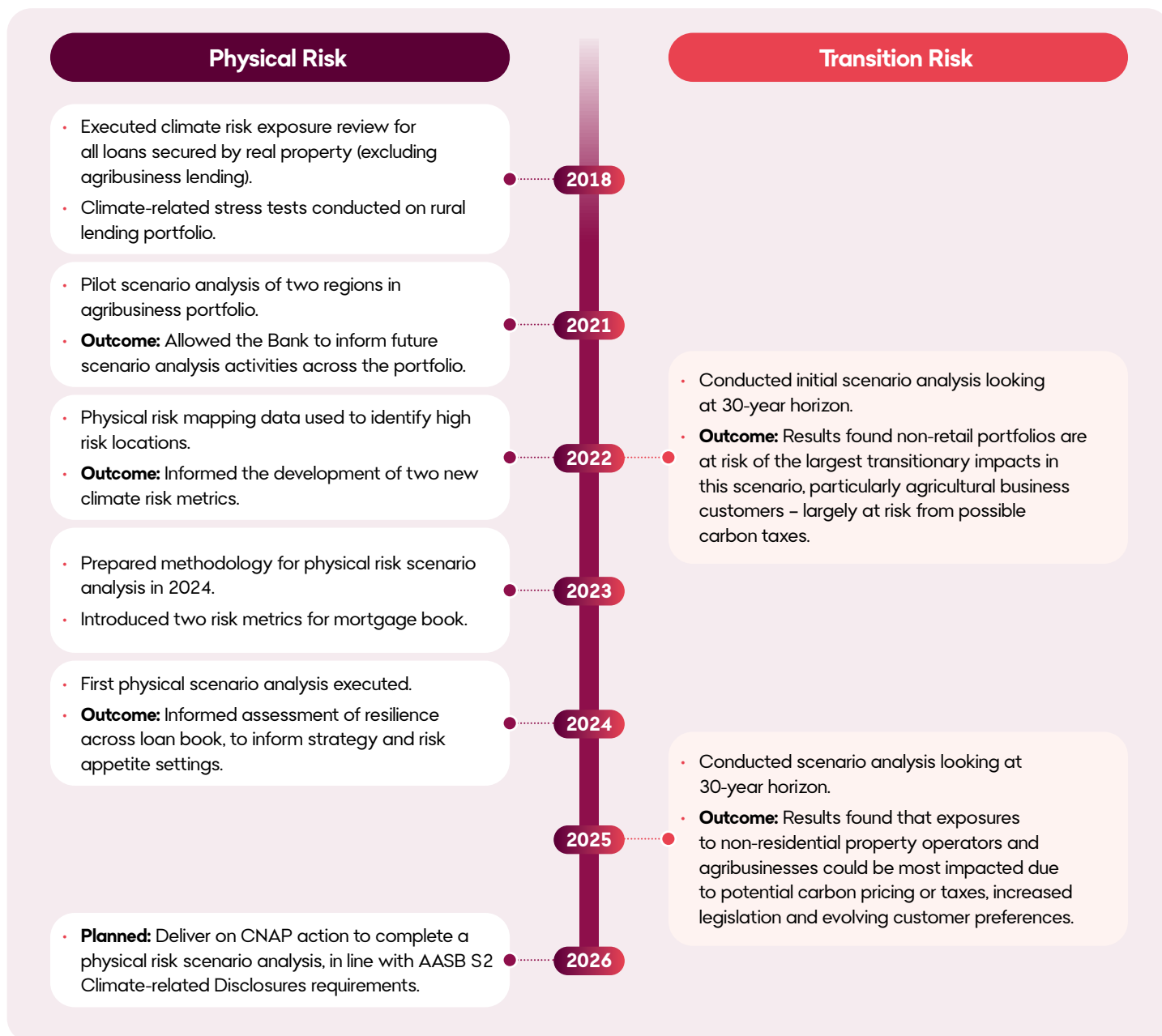
Climate scenario analysis is a tool that financial institutions use to plan for the future. Bendigo Bank continues to mature our approach to climate scenario analysis to inform how we integrate and manage climate risk across the Bank. This process is designed to ensure transparency, stakeholder engagement and ongoing improvement.

Bendigo Bank uses climate scenarios associated with global temperature increases to identify emerging risks to inform the Bank's risk management activities, policies and frameworks. We consider scenarios to understand the possible short, medium, and longer-term impacts to the organisational strategy, organisational risk profiles, major projects and operational assets.



Bendigo Bank Agribusiness stall at the Rotary Far North Field Days in Mareeba Queensland in May.

## Bendigo Bank’s approach to scenario analysis



Based on our internal transition risk scenario analysis (2025) and physical risk scenario analysis (2024), we remain resilient to climate-related risk in the short and medium-term.

The current portfolio exhibits a non-significant level of exposure to transition risk (assessed in 2025), with non-significant exposure to high-risk regions or industries. Estimated risks from physical impacts remain low (assessed in 2024), with no evidence that the current portfolio has material climate risk present that would require the Bank to hold more capital than it currently does.

The outcomes of the Bank’s 2025 Transition Risk Scenario Analysis are available in the Risk section of this disclosure.

Bendigo Bank remains aware to the ever-changing climate landscape and will remain alert to changes in the external and internal environments.

# Risk

## Risk management

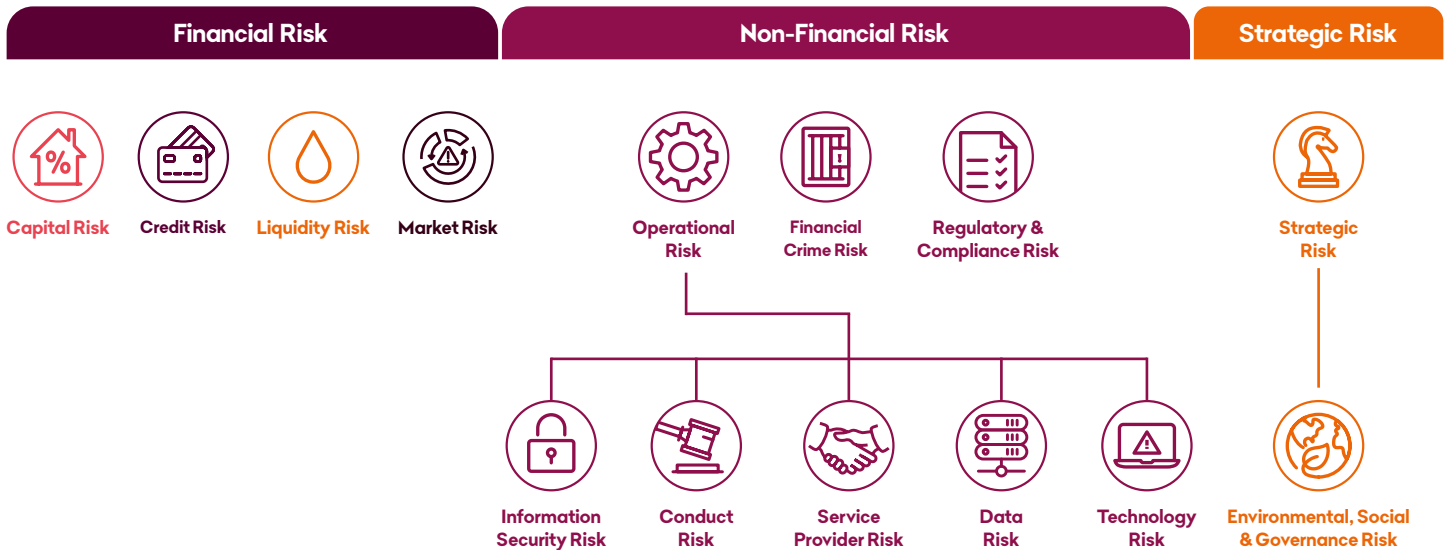
Risk management enables us to both protect and create value which is crucial to achieving our strategic objectives.

Our identification and management of all risks is performed in accordance with our GRMF. The GRMF is focused on risk governance, risk strategy and risk processes with controls to address the potential threats to our business model and strategy. It is embedded throughout decision-making processes across Bendigo Bank and captured within our policies, operating procedures and delegated authorities, with ongoing review by Management and Board Committees.

More detail is provided in the *Operating and Financial Review* section of the Bank's [Annual Report](#).

### ESG & climate risk

ESG Risk has been classified as a strategic material risk for the Bank and climate change risk is classified within ESG risk as a material topic.



Climate-related risks are drivers of other existing financial and non-financial risks and are outlined in the *Climate-related risks* section within *Strategy* in this disclosure.

## Risk governance

We monitor and review our control environment to reduce deficiencies, address weaknesses, and identify new risks on a quarterly basis. The process to identify, assess, manage and review climate-related risks is integrated into our enterprise-wide risk management approach, starting with our Group Risk Management Strategy (**GRMS**).

We prioritise the climate-related risks and opportunities identified in the *Strategy* section of this disclosure.

The Board has ultimate oversight of the GRMS, the GRMF and risk appetite. A clear and embedded Three Lines of Defence model underpins our Risk Management Strategy. Climate-related risk is managed through the three lines of defence model in accordance with the Risk Management Strategy. An outline of the three-line defence model is included in the [Annual Report](#).

## Risk processes

### Emerging risk assessment

Our annual emerging risk assessment involves the Board, the Executive and Senior Leaders who consider impact, probability and velocity of emerging risks to assess which emerging risks have or may present the most significant risks to the organisation in the future.

Outputs from this process are presented to Divisional Risk Committees, Management Committees, Executives and Board Committees and informs risk appetite settings, strategic planning processes and enterprise investment prioritisation. Divisional Risk Committees will then consider emerging risk from their perspective so that a clear bottom-up and top-down view can be combined for further prioritisation in divisional and strategic planning.

### Climate-related risks

The Bank is predominantly exposed to climate change risk through our lending activities, and we also have exposures through our supply chains and assets such as branches and offices.

Climate-related risks have had, and are likely to have, adverse effects on the Bank, our customers, external suppliers, and the communities in which we operate. There are significant uncertainties inherent in accurately identifying and modelling climate-related risks and opportunities over short, medium and long term time horizons and in assessing their impact. These risks may manifest as physical risks, both acute and chronic in nature, transition risks, and risks related to legal liability and regulatory action.

Physical risks include increases and variability in temperatures, changes in precipitation patterns, rising sea levels, loss of natural capital, and increased frequency and severity of adverse climatic events, including fires, storms, floods and droughts.

