

Bank Australia Limited

Sustainability Funding Framework

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Bank Australia Limited ("Bank Australia"): ABN 21 087 651 607, AFSL/Australian Credit Licence Number 238431

Disclosure

You should read this document, including the important notices appendix, and seek any independent legal advice you require before making an investment in one of the sustainability investment instruments outlined in this framework.

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Introduction

This is Bank Australia’s framework for our sustainability investment instruments. It covers how these are offered for investment, how invested funds are associated with sustainability outcomes, and how we report this to investors. The information set out in this framework is current as at the publication date.

The sustainability investment instruments covered under this framework include:

Sustainability investment instrument	Who it is for	What it is
Retail Impact Term Deposits	Retail* investors	A term deposit for retail investors. In addition to earning interest over a fixed term, invested funds are allocated to a pool of loans funded by Bank Australia that are associated with positive social and environmental outcomes. These are called Eligible Assets.
Sustainability Bonds	Wholesale* investors	A debt instrument for wholesale and institutional investors to invest in bonds issued by Bank Australia. In addition to earning interest over a fixed term, invested funds are allocated to a pool of loans funded by Bank Australia that are associated with positive social and environmental outcomes. These are called Eligible Assets.

* Retail and wholesale (clients) have the meaning set out in section 761G of the Corporations Act 2001.

Sustainability investment instrument terms and availability

The length of an investment may vary across our sustainability investment instruments. A Retail Impact Term Deposit may be offered for fixed terms usually between 3 months and 2 years, while a Sustainability Bond will typically have a longer term between 2 to 5 years, although this could vary at Bank Australia’s discretion at any time and without notice.

Bank Australia may seek to increase the total amount of invested funds by offering new or renewed investments at any time, particularly to replace investments that have matured. When an investment matures, and subject to availability and eligibility, an investor may opt to reinvest those funds into a renewed investment. Funds from new and renewed investments are managed in accordance with this framework.

We may also choose to cease offering any of our sustainability investment instruments or vary the term length(s) offered for new or renewed investment, according to business needs.

About Bank Australia

As a customer-owned bank, we believe banking can be a force for good and together we can have a positive impact on communities and the planet.

Our responsible banking policy outlines how we do this through our impact lending and investments, and ensures we prioritise our community, the environment, sustainability and serving the real economy.

Impact is a strategic theme in Bank Australia's corporate strategy. Our Board sets priority impact areas that are informed by our customers and we have strategies to deliver on these areas. We report on action against our priority impact areas in our [annual impact report](#).

Our impact lending is an important way we deliver on these strategies; the sustainability investment instruments in this framework are associated with the loans we make.

Responsible banking policy

Our [responsible banking policy](#) is approved by our board and informs our investment and lending strategies, including the businesses we lend to and where we invest money. It includes negative screens that describe what we don't fund.

Memberships and partnerships

Our memberships, accreditations and partnerships help us to fulfil our purpose, including our associations with:

Global Alliance for Banking on Values

In 2012, we became the first Australian member of the [Global Alliance for Banking on Values](#) (GABV). The GABV is an independent network of banking leaders from around the world committed to advancing positive change in the banking sector. Its more than 60 member banks all have a common goal of using finance to deliver sustainable economic, social and environmental development.

B Corporation

Certified B Corporations are businesses that meet B Lab's integrated social, environmental and governance standards. In 2020 we were proud to have our decades of work for people and planet recognised by becoming a [certified B Corporation](#), which we recertified in 2024.

Responsible Investment Association Australasia

The [Responsible Investment Association Australasia](#) (RIAA) is a not-for-profit organisation dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy. RIAA's member network consists of people and organisations engaged in responsible, ethical and impact investing across Australia and New Zealand.





Australian Sustainable Finance Institute

The [Australian Sustainable Finance Institute](#) (ASFI) is the independent, peak body for sustainable finance in Australia, and works with Australia's leading financial institutions and system actors to accelerate the transition to a sustainable financial system.

Visit our website for more information regarding our [memberships, accreditations and partnerships](#).

