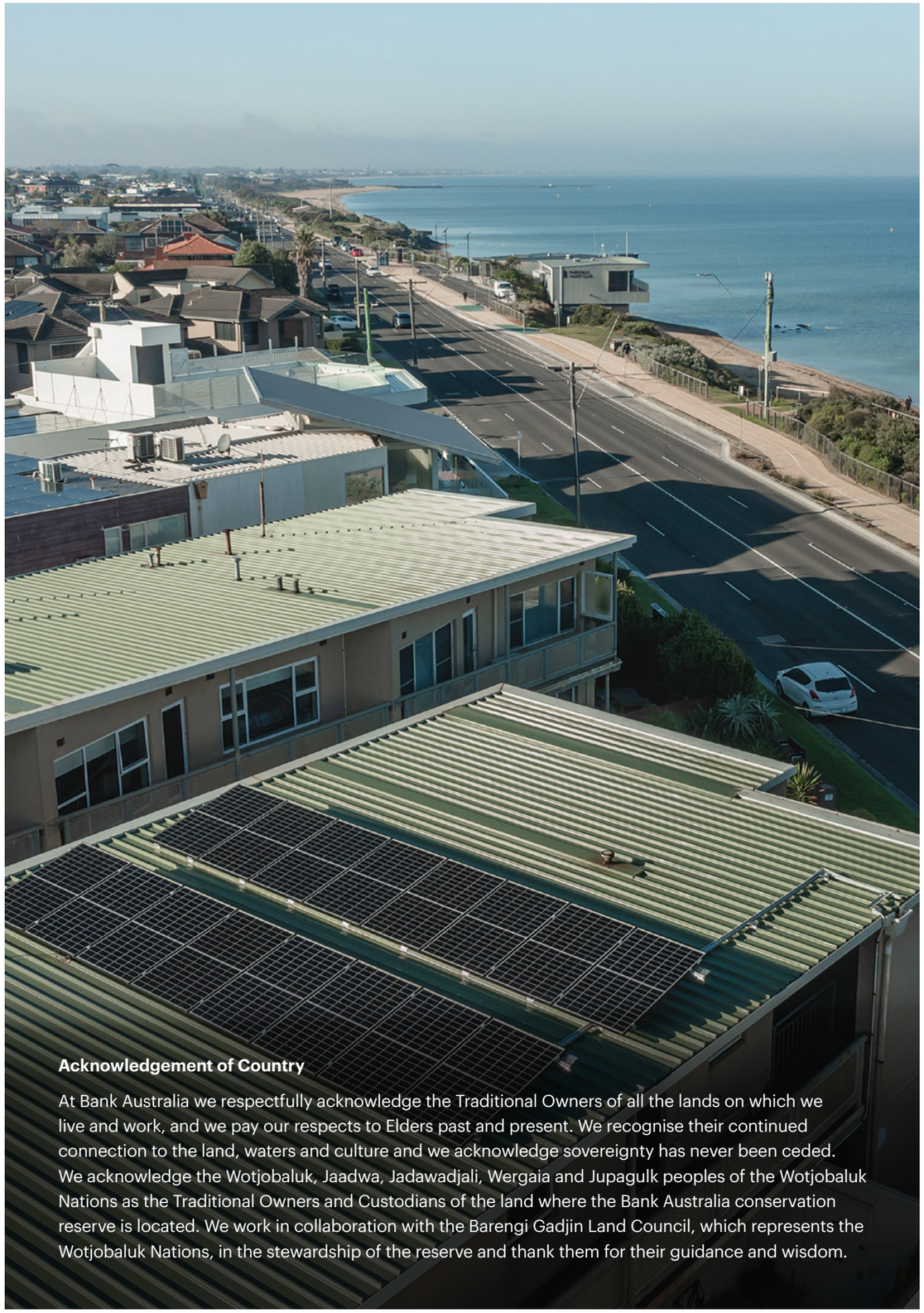
2026

Sustainability Report

Bank Australia



Acknowledgement of Country

At Bank Australia we respectfully acknowledge the Traditional Owners of all the lands on which we live and work, and we pay our respects to Elders past and present. We recognise their continued connection to the land, waters and culture and we acknowledge sovereignty has never been ceded. We acknowledge the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk peoples of the Wotjobaluk Nations as the Traditional Owners and Custodians of the land where the Bank Australia conservation reserve is located. We work in collaboration with the Barengi Gadjin Land Council, which represents the Wotjobaluk Nations, in the stewardship of the reserve and thank them for their guidance and wisdom.

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.