These may impact the Group and our customers through, for example, disruptions to business and economic activity, inability to access insurance and/or impacts on income and asset values. Adverse impacts on the Bank's customers may also in turn increase human rights risk, increase the number of people in vulnerable circumstances, and negatively impact loan serviceability and security values, as well as Bendigo Bank's profitability.

Transition risks may arise from initiatives and trends associated with climate change mitigation and the transition to a low-carbon economy, changes in investor appetite, shifting customer preferences, technological developments, changes in supervisory expectations of banks, and other regulatory and policy changes. Transition risks could directly impact the Bank by, for example, giving rise to higher compliance and/or funding costs, the contraction of revenue from sectors materially exposed to transition risk, and potential legal or regulatory risk. Transition risks may place additional pressure on certain customer sectors, including pressure to reduce GHG emissions, that could result in loss of revenue and result in increased credit risk. Conversely, we may not be able to reduce our lending to higher risk sectors or regions, as a result of possible stakeholder requirements to continue to lend to certain customer sectors.

### Policy settings to support climate risk management

Our Climate Change Policy Statement and Climate and Environmental Credit Risk Assessment – Credit Policy guide our approach to managing climate risk.

The Climate Change Policy Statement is our Board-approved statement that outlines our commitment to limit warming as per the Paris Climate Agreement.

The Climate Change Policy Statement is implemented internally through our Climate and Environmental Credit Risk Assessment – Credit Policy. This policy sets out that the Bank does not and will not provide finance<sup>1</sup> directly to projects or large-scale<sup>2</sup> electricity generation in the following sectors: coal, coal seam gas, crude oil, natural gas, and native forest logging.

This year we executed our annual internal review of lending which indicated there were no customer groups with direct project finance exposure to fossil fuel-related or native forest logging sectors at December 2024. We have remained in line with the Bank's Climate Change Policy Statement.

While we do not provide finance directly to projects in the above sectors, we recognise that there are individual and business customers and their communities which rely on such projects for their livelihood and economic sustainability. Our policy settings ensure that we will continue to provide finance and other services to those individuals and businesses on a commercial basis.

We recognise that we can play an important role in supporting communities to transition to a 1.5°C world and we pursue opportunities to finance projects that support this transition. This year, we continued to support our customers to acquire sustainable assets or solutions to improve the efficiency of their use of natural resources and/or to reduce carbon emissions.

1. We provide financial services and therefore while this reference is to "finance" we do not provide advisory services to these sectors.

2. For example, we do not provide finance directly to grid connected fossil fuel electricity generation however, we may provide equipment finance to support a customer's backup diesel generator.



### Metrics to support climate risk management

Since 2023 we have monitored the following risk metrics to improve risk management and decision-making:

- **High Risk Areas:** Exposure at Default (**EAD**) in geographical locations, categorised by percentages of high-risk properties. This addition has helped us assess whether we have concentrations of mortgage exposures in high physical risk areas.
- **Fast-changing High Risk Areas:** Calculated by applying EAD and the 12-month growth rate of residential mortgage portfolios in geographical locations where we have material exposures that are also expected to see material increases in physical climate risks between now and 2100. This metric provides insights into areas which are expected to see exponential increases in insurance premiums over the next few decades (subject to government intervention).

One example of improving risk management and decision-making is seen through the continued embedding of the requirement to discuss insurance with each consumer lending conversation, where appropriate.

### CRRO Framework

This year, to identify the CRROs we need to prioritise, we developed a CRRO Framework. This Framework will be continually leveraged to identify, assess, prioritise and effectively manage the effects of climate risks and opportunities on the Bank's business model and value chain.

The Framework was designed to deliver the following outcomes:

- **Financial:** Inform strategic business decisions.
- **Customers:** Support our customers to manage the risks and opportunities in the transition to a 1.5°C world.
- **Investors:** Provide our investors with context and comparability on climate-related risks and opportunities.
- **Regulators:** Meet regulatory expectations of the Australian Sustainability Reporting Standards and the Australian Securities and Investments Commission (**ASIC**) Regulatory Guide for Sustainability Reporting (**RG280**).

The process for identifying, prioritising, assessing and monitoring climate-related risks and opportunities is as follows:



#### Identify

To identify the CRROs, we review the following internal and external inputs:

Internal inputs	External inputs
<ul style="list-style-type: none"> <li>• Value chain modelling.</li> <li>• Emerging Risks Assessment.</li> <li>• Annual Materiality Assessment.</li> <li>• Scenario analysis findings.</li> <li>• Financed emissions calculations.</li> <li>• Transition plans.</li> <li>• Investor assessment responses.</li> <li>• Bendigo Bank Climate Report (2024).</li> </ul>	<ul style="list-style-type: none"> <li>• World Economic Forum Global Risks Report.</li> <li>• Insurance Australia Group Limited (<b>IAG</b>)'s Severe Weather in a Changing Climate Report (2020).</li> <li>• Investor guidance and climate-related queries.</li> <li>• Peer reviews.</li> <li>• TCFD defined examples of climate-related risks and opportunities.</li> <li>• ASIC RG280.</li> </ul>

#### Assess

Once these inputs have been assessed, a long list of CRROs is developed. For each item in the long list, we consider how those risks and opportunities may impact the Bank, any associated financial and non-financial risks as well as the stakeholders likely to be impacted. This forms the basis of our CRROs Register.

**Prioritise**

**Risks:** The Bank prioritises climate-related risks based on the risk tolerance set by the Board. The risks and opportunities identified on the CRROs Register and the process undertaken to reach them is then tested with internal stakeholders who sit on the CNAP Delivery Group and are accountable for delivering actions within the CNAP. The long list of CRROs is then heat-mapped by identifying:

- Severity of the risk or opportunity, as per the Bank’s Operational Risk Management Policy.
- Likelihood of the risk or opportunity occurring.
- Expected time horizon impact (using Australian Prudential Regulation Authority or APRA’s time horizons for short, medium and long-term time horizons).

**Opportunities:** Climate-related opportunities are prioritised based on their potential impact, feasibility and alignment with the Bank’s strategic goals, such as enterprise-wide strategies, divisional strategies (B&A Banking and Consumer Banking) and the CNAP. We will look to leverage opportunities for our financed emissions cohorts (Agriculture, Residential Mortgages and Commercial Real Estate).

**Embed, monitor and disclose**

From 2026, the Bank’s CRROs Register will be reviewed on a quarterly basis and updates tested with the Bank’s CNAP Delivery Group. Key updates will be shared with the Executive and Board committees through six-monthly CNAP updates and progress will be disclosed annually.

We will continue to refine and evolve our approach to meet changing operational needs. Iterative updates will ensure its continued effectiveness and alignment with industry best practice.

**Scenario analysis**

**Climate scenario analysis overview**

This year, we continued to mature our climate scenario analysis capabilities to inform enterprise-wide climate risk management.

This process is underpinned by a set of policies designed to support transparency, stakeholder engagement and ongoing improvement. We use climate scenarios associated with global temperature increases to identify emerging risks to inform the GRMF. We consider scenarios to understand the possible short, medium, and longer-term impacts to the organisational strategy, major projects and operational assets.

Through the implementation and use of scenario analysis, a consistent set of assumptions informs the risk assessment and management process.

**Physical Risk Scenario Analysis (2024)**






**Overview**

In 2024, we executed our first physical climate scenario analysis. The scenario used an in-house five-year scenario, conceptually based on the Network for Greening the Financial System (NGFS) short-term ‘Low policy ambition and disaster’ scenario. The analysis was exploratory and narrative-based, informed by APRA CPG 229 Climate Change Financial Risks.

**Methodology**

The scenario analysis modelled approximately 65% of the Bank’s lending balance sheet and was designed to:

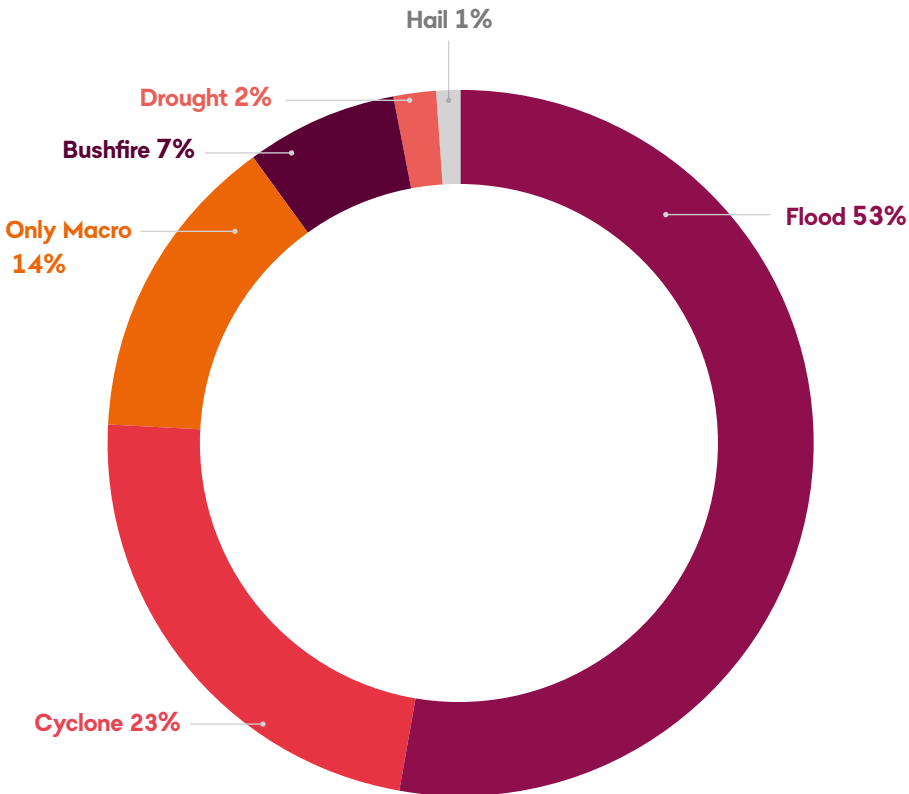
- Test the potential credit risk impact of selected physical risks on the residential, business, retail SME and agricultural portfolios.
- Identify risk considerations in business writing strategies, credit risk management policies and credit underwriting standards.
- Identify systems, data and resourcing requirements for future exercises as well as any limitations.