The United Nations (UN) Sustainable Development Goals

The Sustainable Development Goals (SDGs) are 17 global goals set by the United Nations with a target date of 2030. They are described as a blueprint to achieve a better and more sustainable future for all, and each goal includes specific targets for the world to work towards. Through this framework Bank Australia targets the following SDGs:

 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	SDG 7 Affordable and Clean Energy
 <p>10 REDUCED INEQUALITIES</p>	SDG 10 Reduced Inequalities
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	SDG 11 Sustainable Cities and Communities
 <p>15 LIFE ON LAND</p>	SDG 15 Life on Land



Bank Australia's conservation reserve

Bank Australia cares for a 2,117 hectare conservation reserve on Wotjobaluk Country in Western Victoria.

We're the first Australian bank to have a conservation reserve – it's one way we're using the business of banking to create a healthier planet, and acting on our customers' concerns about climate change and environmental sustainability.

We work with expert conservation partners on the ground, Traditional Owners from the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk peoples, represented by Barengi Gadjin Land Council, reserve neighbours, and local Country Fire Authorities, to ensure the reserve is a thriving and collaborative example of science-based conservation in action.

Since 2008, we have been working to restore the condition of the reserve, including on new reserve properties as it has expanded. Over that time, we have been learning more about the reserve's unique ecology so that we can find ways to best protect its habitat and the 251 native plant and 283 native animal species that call the reserve home.

Sustainability Funding Framework

Bank Australia’s Sustainability Funding Framework is aligned with the International Capital Market Association’s (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG).

ICMA’s bond principles provide the global standard and best practice governance for sustainable finance investment frameworks, which promotes transparency, disclosure, and integrity. The principles outline four core components which are key to the governance, management and reporting under a framework.

Component	Description
Use of proceeds	Describes how invested funds (“proceeds”) are allocated to Eligible Assets and their associated social and environmental outcomes, and how Eligible Assets are defined and categorised.
Process for asset evaluation and selection	Details the process to identify and select assets as Eligible Assets for inclusion in the pool of Eligible Assets.
Management of proceeds	Details how we manage invested funds and allocate them to the pool of Eligible Assets.
Reporting	Outlines our reporting obligations to investors regarding how invested funds have been allocated, and the associated social or environmental outcomes or indicators.

Managing changes to the framework

Bank Australia may update this framework from time to time to reflect changes or updates to recognised standards and guidance; or other changes we consider appropriate. Version updates are reflected in the Version History in this document.

This framework supersedes Bank Australia’s two previous Sustainability Bond Frameworks: the first was originally published in July 2018 and updated in August 2019 and October 2020; the second was published in August 2021. Those frameworks are now retired. All invested proceeds currently issued, and the pools of Eligible Assets, from those previous frameworks have been consolidated into this framework. A summary of this consolidation is provided in Appendix 1.

Use of proceeds

The key element of Bank Australia’s Sustainability Funding Framework is how proceeds from sustainability investment instruments are used.

An amount equal to the total proceeds from these instruments will be allocated to new or existing loans that meet the eligibility criteria for one of the categories outlined in the Eligible Categories table. These loans are called Eligible Assets. The Eligible Categories group the social or environmental outcomes associated with Eligible Assets and align to a category under ICMA’s Social Bond Principles (SBP) or Green Bond Principles (GBP), as well as one of the UN’s SDGs.



Proceeds can be used to finance or refinance Eligible Assets. Financing is when invested proceeds are allocated to new Eligible Assets. Refinancing is when invested proceeds are allocated to existing Eligible Assets. Both financing and refinancing support Bank Australia to originate new Eligible Assets.



To ensure that invested proceeds are allocated to recent Eligible Assets and their associated social and environmental outcomes, the framework limits how far back in time existing Eligible Assets can be identified for inclusion in the pool of Eligible Assets. This is called a look-back period. The look-back period for Eligible Assets evaluated under this framework is 24 months from the date of this framework.



Exclusion criteria

This framework targets investment in Eligible Assets associated with positive social and environmental outcomes through our positive screens and Eligible Asset evaluation process. We also have safeguards in place to identify and exclude activities and assets with potential for significant social or environmental harm. Our [responsible banking policy](#) outlines the industries and activities that we will not lend to due to the potential for harm, and our management processes evaluate assets against this exclusion criteria.

Eligible Categories

SDG	SDG target	GBP/SBP Eligible Category	Eligibility criteria	Target Populations
	11.1 Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	Affordable housing Socioeconomic advancement and empowerment	Loans where the purpose of funds is to improve the supply, security, and access to affordable and appropriate rental or owned housing for individuals and households on very low, low, and moderate incomes, or people who are vulnerable, marginalised, or with special needs, including: <ol style="list-style-type: none"> Residential mortgages originated as part of Government-sponsored affordable housing programs; Commercial loans to build, purchase, maintain and operate housing suitable for Target Populations, including: Community Housing, co-operative housing, 'Build to Rent', and 'Build to Rent to Buy' housing models. 	People vulnerable to lack of access to safe, appropriate, and affordable housing People vulnerable to exclusion from home ownership due to housing affordability
			Loans where the purpose of funds is to improve access to safe, secure, and affordable housing and/or economic opportunities and prosperity for First Nations people and communities including: <ol style="list-style-type: none"> Owner-occupied residential mortgages originated under Government-sponsored affordable home ownership schemes; Commercial loans including: <ul style="list-style-type: none"> Loans to registered Community Housing Organisations or Aboriginal and Torres Strait Islander controlled: housing organisations, land councils or registered charities and not-for-profits, with a primary purpose of improving housing outcomes for First Nations people. Loans to Aboriginal and Torres Strait Islander controlled organisations that deliver products or services with a demonstrable benefit to the economic opportunity, health and wellbeing, culture, and Country of First Nations people and communities. 	First Nations people and communities
	10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Socioeconomic advancement and empowerment	Loans where the purpose of funds is to improve the supply, security, suitability, and access to appropriate rental or owned housing for people with disability. This includes loans for the construction, acquisition, renovation, or operation of, or investment in, Specialist Disability Accommodation where the building is, or once constructed, will be: <ul style="list-style-type: none"> Enrolled with the National Disability Insurance Agency as an Specialist Disability Accommodation dwelling, and Operated by a provider who is suitably registered with the National Disability Insurance Scheme Quality and Safeguards Commission. 	People with disability

SDG	SDG target	GBP/SBP Eligible Category	Eligibility criteria	Target Populations
	10.2 (Continued)	Access to essential services	<p>Loans where the purpose of funds is to improve the supply of, or access to essential services for people in Australia, including commercial loans to:</p> <ol style="list-style-type: none"> Charities registered with the Australian Charities and Not for Profits Commission that operate in the health care, social inclusion, or education & training sectors. For-purpose businesses operating in the health care and social inclusion sectors 	<p>People living below the poverty line</p> <p>People with disability</p> <p>Migrants and/or displaced persons</p> <p>Underserved, in respect to access to appropriate essential services</p> <p>Women and/or sexual and gender minorities</p> <p>Aging populations</p>
	11.3 Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	Green buildings Energy efficiency	<p>Loans for the construction, purchase, renovation, or refinance of green residential buildings that deliver positive environmental outcomes through their high standard of thermal efficiency and or energy use, including buildings that:</p> <ol style="list-style-type: none"> Meet climate change mitigation green technical screening criteria for residential buildings according to the Australian Sustainable Finance Taxonomy, or; Represent the top 15% of like-buildings for energy efficiency performance in a given location, based on the date of construction, compliance with relevant building standards, and other criteria, as defined by the Climate Bonds Initiative standards for Buildings. <p>Personal loans and commercial loans where the purpose of funds is to improve the energy efficiency and carbon emission performance of existing residential buildings through electric-only, energy efficiency renovation and retrofit equipment and upgrades that:</p> <ol style="list-style-type: none"> Meet climate change mitigation decarbonisation technical screening criteria for residential and small commercial renovations and upgrades according to the Australian Sustainable Finance Taxonomy, or; Achieve at least a 30% improvement in energy efficiency or carbon emissions. 	N/A

SDG	SDG target	GBP/SBP Eligible Category	Eligibility criteria	Target Populations
	7.2 Increase substantially the share of renewable energy in the global energy mix	Renewable energy	Loans where the purpose of funds is to deliver renewable energy and enabling technology solutions that meet climate change mitigation decarbonisation technical screening criteria according to the Australian Sustainable Finance Taxonomy. This includes loans for the: design, construction, operation, maintenance, manufacture, or supply of renewable energy or energy efficiency infrastructure or equipment including solar PV, battery storage, microgrids, and e-mobility.	N/A
	15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	Terrestrial and aquatic biodiversity	Loans where the purpose of funds delivers improved nature protection and sustainable land use, including: <ul style="list-style-type: none"> a. Conserving, restoring or managing terrestrial freshwater or marine ecosystems, and activities that restore ecological function (including revegetation and invasive species removal); b. First Nations-led (majority control) environmental stewardship, ranger programs, biodiversity and cultural land management; c. Land acquisition to establish protected areas and/or operate biodiversity credit projects; d. Mixed use productive landscapes delivering biodiversity benefits. 	N/A
Climate change mitigation and adaptation		Loans where the purpose of funds delivers carbon emission reduction or capture outcomes, including: <ul style="list-style-type: none"> • Australian Carbon Credit Unit (ACCU) Scheme-registered carbon projects; • Nature-based adaptation projects (including wetland restoration) that contribute to the removal of carbon emissions and/or climate resilience. 	N/A	