Event	Impact areas
 <b>Year 1: Cyclone</b>	<ul style="list-style-type: none"> <li>• Regions throughout Queensland</li> </ul>
 <b>Year 2: Flood</b>	<ul style="list-style-type: none"> <li>• Regions in New South Wales</li> <li>• Regions in Queensland</li> <li>• Regions in Victoria</li> </ul>
 <b>Year 3: Bushfire</b>	<ul style="list-style-type: none"> <li>• Regions in Victoria</li> <li>• Regions in South Australia</li> </ul>
 <b>Year 4: No events</b>	<ul style="list-style-type: none"> <li>• Government commences investment spending</li> </ul>
 <b>Year 5: Flood</b>	<ul style="list-style-type: none"> <li>• Regions in New South Wales (same as Year 2)</li> <li>• Regions in Queensland (same as Year 2)</li> <li>• Regions in Victoria (same as Year 2)</li> <li>• Hailstorm: Regions in West Australia</li> </ul>

**Results**

The bad debt charges under the scenario increased materially compared to normal observations. However, we remain resilient, experiencing minimal impact on our available capital resources under the scenario tested.

Most of the modelled financial impacts over the five-year period were attributed to direct climate impacts (86% of bad debt charges). In comparison, indirect macro impacts accounted for 14% of bad debt charges. Financial impacts per peril, including macro, over the five-year scenario are illustrated below:



**Risk management outcome**

The analysis indicates that there is limited material climate risk present that would require us to hold more capital than is currently held. It also:

- Enables the business to improve overall climate risk management and integrate it into strategy.
- Informs engagement with external partners (e.g. general and mortgage insurers) and industry forums to contribute towards an industry response.
- Will help to evolve the integration of climate risk into the Internal Capital Adequacy Assessment Process (ICAAP).

## Transition Risk Scenario Analysis (2025)

### Overview

This year, in line with the Bank's CNAP action, a transition risk scenario analysis was conducted. The purpose of the scenario analysis was to:

- Assess the potential credit impact of transition risk on prioritised portfolios.
- Strengthen the Bank's understanding of climate risks and identify any limitations in our approach and assumptions.
- Identify systems, data and resourcing requirements for future exercises.

Climate risk scenario analysis for the banking industry is still evolving, and its reliance on simplifying assumptions introduces greater uncertainty than traditional stress tests. While sensitivity analysis and multiple scenarios help address some limitations, significant uncertainty remains. Outcomes need to be interpreted carefully.

### Methodology

#### Scenarios

- Scenarios applied: Network for Greening the Financial System (NGFS);
- NGFS Delayed Transition (Disorderly)
  - Assumptions: Global annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. Negative emissions are limited.
  - Policy ambition: 1.7°C.
  - Climate risk: High transition risks, low physical risks.
- NGFS Net Zero 2050 (Orderly)
  - Assumptions: Limits global warming to 1.5°C through stringent climate policies and innovation, reaching net zero CO<sub>2</sub> emissions at around 2050. More aggressive carbon price assumptions in comparison to the Delayed Transition scenario.
  - Policy ambition: 1.4°C.
  - Climate risk: Low transition risks, low physical risks.
- NGFS Fragmented World (Too-little-too-late)
  - Assumptions: Delayed and divergent climate policy ambition globally. Less aggressive carbon price assumptions in comparison to Delayed Transition scenario.

- Policy ambition: 2.4°C.
- Climate risk: High transition risks, high physical risks.

### Scope

- Portfolios
  - Non-retail (including agribusiness exposures).
  - Residential mortgages.
  - Other retail (including retail small-to-medium enterprises).
- Portfolio coverage by size: \$71.5bn.

### Approach

- The Bank's top-down approach involved the following steps:
  - Identify impacted industries and employment types associated with impacted industries.
  - Categorise sectors (low, medium, high) based on carbon emissions.
  - Determine default stresses based on risk categories and decline in security value.
  - Apply stresses to probability of default and security value declines.
  - Assess impact on ratings profile and security values at five-year intervals.
  - Analyse outputs.
- Additional considerations:
  - Default rate stresses were estimated at industry level and applied at customer level.
  - Default rate stress factors over the scenario were based on forecast carbon pricing during the scenario and sensitivity of the industry to climate risk, which is estimated by the industry's emissions level.
  - Geographic distribution of customers was not considered in the scenario analysis.
  - No mitigation measures by either the Bank or customers were modelled in the scenario analysis.
  - Transferability of labour employed within impacted industries reduces the impact for residential mortgage customers.
  - Application of security value declines broadly in line with the identified default rates stresses.
  - Only transition risks were considered for this exercise.

### Timeframe

The scenario analysis was conducted between November 2024 and June 2025.

The starting period of the scenario was June 2024 and the scenario horizon is 30 years with impacts assessed at five-year intervals.

### Results

- The Bank remains resilient, experiencing impacts to its financial position based on credit loss outcomes ranging from minor to moderate based on the scenarios and assumptions applied.
- Bad debt charges are anticipated to increase over the scenario horizon because of anticipated requirements for organisations to reduce and/or offset emissions. Non-retail customers are more materially impacted than retail customers from the stresses applied.
- Over the thirty-year timeframe, it was found that non-residential property operators and agribusinesses could be most exposed due to potential carbon pricing or taxes, legislation and evolving customer preferences.
- In the medium to long-term, the Bank's focus on its prioritised sectors of Agribusiness, Residential Mortgages and Commercial Real Estate will identify opportunities to support customers in the climate transition.

### Risk management outcome

The findings of the scenario analysis will be leveraged to:

- Validate the Bank's approach to supporting our Agribusiness, Residential Mortgages and Commercial Real Estate sectors to decarbonise through our BEN 1.5°C approach.
- Inform the Bank's approach to integrating climate risk data and scenario analysis findings into decision-making and customer support opportunities.
- Build climate-risk capability within the Bank.
- Identify data collection uplift that will support future stress tests and climate risk management.
- Inform engagement with external partners and industry forums to contribute to industry responses to climate change.
- Continue to evolve the integration of climate change risk into the Internal Capital Adequacy Assessment Process (ICAAP).



# Metrics & Targets

## Overview

### Target setting process and review approach

Bendigo Bank’s climate targets are Board-approved. 2025 performance against the targets has been validated by Ernst & Young (EY) through its limited assurance process.

### Climate commitment performance

The Bank monitors its process against the targets on a quarterly basis. This table outlines an overview of Bendigo Bank’s progress against our public climate commitments in 2025. All values are market-based unless noted otherwise. All baselines are 2020 values unless noted otherwise. All values expressed prior to the application of carbon offsets.

Scope	Commitment	2025 Performance	2025 Target	2030 Target	Status
Scope 1 & 2	Reduce Scope 1 and Scope 2 operational emissions by 90% by 2025 and 92% by 2030	92.9%	90% reduction	92% reduction	Achieved
Scope 2	Purchase 100% renewable energy by 2025	100%	100%	Maintain	Achieved
Scope 3 Operational	90% statements to be delivered electronically by 2025	88.9%	90%	-	Not achieved
Scope 1, 2 & 3 Operational	Maintain carbon neutral <sup>1</sup> status	Maintained	Maintain	Maintain	Achieved
Scope 3 Financed Emissions	No direct lending exposure to coal, coal seam gas, crude oil, natural gas, native forest logging projects	Maintained	Maintain	Maintain	Achieved

Scope	Commitment	2024 Performance	2025 Target	2030 Target	Status
Scope 3 Financed Emissions	Reduce Agriculture emissions: Develop Agri Climate Toolkit (FY26) and training to support customers (FY27 & FY28), Insights to include climate messaging (FY26, FY27 & FY28), Customer climate conversations (FY28 onwards)	In progress	-	<ul style="list-style-type: none"> <li>Agri Climate Toolkit developed</li> <li>Over 50% Agri insights to include climate messaging</li> <li>75% Agri Bankers receive climate training</li> <li>50% of all Agri Bankers have discussed emissions reduction with 3 largest emitting customers</li> </ul>	To commence in 2026
Scope 3 Financed Emissions	Reduce Residential Mortgages emissions to meet 2030 Science Based Target	13.9 kgCO <sub>2</sub> e/m <sub>2</sub> (-22% from baseline)	-	7.26 kgCO <sub>2</sub> e/m <sub>2</sub> (-59% per m <sup>2</sup> by 2030) <sup>2</sup>	In progress
Scope 3 Financed Emissions	Reduce Commercial Real Estate emissions to meet 2030 Science Based Target	23.1 kgCO <sub>2</sub> e/m <sub>2</sub> (-40% from baseline)	-	11.68 kgCO <sub>2</sub> e/m <sub>2</sub> (-70% per m <sup>2</sup> by 2030) <sup>2</sup>	In progress

1. Bendigo Bank’s carbon neutral definition can be found in the Glossary on page 41.  
 2. 1.5°C aligned targets.

## Greenhouse gases: 2025 Results

In 2025, the Bank's total gross operational emissions was 34,225 tCO<sub>2</sub>e. Scope 1 and Scope 2 emissions accounted for 3% of this total representing a 92.9% reduction from the scope 1 and 2 emissions baseline. Our 2024 Scope 3 financed emissions formed the majority of the Bank's reported emissions at 2,653,382 tCO<sub>2</sub>e (99% of total gross emissions).

Scope 1, 2 and 3 emissions are calculated and reported in line with the methodology disclosed on pages 31 – 37.

### Boundaries

We take an 'operational control' approach to define boundaries for all emissions calculations in line with our General Purpose Financial Reporting and National Greenhouse and Energy Reporting Scheme (NGERs) guidance. The emissions from our Community Banks are reported as part of our Scope 3 Franchise Emissions (Category 14) inventory as we do not have the authority to govern decision-making within Community Banks. They are separate companies that operate under a franchise agreement with Bendigo Bank.

### Year-on-year emissions performance (tCO<sub>2</sub>e)<sup>1</sup>

Scope	2020 Baseline	2021 Performance	2022 Performance	2023 Performance	2024 Performance	2025 Performance
<b>Bendigo Bank</b>						
Scope 1	2,483	1,466	1,363	1,390	1,262	960
Scope 2 <sup>1</sup>	11,036	7,251	5,128	5,012	699	0
Scope 3 Operational	24,737	18,705	16,067	27,861	29,163	33,265
Scope 3 Financed Emissions Total <sup>2</sup>	2,875,690	2,883,109	2,595,928	2,399,460	2,653,382	—
Scope 3 Financed Emissions Business Loans	2,274,415	2,247,161	1,977,011	1,904,243	2,144,362	—
– Scope 3 Financed Emissions Agriculture	1,890,092	1,957,739	1,731,392	1,646,052	1,909,189	—
Scope 3 Financed Emissions Residential Mortgages	521,053	570,623	563,206	451,168	473,151	—
Scope 3 Financed Emissions Commercial Real Estate	60,174	59,115	49,194	40,124	35,864	—
Scope 3 Financed Emissions Corporate Bonds	270	108	12	6	5	—
<b>Community Bank operations – included in Bendigo Bank Scope 3 Operational</b>						
Scope 1	–	–	–	–	683	1,034
Scope 2	–	–	–	–	3,175	3,435
Renewable Electricity (%)	–	–	–	–	21%	20%

1. All values are market-based unless noted otherwise. All baselines are 2020 values unless noted otherwise. All values are expressed prior to the application of carbon offsets.

2. We have removed our motor vehicle loans from our financed emissions calculations and will continue to monitor their materiality.

### Operational emissions performance

#### Scope 1 performance

Scope 1 emissions refer to direct emissions from owned or controlled sources. In 2025, the Bank's Scope 1 emissions continued to reduce with an 24% decrease year-on-year.

Future Scope 1 emissions reductions are expected from the continued transition to an electric vehicle (EV) fleet. This year we supported the transition to EVs by:

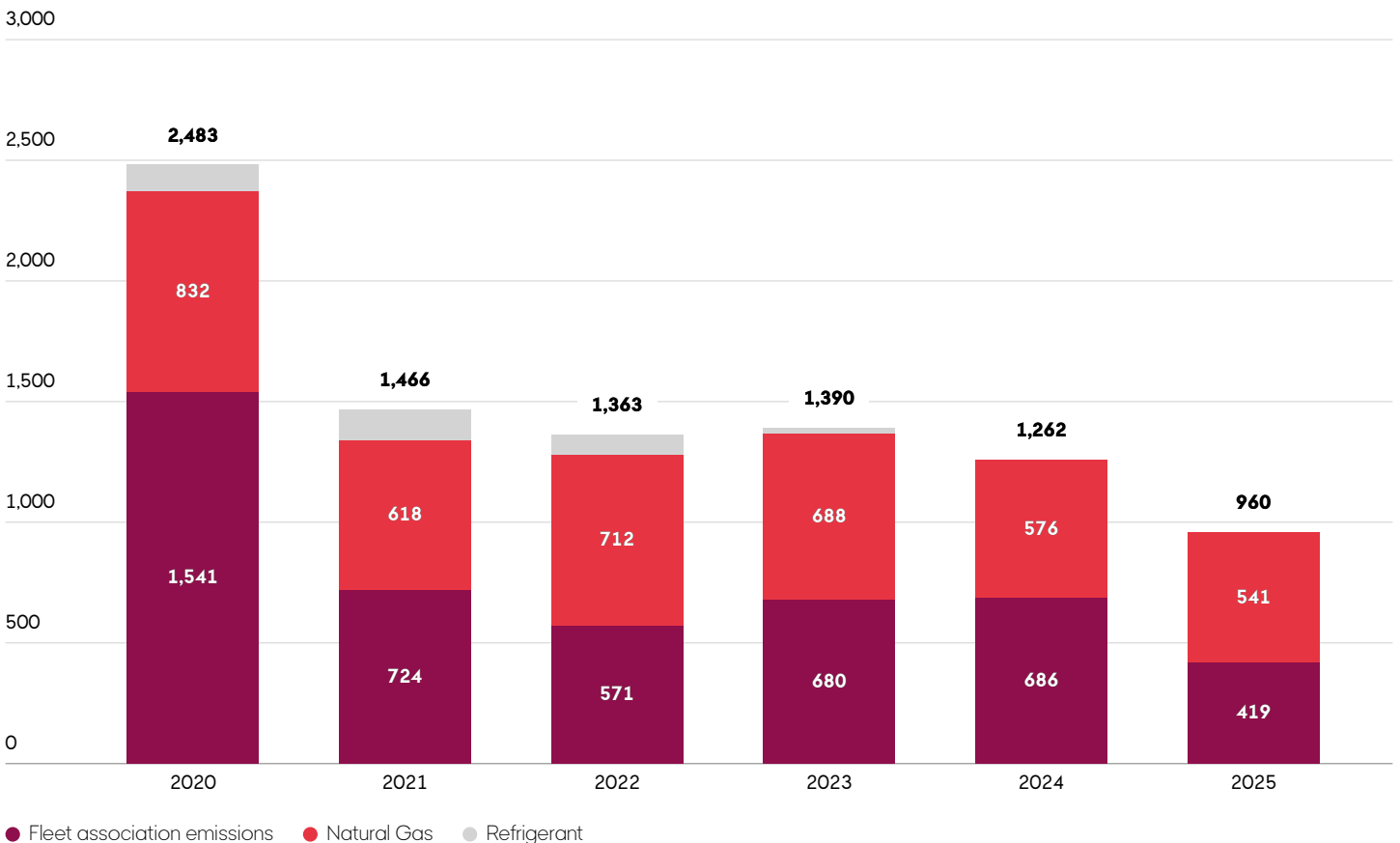
- Providing access to better, longer-range EV options.
- Retrofitting EV chargers at our offices. The first EV charger installation occurred at our new Melbourne office in June 2025, closely followed by installations in our Bendigo and Ipswich offices and future EV charger provisioning in our Adelaide office.
- Evolving the Motor Vehicle Policy to practical guidance outlining expectations and supporting our business in fleet management.
- Monitoring and enforcing the Bank's Motor Vehicle Policy.

To support our Agribusiness customers, we are required to travel on unsealed roads requiring 4WD capability. There are no suitable EV alternatives in Australia at this stage and we will continue to identify opportunities with our 'unsealed' fleet as they arise in 2026.

Further actions taken to achieve Scope 1 reductions this year included:

- Relocated to our new Melbourne office to a building which does not rely on natural gas heating and incorporates energy-efficient systems, smart building technology, and sustainable design elements. Leading sustainability targets have been set at 555 Collins Street which has achieved a 6-star Green Star Design and As-Built, a Platinum WELL Shell and Core, Platinum WIRED Score for Development and Platinum Smart Building Score certification.
- Continuing to formalise building requirements to ensure climate commitments are embedded in new building and lease renewal discussions.
- Planned upgrades to the Adelaide office to support the transition to renewable energy, which will commence with new lease arrangements effective from November 2025.

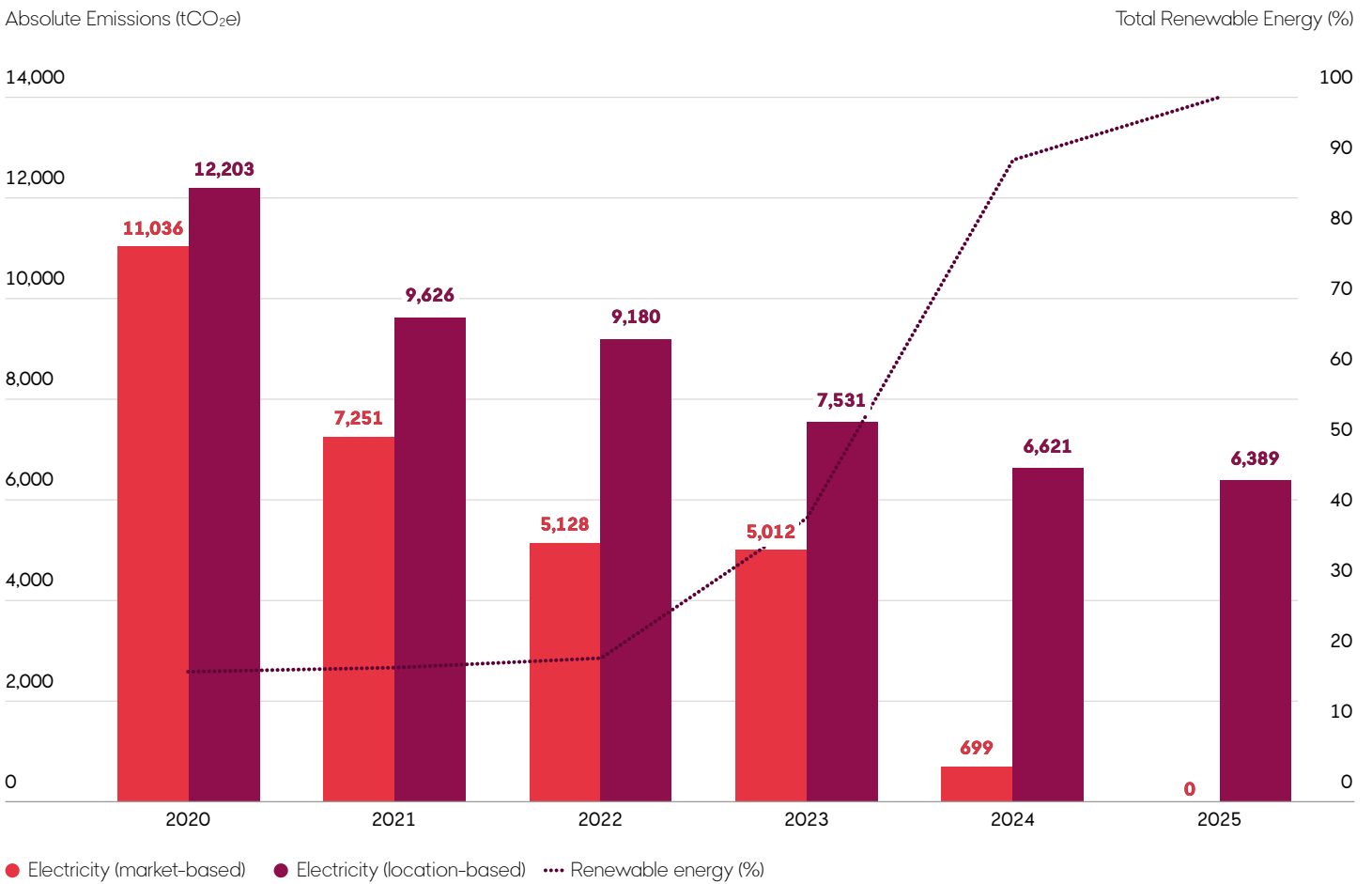
Emissions (tCO<sub>2</sub>e)



**Scope 2 performance**

Total renewable electricity consumption increased from 91% in 2024 to 100% in 2025 as a consequence of our GreenPower contract for most major offices commencing on 1 July 2023. In addition, the Bank has purchased 1,483 large-scale generation contracts (LGCs) to account for sites where GreenPower is unable to be sourced. This action has brought Bendigo Bank’s Scope 2 market-based emissions to zero in 2025.