Process for asset evaluation and selection

Bank Australia's Managing Director approves this framework, has ultimate responsibility for the pool of Eligible Assets and approves all Use of Proceeds and impact reporting under this framework.

The Eligible Asset evaluation and selection process is prepared by sustainable finance practitioners within the bank's impact management function in accordance with the approved management procedure. Assets identified as potential Eligible Assets are then reviewed by the senior manager responsible for the bank's impact management function, and the bank's executive Responsible Banking Committee, which in turn makes a recommendation to the Managing Director that those assets be deemed Eligible Assets.

The Responsible Banking Committee is an executive committee that oversees Bank Australia's approach to responsible banking, including our responsible banking policy, our B Corporation certification, and the governance of this framework.

The Eligible Asset evaluation and selection process takes into account:

- conformance with the eligibility criteria for one or more of the Eligible Categories;
- conformance with the GBP, SBP and SBG;
- conformance with Bank Australia's responsible banking policy;
- Bank Australia's own professional judgement, discretion and sustainability knowledge; and
- where Bank Australia chooses, conformance with any other principles, standards or tools that may otherwise become commonplace in the market.

An asset will be tested against the eligibility criteria for one or more of the Eligible Categories at the date the asset is financed. Where the Managing Director has approved that an asset be deemed an Eligible Asset, it will be added to the pool of Eligible Assets and included in the next cycle of investor reporting. The Eligible Asset will then be subject to external assurance at the next annual external review as outlined in this framework.

An asset that does not meet the eligibility criteria for one of the Eligible Categories will not be considered an Eligible Asset. If an existing Eligible Asset is identified as no longer meeting the eligibility criteria for one of the Eligible Categories, it will no longer be deemed an Eligible Asset and will be removed from the pool of Eligible Assets.

The Responsible Banking Committee will include on its standing agenda at least semi-annually and prior to half year and full year reporting, a review of the relevant elements of the framework including, but not limited to:

- reviewing potential Eligible Assets for completeness, valuation, eligibility, and recommendation to the Managing Director;
- reviewing assets deemed to be or not to be Eligible Assets, their addition or removal from the pool of Eligible Assets, and the value of the pool;
- reviewing the schedule and value of proceeds from outstanding sustainability investment instruments and their allocation to Eligible Assets; and
- reviewing compliance of the framework against the GBP, SBP and SBG, and with any other principles, standards or tools that may otherwise emerge or become commonplace in the market, or that Bank Australia deems relevant.

Management of proceeds

Bank Australia will track the receipt, balances, and use of invested proceeds via internal reporting systems. Eligible Assets are added and removed from the pool of Eligible Assets regularly – as new loans are originated and existing loans are repaid or closed. This means the size and makeup of the pool – and the associated mix of social and environmental outcomes – changes over time.

We have established a register of Eligible Assets which identifies, qualifies, and tracks, the pool of Eligible Assets allocated to invested proceeds and the value of those Eligible Assets. This information supports internal monitoring reports provided at least semi-annually to the Responsible Banking Committee, and the external reporting commitments outlined in this framework.

From the date an investment is made, Bank Australia will seek to fully allocate invested proceeds to Eligible Assets within the timeframes outlined in the table below.

Sustainability investment instrument	Target timeframe for invested proceeds to be allocated to Eligible Assets
Retail Impact Term Deposits	1 month
Sustainability Bonds	12 months

Where invested proceeds have not been allocated to Eligible Assets at any time during an investment term (“Unallocated Proceeds”), those proceeds will be allocated to Bank Australia’s holdings of green, social or sustainability debt securities (bonds) issued by Commonwealth or State Governments within Australia. The occurrence and value of Unallocated Proceeds will be reported to investors via Use of Proceeds reporting.