The remaining portion of non-renewable electricity is at landlord-controlled sites where we do not have direct control over our electricity supply. To support these sites to transition to renewable energy, we have engaged landlords and building managers. Through this engagement we have successfully transitioned landlord-controlled sites to renewables including several retail sites and one office site from 1 July 2024. Emissions reductions have also resulted from energy efficiencies due to optimisation of office space. Community Bank emissions are reported in our Scope 3 operational performance.



**Scope 3 (operational emissions) performance**

Scope 3 operational emissions refer to all indirect emissions (not included in Scope 1 and 2) that occur in the upstream value chain of Bendigo Bank. In 2025, the Bank’s Scope 3 operational emission increased 14%. This is largely attributable to the increase in emissions generated by capital goods in line with the Bank’s fit out of new office spaces.

In 2024, we continued to support the decarbonisation of our Scope 3 operational emissions. Through our renewable electricity provider, we have secured GreenPower discounts for our Community Banks and staff. This offer has been well received and, in many cases, has meant our people are paying less for their electricity, which is also renewable. In turn this has reduced our emissions, offset costs and supported our people to access affordable renewable energy.

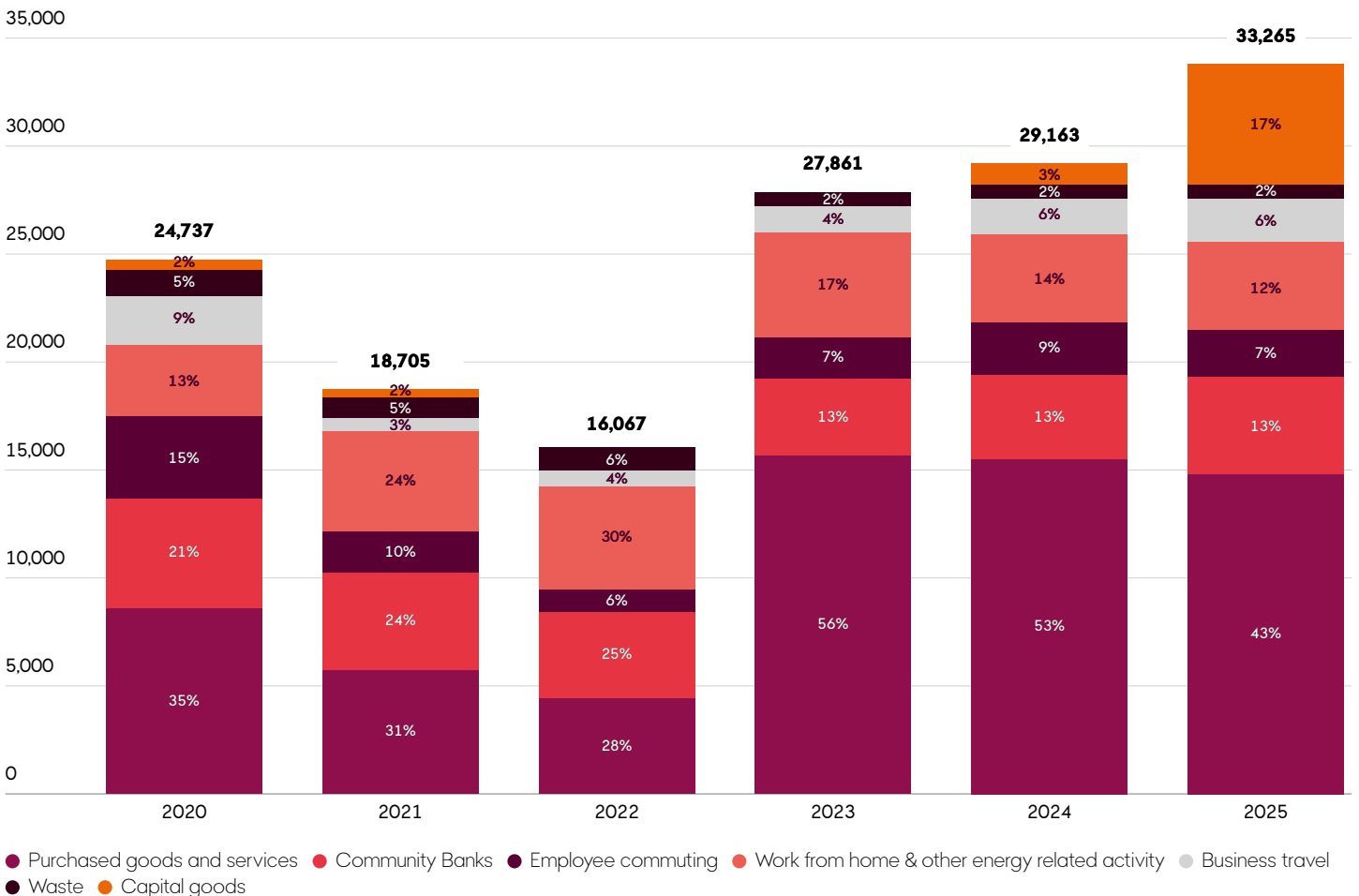
As supplier-related emissions continue to contribute significantly to our Scope 3 emissions, supplier engagement and assessment will form an important part of our approach. Additionally, the identification and promotion of discounted green products and educational uplift materials will be a vital tool to support our Community Banks and our people to reduce their emissions.

Ongoing measurement will continue to mature our approach to Scope 3 operational emissions. We are focused on continuous improvement of data quality and improvements in transparency.

Further actions taken to achieve Scope 3 reductions this year included the development of a Business Travel and Accommodation Emissions Dashboard. This will help us monitor our emissions (and engage our people in this activity) and explore the feasibility of developing an internal carbon price.

In addition, we have continued to engage with the Community Bank network to support them in reducing their energy emissions by leveraging our GreenPower partnership with Next Business Energy where 100% of electricity is sourced from accredited GreenPower renewable energy sources.

Emissions (tCO<sub>2</sub>e)



- Purchased goods and services
- Community Banks
- Employee commuting
- Work from home & other energy related activity
- Business travel
- Waste
- Capital goods



## Financed emissions performance

Scope 3 financed emissions refers to all indirect emissions (not included in Scope 1, 2 or 3 operational) that occur in the downstream value chain of Bendigo Bank. We report on financed emissions due to our role in providing capital or financing to the original emitter.

The Bank’s financed emissions calculations cover 92% of our lending exposure. Financed emissions data, calculation methodologies and disclosure standards continue to evolve rapidly. The remaining 8% largely cover lending where emissions calculation methodology does not exist (for example, personal loans, credit cards and loans covered by APS120 Securitisation).

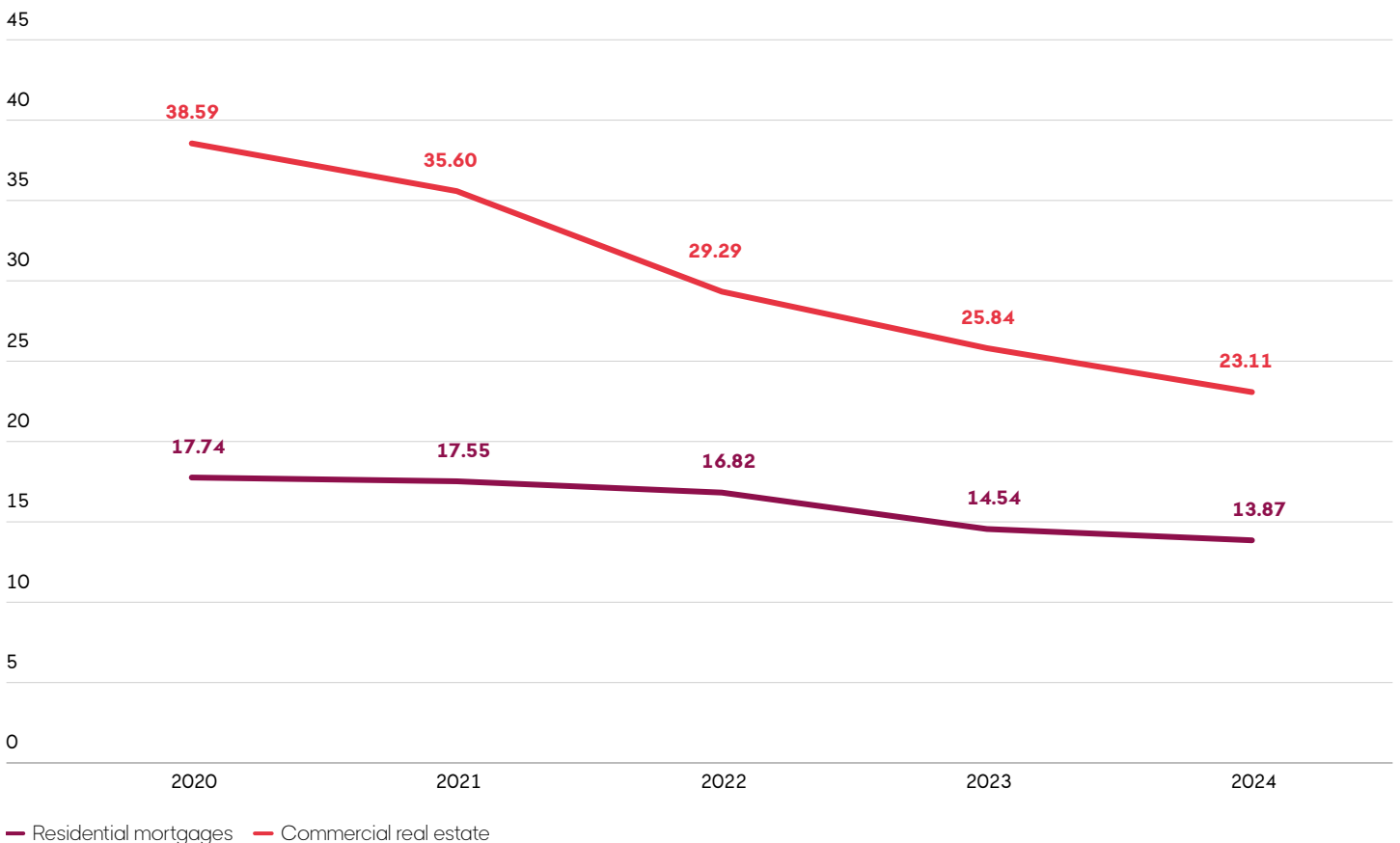
The scope of our financed emissions calculations has been aligned with our most material asset classes and those with associated science-based targets to ensure activity is being prioritised to the areas where we can have the most impact. From this, we have removed our motor vehicle loans from our financed emission calculations and will continue to monitor their materiality. In 2023, they accounted for 0.16% of our total financed emissions.

In 2024, our total financed emissions increased by 11%, largely driven by the residential mortgage and business loan asset classes. Historical reductions in emissions are attributable to external drivers, such as rising asset values and the decarbonisation of Australia’s electricity grid as well as changes to the size and composition of the loan book.

This year, we refreshed our financed emissions projections to support the development of transition plans and sector-specific targets for Agriculture, Residential Mortgages and Commercial Real Estate. Our Agriculture transition plan is focused on engaging with our customers to reduce their emissions. Absolute agriculture emissions increased 16% year-on-year due to updates to methodology and data. Residential mortgage emissions intensity reduced 5% year-on-year, largely driven by the decarbonisation of the electricity grid across Australia. Commercial Real Estate emissions reduced 11% year-on-year, driven by updates to Department of Climate Change, Energy, the Environment and Water (DCCEEW) data which form the basis of these calculations.

We are also taking action to streamline the calculation of financed emissions. At this point in time, financed emissions are calculated using an assumption-based methodology (see *Methodologies for calculating GHG emissions* section for more detail). We have identified opportunities to improve the quality of the calculations, including working with customers and industry to improve data sources. Financed emissions calculation improvements continue to be a focus for the Bank and our industry.

Emissions intensity (kgCO<sub>2</sub>e/m<sup>2</sup>)



### Offsetting operational emissions

Bendigo Bank's approach to carbon neutrality means we are working to achieve net-zero greenhouse gas emissions by reducing our operational emissions across all scopes (Scope 1, Scope 2, And Scope 3 operational emissions for categories 1, 2, 3, 5, 6, 7 and 14). This year we continued to govern our carbon offset procurement process by using a *Carbon Offset Evaluation Framework*. The purpose of the Framework is to balance carbon offset quality and cost while increasing our offsetting impact in line with our purpose.

The Carbon Offset Evaluation Framework is outlined below. Projects must achieve a minimum score to be considered by the Bank. Additionally, a single project must not make up more than 50% of the total carbon offsets used in a year. This year, we purchased offsets from 252 MW Wind Energy Project in India, the 300 MW Wind Energy Project in India and the Bundled Solar Power Project in India. These offsets have been certified by either Gold Standard or VERRA.

Bendigo Bank is pursuing Climate Active certification for the 2024 financial year. At 25 August 2025, we are awaiting finalised certification.

Criteria	Definition – scoring based on:
Additionality	How likely the project is to be additional to natural or 'business as usual' carbon removal processes
Permanence	The permanence of the carbon offset project
Leakage	How the project assesses and accounts for leakage and unintended impacts of producing the offset
Quantification & Monitoring	The protocols, methodologies and verification process used to quantify the carbon offset project
Unique & Double Counting	The risk and likelihood that the project has been accounted for more than once
Vintage	The age of the project ensuring alignment to Climate Active requirements and how many offsets have been retired since the project's conception
Strategic Alignment	Alignment to the Bank's purpose to feed into the prosperity of our communities and the Oxford Principles to remove carbon rather than reduce carbon. As a result, domestic offsets and carbon removal projects will score higher
Environmental Co-Benefits	Whether the project has additional environmental benefits that have been verified and were considered at the conception of the project
Social Co-Benefits	Whether the project has additional social benefits that have been verified and were considered at the conception of the project
Social or Environmental Harm	Whether the project was assessed to have any unintended social or environmental harm

## Methodologies for calculating GHG emissions

Emission category	Activity	Data sources	Boundary	Methodology	Additional notes
<b>Scope 1</b>					
Fleet	<ul style="list-style-type: none"> <li>Business related travel</li> </ul>	<ul style="list-style-type: none"> <li>Fleet expense reporting</li> </ul>	Bendigo Bank only. Data consistent with defined boundaries reported in the Annual Report.	Emissions are calculated using reported fuel usage and Climate Active emission factors.	Methodology has been developed in reference to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard
Natural gas	<ul style="list-style-type: none"> <li>Natural gas usage in branches and office buildings</li> </ul>	<ul style="list-style-type: none"> <li>Utility invoices</li> </ul>	Bendigo Bank only. Data consistent with defined boundaries reported in the Annual Report.	Natural gas usage in branches and offices are sourced from Utility invoices. Climate Active emission factors are then applied to the reported usage.	Methodology has been developed in reference to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard
Refrigerant	<ul style="list-style-type: none"> <li>Refrigerant usage in branches and office buildings</li> </ul>	<ul style="list-style-type: none"> <li>Utility invoices</li> </ul>	Bendigo Bank only. Data consistent with defined boundaries reported in the Annual Report.	Refrigerant usage in branches and office buildings sourced from utility invoices.	Methodology has been developed in reference to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Base building refrigerants included in previous years but refrigerants have been excluded from 2025 calculations.
<b>Scope 2 Location based (LB) &amp; Market based (MB)</b>					
Purchased electricity	<ul style="list-style-type: none"> <li>Electricity consumption</li> </ul>	<ul style="list-style-type: none"> <li>Utility invoices</li> </ul>	Bendigo Bank only. Data consistent with defined boundaries reported in the Annual Report.	Utility reports detail electricity usage and sites where GreenPower (renewables) have been purchased. State-based emission factors are applied to usage to calculate emissions. For market-based emissions, purchased LGCs are included in calculations to account for sites where GreenPower is unable to be sourced.	Methodology has been developed in reference to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard

## Methodologies for calculating GHG emissions (Continued)

Emission category	Activity	Data sources	Boundary	Methodology	Additional notes
<b>Scope 3 Operational</b>					
1 – Purchased goods and services	<ul style="list-style-type: none"> <li>Hotel accommodation</li> <li>Water</li> <li>Purchased goods and services</li> </ul>	<ul style="list-style-type: none"> <li>Utility invoices</li> <li>Building consumption reports</li> <li>NABERS</li> <li>General ledger and expense reports</li> </ul>	<p>Single calculation for Bendigo Bank.</p> <p>Data consistent with defined boundaries reported in the Annual Report.</p>	<p>Expense reports summarise location and duration of hotel accommodation. Climate Active location specific emission factors are applied where available. When unavailable, an average emission factors is applied.</p> <p>Water is estimated annually based on real data for each Bendigo Bank Branch and Office. This data is sourced from Utility usage reports, base building data and NABERS. Proxy data is used where real data cannot be sourced (proxy is based on site size). Climate Active Emissions Factor applied to KL of water consumed.</p> <p>Purchased goods and services are calculated by using spend-based expense reporting and supplier specific emissions where available. Where unavailable Climate Active emission factors have been applied based on spend.</p>	<p>Methodology has been developed in reference to the Greenhouse Gas Protocol: Corporate Value Chain Scope 3 Accounting and Reporting Standard for scope 3 GHG data</p>
2 – Capital goods	<ul style="list-style-type: none"> <li>Office furniture</li> </ul>	<ul style="list-style-type: none"> <li>General ledger data</li> </ul>	<p>Single calculation for Bendigo Bank.</p> <p>Data consistent with defined boundaries reported in the Annual Report.</p>	<p>Total office furniture cost multiplied against Climate Active emissions factors for Information and Communication Technology (ICT) services and equipment.</p>	<p>Methodology has been developed in reference to the Greenhouse Gas Protocol: Corporate Value Chain Scope 3 Accounting and Reporting Standard for scope 3 GHG data</p>

## Methodologies for calculating GHG emissions (Continued)

Emission category	Activity	Data sources	Boundary	Methodology	Additional notes
<b>Scope 3 Operational</b>					
3 – Energy consumption	<ul style="list-style-type: none"> <li>Work from home (WFH) emissions.</li> <li>Upstream emissions from electricity.</li> <li>Base Building electricity.</li> <li>Upstream emissions from natural gas.</li> <li>Third-party transport fuels.</li> </ul>	<ul style="list-style-type: none"> <li>Utility invoices</li> <li>Fuel usage expense reports</li> <li>NABERS</li> <li>Building reports</li> </ul>	<p>Single calculation for Bendigo Bank.</p> <p>Data consistent with defined boundaries reported in the Annual Report.</p>	<p>WFH emissions are estimated annually based on the number of FTE coming into the office and % of Bendigo Bank staff who have taken up the Green Power deal. Upstream electricity and gas usage is calculated using utility invoices. Transport fuel calculations utilise fuel usage captured by expense reports. The relevant Climate Active emission factor is applied to these activities. Base building emissions are estimated annually through engagement with site managers and NABERS data. Where data is unavailable, proxies are used based on building size.</p>	<p>Methodology has been developed in reference to the Greenhouse Gas Protocol: Corporate Value Chain Scope 3 Accounting and Reporting Standard for scope 3 GHG data</p>
5 – Waste generated in operations	<ul style="list-style-type: none"> <li>Landfill Recycling</li> </ul>	<ul style="list-style-type: none"> <li>Base building waste data (where available)</li> <li>Climate Active</li> </ul>	<p>Single calculation for Bendigo Bank.</p> <p>Data consistent with defined boundaries reported in the Annual Report.</p>	<p>Waste is estimated annually (based on real data then proxied to gaps based on Full Time Equivalent (FTE) per site and surveying Branch staff). Climate Active Emissions Factor applied.</p>	<p>Methodology has been developed in reference to the Greenhouse Gas Protocol: Corporate Value Chain Scope 3 Accounting and Reporting Standard for scope 3 GHG data</p>
6 – Business travel	<ul style="list-style-type: none"> <li>Airline travel</li> <li>Taxi and ride-share services</li> <li>Public transport</li> <li>Private vehicle usage, rental vehicle usage and motor vehicle allowance</li> </ul>	<p>General ledger data</p>	<p>Single calculation for Bendigo Bank.</p> <p>Data consistent with defined boundaries reported in the Annual Report.</p>	<p>Airline travel emissions are calculated using the length of the flight and the corresponding Climate Active emission factor. Taxi, ride-share services and public transport emissions are calculated by multiplying the distance travelled in expense reporting with the relevant emission factor for the mode of transport. Private vehicle usage, rental vehicle usage and motor vehicle allowance are calculated based on reported fuel usage.</p>	<p>Methodology has been developed in reference to the Greenhouse Gas Protocol: Corporate Value Chain Scope 3 Accounting and Reporting Standard for scope 3 GHG data</p>