Disclosure and reporting

We recognise the importance investors place on transparency and disclosure relating to their investments and we will make the following information available via our website:

Disclosure item	Description	When
Framework (this document)	The framework outlining the governance, management, and reporting commitments for proceeds of sustainability investment instruments.	Once off: prior to the first issuance or offer of a sustainability investment instrument under this framework.
Use of Proceeds Report	Reports the value of the pool of Eligible Assets and allocation to invested proceeds, at a total and Eligible Category level, including any Unallocated Proceeds, and the proportion of financed versus refinanced assets.	Twice-yearly in line with half and full year results reporting (for the six months to 31 December and 30 June), usually published in February and October.
Impact Reporting	Reports the social and environmental sustainability outputs, outcomes, or impact (or related indicators), achieved across the pool of Eligible Assets. See overleaf for more information.	Annually in line with Bank Australia's full year corporate reporting (produced in October based on 30 June financial year end).
External Review: second party opinion (available to wholesale* investors only)	An independent external assessment of a sustainable finance instrument or framework, evaluating its alignment with established principles (like ICMA's bond principles) and its expected contribution to sustainability goals, providing credibility and transparency to investors.	Once off: prior to the first issuance or offer of a sustainability investment instrument under this framework.
External Review: assurance statements	An independent external assessment of a sustainable finance instrument or framework, confirming that the allocation of invested proceeds to Eligible Assets has been completed in accordance with the relevant instrument or framework.	Annually in line with Bank Australia's full year corporate reporting (produced in October based on 30 June financial year end).

Disclosures and reporting will be available at:

- Retail* investors: bankaust.com.au/banking/impact-term-deposit
- Wholesale* investors: bankaust.com.au/sustainabilitybond

* Retail and wholesale (clients) have the meaning set out in section 761G of the Corporations Act 2001.

Impact reporting

Our impact reporting draws on a range of measures and indicators that consider quantitative performance outputs and indicators, along with qualitative indicators and contextual information that demonstrates how and why target populations have benefitted. Where possible, target populations may be reported as specific sub-cohorts based on relevant demographic attributes such as: gender, age, income, geography, and ethnicity. We will provide the methodologies and calculation assumptions used in our impact reporting.

Where appropriate we may report at either a project or portfolio level, depending on data availability, suitability, and confidentiality limitations. We do this through impact measures and indicators, or through qualitative case studies about a particular asset or project.

GBP/SBP Category	Indicative asset types	Impact rationale	Indicative impact measures and indicators
Affordable housing	Residential mortgages for affordable home ownership Commercial loans supplying affordable housing/solutions	Home ownership is increasingly out-of-reach for very low, low, and moderate-income households in Australia; ¹ Government-supported affordable housing schemes help get people into home ownership and start building their financial futures. Community housing providers and developers of alternative housing models build, supply, and operate community and affordable housing for people who may not otherwise be able to access the rental market, or home ownership.	Number of dwellings constructed, acquired, renovated, or held Number of residents from target population housed Number of households supported into home ownership Mix of homes constructed/purchased/rented Affordability indicators: % of housing cost versus income, % of homeowners in hardship
Socioeconomic advancement and empowerment	Residential mortgages for Specialist Disability Accommodation dwellings Commercial loans supplying Specialist Disability Accommodation dwellings Commercial loans supporting economic enterprise for First Nations people	People with complex care needs often lack choice ² over where and how they live due to access to suitable housing. Funding high quality housing suitable for people with complex care needs contributes to their empowerment and inclusion. First Nations people are often excluded from economic prosperity due to inter-generational and systemic factors outside their control. ³ Supporting organisations focused on building industry in or for First Nations communities and delivering products and services to First Nations people provides economic opportunity, health, wellbeing, and cultural benefits for First Nations people and communities.	Production outputs: value or volume of products and services delivered in benefit of a target population Number of target population reached, employed, benefited Number of specialised dwellings constructed, acquired, renovated, or held