## Methodologies for calculating GHG emissions (Continued)

Emission category	Activity	Data sources	Boundary	Methodology	Additional notes
<b>Scope 3 Operational</b>					
7 – Commute	<ul style="list-style-type: none"> <li>Employee commuting</li> </ul>	<ul style="list-style-type: none"> <li>Employee survey results</li> <li>FTE data</li> <li>Climate Active</li> </ul>	Single calculation for Bendigo Bank, which includes CBs. Data consistent with defined boundaries reported in the Annual Report.	An employee survey was completed in 2022 to capture how people commuted to work. These findings were averaged across the Bank's 2025 FTE and had the relevant mode of transport emission factor applied.	Methodology has been developed in reference to the Greenhouse Gas Protocol: Corporate Value Chain Scope 3 Accounting and Reporting Standard for scope 3 GHG data
14 – Franchises	<ul style="list-style-type: none"> <li>Community Banks</li> </ul>	<ul style="list-style-type: none"> <li>Production data and utility invoices</li> </ul>	CBs only, excludes agencies. Data consistent with defined boundaries reported in the Annual Report.	Emissions are calculated using reported fuel usage and Climate Active emission factors. Utility reports detail natural gas usage and electricity usage and sites where GreenPower (renewables) have been purchased. State-based emission factors are applied to electricity usage to calculate emissions.	Methodology has been developed in reference to the Greenhouse Gas Protocol: Corporate Value Chain Scope 3 Accounting and Reporting Standard for scope 3 GHG data

### Scope

Where reference is made to 'the Bank', 'we', 'our' or 'us', we are referring to Bendigo and Adelaide Bank Limited and its wholly owned and controlled subsidiaries, unless otherwise specified. Bendigo and Adelaide Bank Limited partners with Community Banks, which are not wholly owned nor controlled by Bendigo and Adelaide Bank Limited, however the financed emissions generated are accounted for in all calculations.

### Customer emissions

Customer Scope 1 and 2 emissions have been calculated for all in-scope asset classes.

### Reporting period

The Bank reports our financed emissions a year behind our other financial and climate-related metrics. As a result, this disclosure will report the Bank's financed emissions from 1 July 2023 – 30 June 2024.

### Asset classes

In line with our BEN 1.5°C approach, the Bank has calculated and disclosed financed emissions for the following asset classes<sup>1</sup>:

- Residential mortgages.
- Commercial real estate.
- Business loans.
- Corporate bonds.

Note, PCAF does not currently provide guidance on methods to calculate loans for securitisation purposes. Thus, exposures that are externally securitised (within the scope of APS120 Securitisation) have been excluded. The Bank will not disclose project finance or on-balance sheet listed equity as there continues to be no exposure since our baseline (2020). Additionally, unlisted equity will continue to be excluded, as the exposure is immaterial and there is overlap between the holdings and the Bank's operational emissions.

The Bank also notes the developments in PCAF's Standard which now include methodology for the sovereign bond asset class. We do not currently estimate emissions for this asset class as the methodology does not provide guidance for exposure to sub-sovereign and municipal counterparties, where a significant portion of the Bank's exposure is. We acknowledge that PCAF's standards will continue to develop, and that data availability will continue to improve. As a result, we will continue to stay abreast of ongoing developments and assess the materiality of these updates to our financed emission exposure and reporting.

1. From 2024, motor vehicle loans have been removed from financed emissions calculations.

## Methodologies for calculating GHG emissions (Continued)

Emission category	Activity	Data sources	Boundary	Methodology	Additional notes
<b>Scope 3 Financed</b>					
15 – Financed emissions	<ul style="list-style-type: none"> <li>Business Loans</li> </ul>	<ul style="list-style-type: none"> <li>Bank lending platforms.</li> <li>National Greenhouse Accounts Factors (NGAF) sector-based emission estimates.</li> <li>NGAF Paris Agreement inventory commodity emissions.</li> <li>ABS Commodity value.</li> </ul>	<p>PCAF 5</p> <p>100% of the Bank’s on-balance sheet loans were included which sit across three sub-categories of loans including (1) SME loans, (2) Corporate loans: other long-term debt and (3) Corporate loans: short-term debt. Business loan data are captured by purpose. All equipment finance, commercial real estate and personal lines of credit are excluded from this category to avoid double counting with other asset class calculations.</p>	<p>Sector-based average emissions per \$ million revenue was found by utilising sector-based income data from the ABS and sector-based emissions data from NGAF. The average was then applied to our exposures by multiplying by our attribution factor (Bank exposure / (assets (of exposure) + revenue (of exposure))).</p> <p>The assets and revenue of each exposure are based upon the most recent financial reporting attained from the customer. This may not correspond with the reporting year used by the Bank. Additionally, this data is unavailable for Retail SME customers. To account for the unavailable data related to Retail SME customers, the portion of the Bank’s financed emissions where assets and revenue were available was scaled up to account for the gap. This meant business loan emissions were scaled up from 1,957,785 tCO<sub>2</sub>e to 2,144,362 tCO<sub>2</sub>e.</p>	<p>Note, for some of our agriculture lending (beef, dairy, pigs, crops and sheep), commodity-specific emission factors were applied to enable a greater level of granularity for these more emission intensive activities. The emission factor for each commodity was found by dividing the commodity emissions (sourced from NGAF Paris Agreement inventory) by the value of each commodity in Australia (sourced from ABS). Other agricultural lending that is not included in the above categories had a total Agriculture, Forestry and Fishing sector emission factor applied. When there was a mixed category, the more emissions intensive category emission factor is applied as a conservative approach. For example, for mixed beef and cropping ANZSIC codes, the beef emission factor is applied. In 2024 the emissions factor applied to Crops was updated to include direct soil emissions from inorganic fertilisers.</p>

## Methodologies for calculating GHG emissions (Continued)

Emission category	Activity	Data sources	Boundary	Methodology	Additional notes
<b>Scope 3 Financed</b>					
15 – Financed emissions	<ul style="list-style-type: none"> <li>Residential Mortgages</li> </ul>	<ul style="list-style-type: none"> <li>Bank lending platforms.</li> <li>National Greenhouse Accounts Factors: 2024.</li> <li>CER electricity and gas usage.</li> <li>ABS average household size.</li> </ul>	<p>PCAF 5</p> <p>Scope 1 and 2 emissions calculated for 100% of on-balance sheet loans including individual homes and multi-family housing with a small number of units have been included. Home equity loans (<b>HELs</b>) and home equity lines of credit (<b>HELOCs</b>) are not included. Mortgages used to construct or renovate a house are not included as the homeowner does not directly account for construction emissions.</p>	<p>Climate zone-based electricity and gas usage was sourced from Clean Energy Regulator and applied at a postcode level. The average size of a household (data from the Australian Bureau of Statistics (<b>ABS</b>)) and the number of buildings was then applied to estimate the average usage per postcode. State-based electricity and gas emission factors were sourced from NGAF and applied to the calculation to find electricity and gas emissions per postcode. The loan-to-value ratio (<b>LVR</b>) was found by dividing the outstanding amount of the loan at the time of calculation by the value of the property at loan origination. The LVR was then applied to the calculation to find Bendigo Bank's attributable residential mortgage financed emissions.</p>	
15 – Financed emissions	<ul style="list-style-type: none"> <li>Commercial Real Estate (<b>CRE</b>)</li> </ul>	<ul style="list-style-type: none"> <li>Bank lending platforms.</li> <li>Department of Climate Change, Energy, the Environment and Water (<b>DCCEEW</b>) Commercial Building Baseline Study – 2024 Update.</li> <li>National Greenhouse Accounts Factors: 2024.</li> </ul>	<p>PCAF 5</p> <p>Scope 1 and 2 emissions calculated for 91% of on balance sheet loans. Vacant land designated for development/subdivision (9% of total CRE exposure) was excluded as an immaterial number of emissions generated from these loans. This asset class includes on-balance sheet loans for specific corporate purposes, namely the purchase and refinance of CRE, and on-balance sheet investments in CRE when the financial institution has no operational control over the property. The Bank's exposure is captured by loans for the purpose of commercial real estate in line with the APRA Reporting Form for Commercial Property (<b>ARF230</b>) Return.</p>	<p>Bendigo Bank's exposures and securities data is collated in line with ARF230. Our emissions are then attributed by dividing our exposure by the value of the security. Average floor space and energy usage (electricity and gas) is found for each building type per state and territory from Average floor space and energy usage (electricity and gas) is found for each building type per state and territory from the DCCEEW Commercial Buildings Baseline Study (2022 data was used in 2020 – 2023 calculations and February 2024 data was used for the 2024 calculations.</p>	<p>PCAF stipulates that the property value at origination should be used to calculate the attribution factor, however due to data limitations, the value of the security properties is used as a proxy for this.</p>

## Methodologies for calculating GHG emissions (Continued)

Emission category	Activity	Data sources	Boundary	Methodology	Additional notes
<b>Scope 3 Financed</b>					
15 – Financed emissions	<ul style="list-style-type: none"> <li>Corporate Bonds</li> </ul>	<ul style="list-style-type: none"> <li>Bank lending platforms.</li> <li>External annual reports.</li> </ul>	PCAF 1a/b 100% of other bank bonds, held for liquidity purposes, were included. From 2023, the emissions from corporate bonds have been calculated using reported Scope 1 and 2 emissions from the bank bonds in our portfolio.	Reported emissions were obtained for the issuer of 100% of the bonds by market value. The attribution factor was calculated by the market value of the bonds held, divided by the enterprise value including cash <b>(EVIC)</b> (sourced from verified annual reporting of each bank). Reported emissions were obtained for the issuer of 97.25% of the bonds by market value and estimated for the remaining 2.75% where published Scope 1 & 2 emissions were not evident.	From 2020 – 2022, the emissions from corporate bonds were calculated using a mixture of verified and unverified Scope 1 and 2 emissions from the bank bonds in the Bank’s portfolio which correspond to data quality Score 1 and Score 2, respectively. Reported emissions were obtained for the issuer of 97.25% of the bonds by market value and estimated for the remaining 2.75% where published Scope 1 and 2 emissions were not evident. See data quality and boundary column for 2024 method.