1 Parliament of Australia, [Implications of declining home ownership](#).

2 Australian Human Rights Commission, [Adaptable housing for people with disability in Australia](#).

3 Yoorrook Justice Commission, [Economic Prosperity](#).

GBP/SBP Category	Indicative asset types	Impact rationale	Indicative impact measures and indicators
Access to essential services	Commercial loans to purpose-led organisations across health care, social assistance, or education & training sectors	Charities and for-purpose organisations provide a range of vital services that target social, economic and political inclusion of diverse populations.	Number and types of charities and for-purpose businesses supported, key activities and outputs delivered Number and type of target populations reached/benefited
Green buildings Energy efficiency Renewable energy	Residential mortgages, commercial loans, and personal loans for the: construction, purchase, renovation or refinancing of green homes and enabling equipment/works Commercial loans for climate and environment technology solutions	Australian homes contribute roughly 10% ⁴ of Australia's carbon emissions due to energy-intensive heating, cooling, and appliances. Decarbonisation of Australia's housing stock through improved thermal performance and efficient energy use plays a key role in mitigating the most harmful risks associated with climate change.	Number of green homes constructed, acquired, renovated, or held Quality of thermal or energy use performance Carbon emissions (tCO ₂ -e) avoided Energy demand (kW/MJ) reduced Output of renewable energy capacity or equipment Number and type of energy efficiency upgrades completed
Terrestrial and aquatic biodiversity	Commercial loans for nature protection and sustainable land use	Australia is a biodiversity hotspot yet continues to experience rapid ecosystem decline ⁵ due to land-use change, invasive species, pollution, and climate impacts. Financing activities that protect, restore, or sustainably manage land and marine ecosystems help prevent further habitat loss and support the recovery of species and ecological functions. This enhances ecosystem resilience, improves environmental health, and secures natural assets that communities and landscapes rely on.	Land area or marine habitat protected or restored (ha/km ²) Native species abundance or richness Invasive species presence or spread reduced (land area, ha/km ²)
Climate change mitigation and adaptation	Commercial loans for carbon avoidance or reduction projects	Australia faces increasing exposure to climate-related risks, including extreme heat, fire, drought, and flooding, which threaten communities, ecosystems, and economic stability. ⁶ Financing activities that avoid, reduce or capture carbon emissions are critical to mitigating these impacts and supporting a stable transition to a low-carbon economy by strengthening climate resilience, protecting natural and built assets, and delivering long-term climate benefits for people and nature.	Carbon emissions (tCO ₂ -e) avoided/removed Land area committed to climate change mitigation & adaptation activities

4 Department of Climate Change, Energy, the Environment and Water, [Residential buildings](#).

5 Biodiversity Council, [How do we know Australia is in a biodiversity crisis? A summary of the science](#).

6 Department of Climate Change, Energy, the Environment and Water, [Assessing Australia's climate risks](#).

External review

External review is an important part of transparency, credibility and accountability in how governance, management and reporting comply with the commitments made in the framework.

A second party opinion is an independent, point-in-time assessment provided by a specialised external assessor to verify the governance and sustainability attributes of a sustainability investment framework against recognised market standards and expectations, ensuring transparency and investor confidence.

Bank Australia has obtained a second party opinion from Moody's Ratings on a once-off basis to confirm the alignment of this framework with the GBP, SBP and SBG. This opinion is available to wholesale investors only via our wholesale investor website listed in the disclosure and reporting section of this framework.

Bank Australia obtains annual assurance from a suitably qualified, independent external assurer for our Sustainability Bond Frameworks and Sustainability Funding Framework, to confirm that the allocation of invested proceeds to Eligible Assets has been completed in accordance with the relevant framework. This will continue to occur in line with full year corporate reporting (produced in October based on 30 June financial year end) and will be publicly available via the websites listed in the disclosure and reporting section of this framework.



Version history

Date	Update	Version	Note
Jul 2018	Bank Australia Sustainability Bond Framework published	1.0	
Aug 2019	Bank Australia Sustainability Bond Framework updated	1.1	
Oct 2020	Bank Australia Sustainability Bond Framework updated	1.2	
Aug 2021	Bank Australia Sustainability Bond Framework renamed to Bank Australia Sustainability Bond Framework (Oct 2020)	1.2	Superseded in May 2026
Aug 2021	Bank Australia Sustainability Bond Framework (Aug 2021) published	1.0	Superseded in May 2026
May 2026	Bank Australia Sustainability Funding Framework published	1.0	This framework supersedes and consolidates the above two Sustainability Bond Frameworks (Oct 2020 and Aug 2021)

Appendix 1: Summary of proceeds and Eligible Assets consolidated from previous frameworks

The following existing issuances, proceeds and Eligible Assets have been consolidated into this framework from previous Bank Australia Sustainability Bond Frameworks.