Note, PCAF does not currently provide guidance on methods to calculate loans for securitisation purposes. Thus, exposures that are externally securitised (within the scope of APS120 Securitisation) have been excluded. The Bank will not disclose project finance or on-balance sheet listed equity as there continues to be no exposure since our baseline (2020). Additionally, unlisted equity will continue to be excluded, as the exposure is immaterial and there is overlap between the holdings and the Bank’s operational emissions.

Since we launched the Bank’s climate approach, developments in PCAF’s Standard have been released which have included methodology for the sovereign bond asset class. We do not currently estimate emissions for this asset class as the methodology does not provide guidance for exposure to sub-sovereign and municipal counterparties, where a significant portion of Bendigo Bank’s exposure is. We acknowledge that PCAF’s standards will continue to develop, and that data availability will continue to improve. As a result, we will continue to stay abreast of ongoing developments and assess the materiality of these updates to our financed emission exposure and reporting.

# External assurance report



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## Independent Limited Assurance Report to the Management and Directors of Bendigo and Adelaide Bank

### Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by Bendigo and Adelaide Bank ('the Bank') to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'review', over the Subject Matter defined below which is presented in the Bank's Climate Disclosure Report and the ESG Data Summary workbook for the year ended 30 June 2025. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined below.

### What our review covered

We reviewed the following Subject Matter for the year ended 30 June 2025, which was prepared using the guidance of the following Criteria:

- Selected disclosures presented within the Bank's Climate Disclosure Report and ESG Data Summary workbook ('selected performance information'), limited to the selected performance information shown in the table below:

Selected performance information	Pages	Criteria
Governance disclosures	Climate Disclosure Report, Pages 5-9	Recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD)
Strategy disclosures (excluding disclosures associated with scenario analysis.)	Climate Disclosure Report, Pages 10-17	
Risk disclosures	Climate Disclosure Report, Pages 18-21 (excluding Scenario analysis section)	

- Selected performance metrics presented within the Bank's Climate Disclosure Report and ESG Data Summary ('selected performance metrics'), limited to the selected performance metrics shown in the table below:

Selected performance metrics	Period covered	Location	Criteria
Scope 1 GHG emissions	1 July 2024 – 30 June 2025	Climate Disclosure Report, Page 25	The Bank's own criteria
Scope 2 GHG emissions (market-based)	1 July 2024 – 30 June 2025	ESG Data Summary	
Renewable electricity (Total)	1 July 2024 – 30 June 2025	ESG Data Summary	The Bank's own criteria
Scope 3 – operational emissions (market-based)	1 July 2024 – 30 June 2025	Climate Disclosure Report, Page 25 ESG Data Summary	The Bank's own criteria
Scope 3 – financed emissions - Residential mortgages (absolute)	1 July 2023 – 30 June 2024	Climate Disclosure Report, Page 25 and 29	Partnership for Carbon Accounting Financials (PCAF)
Scope 3 – financed emissions - Residential mortgages (intensity)	1 July 2023 – 30 June 2024	ESG Data Summary	
Scope 3 – financed emissions - Commercial real estate (absolute)	1 July 2023 – 30 June 2024		



## External assurance report (Continued)



Selected performance metrics	Period covered	Location	Criteria
Scope 3 – financed emissions - Commercial real estate (intensity)	1 July 2023 – 30 June 2024		The Bank's Financed Emissions methodology
Scope 3 – financed emissions - Business loans (absolute)	1 July 2023 – 30 June 2024		
Scope 3 – financed emissions - Corporate bonds (absolute)	1 July 2023 – 30 June 2024		
Carbon neutrality	1 July 2023 – 30 June 2024	Climate Disclosure Report, Pages 24 and 30	The Bank's own criteria

Other than as described in the preceding paragraphs, which set out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Climate Disclosure Report and ESG Data Summary (together, the Reports) and accordingly, we do not express an opinion or conclusion on this information.

### Key responsibilities

#### Bendigo and Adelaide Bank's responsibility

The Bank's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

#### EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE3000') and the terms of reference for this engagement as agreed with the Bank in the signed engagement letter dated 12 May 2025. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

### Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- Conducted interviews with personnel to understand the business and reporting process
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period

## External assurance report (Continued)



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- Conducting limited assurance procedures over the performance metrics and disclosures in the Reports, including:
  - Assessed that the calculations undertaken in preparing the selected performance metrics have been applied in accordance with the Criteria
  - Assessed the clerical accuracy of input data utilised to calculate selected performance metrics
  - Performed analytical procedures to support the reasonableness of selected performance metrics
  - Identified and tested assumptions supporting calculations
  - Assessed the accuracy and balance of statements associated with the selected performance metrics
- Reviewed qualitative information within the Climate Disclosure Report for consistency and alignment to the criteria.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion.

### Inherent limitations

Procedures performed in a review engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

The greenhouse gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of greenhouse gases. Additionally, greenhouse gas procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

### Other matters

We have not performed assurance procedures in respect of any information relating to prior reporting periods, including those presented in the Subject Matter. Our report does not extend to any disclosures or assertions made by the Bank relating to future performance plans and/or strategies disclosed in the Bank's Climate Disclosure Report and ESG Data Summary.

### Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Bendigo and Adelaide Bank, or for any purpose other than that for which it was prepared.

*Ernst & Young*  
Ernst & Young  
Melbourne, Australia  
25 August 2025

# Glossary

Term	Definition
AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information	A voluntary Australian Sustainability Reporting Standards ( <b>ASRS</b> ) that outlines general requirements for disclosing sustainability-related financial information. It encourages entities to disclose information about sustainability-related risks and opportunities that could affect their cash flows, access to finance, or cost of capital. This standard is designed to be used in conjunction with AASB S2, which focuses on climate-related disclosures.
AASB S2 Climate-related Disclosures	A mandatory ASRS focused on climate-related disclosures, requiring entities to publicly report on their climate-related risks and opportunities. The key objective is to provide primary users of financial reports with information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term.
Absolute emissions	The total amount of greenhouse gases ( <b>GHGs</b> ) emitted into the atmosphere over a specific period. These relate to both our operational and financed emissions.
Australian Banking Association ( <b>ABA</b> )	Is an association of member banks in Australia. The ABA works with government, regulators and other stakeholders to improve public awareness and understanding of the industry's contribution to the economy and to ensure Australia's banking customers continue to benefit from a stable, competitive and accessible banking industry.
Business travel emissions	The emissions (Scope 3, Category 6) from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. This will not include the emissions associated with business travellers staying in hotels.
Carbon neutral / carbon neutrality	Bendigo Bank's approach to carbon neutrality means we are working to achieve net-zero greenhouse gas emissions by reducing our operational market-based emissions (which excludes financed emissions) across all scopes (Scope 1, Scope 2, and Scope 3 operational emissions for categories 1, 2, 3, 5, 6, 7 and 14) and offsetting remaining emissions with verified carbon projects using our Carbon Offset Evaluation Framework. Carbon neutrality is reported one year in lag. Our public commitments detail specific reduction targets and timelines.
Financed emissions	Greenhouse gas ( <b>GHG</b> ) emissions linked to the lending activities of the Bank.
Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard	Is a widely adopted international standard for measuring and reporting greenhouse gas emissions. It provides a framework for businesses, governments, and other entities to quantify and track their GHG emissions, which are then reported.
Intergovernmental Panel on Climate Change ( <b>IPCC</b> )	Is the leading international body for assessing climate change. It provides governments with scientific information to help them develop climate policies. The IPCC does not conduct new research, but instead synthesizes existing research to provide comprehensive assessments of climate change science.
Location-based emissions	Scope 2 operational emissions that reflect the average emissions intensity of the grid.
Market-based emissions	Scope 2 operational emissions that account for the Bank's decisions to invest in different electricity products and markets, including LGCs and purchases of renewable electricity.
Operational emissions	The direct and indirect greenhouse gas ( <b>GHG</b> ) emissions linked to the operations of the Bank.
Partnership for Carbon Accounting Financials ( <b>PCAF</b> )	Is an industry-led initiative that helps financial institutions globally measure and disclose the greenhouse gas emissions associated with their loans and investments. Essentially, PCAF provides a framework for financial institutions to assess and report on the carbon footprint of their financial activities.

Term	Definition
Physical risk	Risks resulting from climate change that can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for organisations, such as direct damage to assets and indirect impacts from supply chain disruption.
Science Based Targets Initiative (SBTi)	Is a collaborative effort between the Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute and World Wide Fund for Nature that helps companies and financial institutions set ambitious greenhouse gas emissions reduction targets aligned with climate science. These targets aim to limit global warming to well below 2°C, and ideally to 1.5°C, above pre-industrial levels.
Scope 1	Direct emissions from owned or controlled sources.
Scope 2	Indirect emissions from the generation of purchased energy.
Scope 3	All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions where applicable.
Transition risk	Risk related to transitioning to a lower-carbon economy that may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organisations.

### Disclaimer

This Climate Disclosure accompanies our Annual Report and related reporting suite which includes highlights and our non-financial targets for 2025. This Report relates to sustainability and information relating to the Group's activities generally are available in the Annual Report and other disclosures. A copy of these reports can be found on the Bendigo and Adelaide Bank website. This Climate Disclosure sets out general sustainability-related information in a summary form and is not intended to be complete, it is not intended to be relied upon as advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

This Climate Disclosure contains certain forward looking statements relating to ESG objectives, targets and commitment and performance goals. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "will", "target", "maintain", "plan" "outlook" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on sustainability related objectives and targets and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. This is also the case for climate related metrics involving uncertainties and assumptions and caution should be exercised in placing too much reliance on these metrics. Climate-related statements have been made in good faith and based on what we believe to be reasonable grounds. However as they frequently relate to a future state there are many factors which make these statements subject to a significant level of uncertainty and present risks which may impact upon their accuracy, utility and completeness. These factors include the reliability of climate related data used, the significant uncertainties in methodologies and modelling employed including in relation to estimating and calculating emissions and reliance on data from third party sources amongst other factors. Accordingly there can be no assurance that actual outcomes will not differ materially from these statements and the Group does not undertake to release actual results of any changes to these statements which may arise in the future should unanticipated events or circumstances occur. Forward looking statements may also be made by the Group's management, directors and officers in connection with the Climate Disclosure and those statements are also subject to the same qualifications, assumptions and uncertainties as set out in the Report, including this disclaimer.

Caution is also required in placing any reliance on any such forward-looking statements in light of current economic and geo-political uncertainties including impacts arising from the Russia-Ukraine war and other geopolitical conflicts and tensions, as global volatility in capital markets. Such forward-looking statements only speak as of the date of this Summary and the Group assumes no obligation to update such information.