Consolidated Eligible Assets are deemed to be Eligible Assets according to the eligibility criteria and look-back period from the relevant previous framework they were tested against. The eligibility criteria from each previous framework were subject to second party opinion external review at the time of publication of each previous framework. These opinions are available to wholesale investors via our wholesale investor website.

Prior to being made available for allocation to proceeds from a sustainability investment instrument issued under this framework, consolidated Eligible Assets will first be tested according to the Eligible Asset evaluation and selection process and look-back period outlined in this framework. Consolidated Eligible Assets that are retested and deemed not eligible will be removed from the pool of Eligible Assets from the date of retesting.

Summary of issuances and proceeds consolidated from previous frameworks

Previous framework	Investment instrument	ISIN	Issue date	Maturity date	Value of invested proceeds	Value of consolidated Eligible Assets
Oct 2020	Sustainability Bond	AU3FN0064929	6-Dec-21	6-Dec-31	\$40,000,000	\$98,995,811
Aug 2021	Sustainability Bond	AU3FN0075461	22-Feb-23	22-Feb-27	\$225,000,000	\$411,332,992

Summary of issuances and proceeds consolidated from previous frameworks

SDG	GBP/SBP Project Category	Eligible Asset Type	Eligibility Criteria	Previous framework		Value of consolidated Eligible Assets (\$m)
				Oct 2020	Aug 2021	
10	Socioeconomic advancement and empowerment	Commercial loan: Charity loans	Commercial loans to charities registered by the Australian Charities and Not for Profits Commission in the education, health care, social inclusion, or special needs sectors.	✓	✓	\$93.8
		Commercial loan: Specialist Disability Accommodation loans	Commercial loans for the purpose of building, operating or funding Specialist Disability Accommodation operated by a provider registered with the National Disability Insurance Agency.	✓	✓	\$85.5
		Residential mortgages: Indigenous Business Australia split loans	Residential mortgages that are co-funded with Indigenous Business Australia with the goal of supporting Aboriginal and Torres Strait Islander borrowers on their home ownership journeys.		✓	\$2.7
11	Affordable housing	Commercial loan: Community housing	Secured commercial loans to not-for-profit Registered Community Housing organisations registered with and regulated by State or Federal Government entities.	✓	✓	\$12.0
		Residential mortgages: Affordable housing schemes	Residential mortgage assets originated as part of government sponsored and administered affordable housing programs. These include shared equity and land rent schemes where the borrowers meet certain maximum income qualifying criteria.	✓	✓	\$47.2
	Green buildings	Residential mortgages: Green mortgages	Residential mortgages that meet one of the following green criteria: <ol style="list-style-type: none"> For homes constructed after 31 December 2018, a rating of 7 Stars or higher calculated using software accredited under the Nationwide House Energy Rating Scheme (NatHERS); A one-star uplift in the property's star rating on the Residential Efficiency Scorecard; Property upgrades, including installation of a solar PV system of at least 5kW or the minimum size required by the Climate Bonds Initiative standards for Australia. 		✓	\$136.9
15	Environmentally sustainable management of living natural resources and land use	Residential mortgages: conservation reserve backed construction loans and associated ongoing mortgage loans	Residential mortgages where Bank Australia is currently funding construction, or funded the initial construction, since 1 July 2015. These residential mortgage loans: <ol style="list-style-type: none"> are for properties in the states of Victoria, New South Wales and Tasmania meeting a high environmental standard given the date and place of construction and compliance with prevailing building standards, and have protected land in Bank Australia's conservation reserve that is equal to the size of building lots of all new homes constructed allowing borrowers to mitigate the impact of their building activity. 	✓		\$46.7
			Residential mortgages where Bank Australia is currently funding construction, or funded the initial construction, since 1 July 2020. These residential mortgage loans: <ol style="list-style-type: none"> are for properties in the states of Victoria, New South Wales and Tasmania meeting a high environmental standard given the date and place of construction and compliance with prevailing building standards, and have protected land in Bank Australia's conservation reserve that is equal to the size of building lots of all new homes constructed allowing borrowers to mitigate the impact of their building activity. 		✓	\$85.6

Appendix 2: Important notices

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