Contents

Directors' declaration 2

Introduction 3

1. Governance 4

2. Strategy 8

3. Risk management 22

4. Climate-related metrics and targets 24

Appendices 36

Assurance statement 44

Directors' declaration

In the opinion of the directors of Bank Australia Limited (the Company), I state that the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its controlled entities (collectively the Group) for the year ended 30 June 2026, as presented in this Sustainability Report, are in accordance with the *Corporations Act 2001*, including:

a) Complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* and any further requirements determined under section 296C(2) of the *Corporations Act 2001*; and

b) Containing the climate statement disclosures required by section 296D of the *Corporations Act 2001*.

Made in accordance with a resolution of the directors of Bank Australia Limited pursuant to section 296A(6) of the *Corporations Act 2001*, as modified by section 1707C(2) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors:

Jennifer Dalitz, Director
Signed on 24 September 2026

Introduction

This report represents a complete set of climate-related financial disclosures for Bank Australia Limited and its controlled entities (collectively, "the Group") for the year ended 30 June 2026. The Group's climate-related disclosures have been prepared in accordance with AASB S2 Climate-related Disclosures, which is the mandatory Australian Sustainability Reporting Standard that has been issued by the Australian Accounting Standards Board (AASB). Reporting on sustainability-related topics beyond AASB S2 is covered separately in Bank Australia Limited's 2026 Impact Report.

As this is the first year in which the Group has applied AASB S2, the Group has elected to adopt the following transition reliefs:

- Comparative information: the Group has not disclosed prior year comparative information.
- Scope 3 GHG emissions: the Group has applied the transitional relief available under AASB S2 and has not disclosed Scope 3 greenhouse gas emissions in accordance with AASB S2 for the current reporting period. The Group has, however, elected to voluntarily disclose certain Scope 3 greenhouse gas emissions information aligned with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (henceforth referred to as the GHG Protocol) and lending exposures, see metrics and targets section for further detail.

This report has been prepared for the same consolidated reporting entity and reporting period as the Group's Consolidated Financial Statements (see "Note 2(d) Basis of consolidation" in the 2026 Financial Report) and has incorporated climate-related information of the parent company and its controlled entities.

1.

Governance

1.1 Governance structure

Bank Australia Limited's Board is responsible for approving all public commitments that the bank makes, including the climate action strategy, climate targets and other climate-related commitments. The Board is responsible for monitoring and assessing performance against Board-approved targets and strategies. The Board Charter states that Bank Australia's Board is responsible for oversight of climate-related risks and opportunities. It receives regular updates on climate-related issues, including progress against targets and strategies. Details of how often climate-related risks and opportunities were discussed with the Board of Directors is provided on page 7. The Board has responsibility for the bank's strategy, decisions on major issues and risk management and in undertaking these responsibilities has due regard to all the bank's stakeholders, its role in the community and responsible banking purpose. In approving the bank's climate action strategy and climate-related transition plan, the Board considered options for emissions reduction targets and associated climate-related opportunities to achieve these targets. This included consideration of trade-offs, for example, how climate-aligned lending opportunities may reduce net interest margin for the affected loans.

The Audit Committee, a sub-committee of the Board, is responsible for reviewing climate disclosures and recommending them to the Board for approval. The Audit Committee also assists the Board by providing objective non-executive oversight of the bank's internal control environment. The Risk Committee, a sub-committee of the Board, is responsible for setting and approving the bank's risk appetite statement, which includes climate risk. The Risk Committee supports the Board through oversight of the bank's risk management framework, risk identification and controls, including climate-related risks and opportunities.

The Board delegates responsibility for implementation of the climate action strategy to management, including the Managing Director and the executive team. This includes the Chief Legal Officer and Company Secretary who has been delegated responsibility for developing and implementing Bank Australia Limited's sustainability initiatives and engaging with and coordinating key stakeholders around Bank Australia Limited's climate action strategy. Progress against the climate action plan is a key risk indicator within the risk appetite statement, also under the responsibility of the Chief Legal Officer and Company Secretary. Internal controls support management in overseeing the risk of failing to take appropriate action on climate change and/or failing to manage the risks to the Group caused by climate change.

The executive Responsible Banking Committee provides managerial oversight for the Managing Director and ensures progress of implementation of the climate action strategy into relevant functions. It is chaired by the Chief Legal Officer and Company Secretary and includes all members of Bank Australia Limited's executive.

The Climate Action Strategy Steering Committee is a management committee that guides the implementation of the climate action strategy. Its main purpose is to facilitate information sharing on the work happening on the climate action strategy, identify opportunities for collaboration relevant to the climate action strategy, maintain visibility over the progress of the climate action strategy and provide endorsement for the standing climate action strategy progress report to the executive Responsible Banking Committee. It is chaired by the Head of Impact Management with executive sponsorship from the Chief Legal Officer and Company Secretary and participation from heads of department and managers across areas including impact, risk, finance, strategy, product, lending, credit, operations, corporate affairs and marketing.

1.2 Board and management climate capabilities

The Board has relevant experience and a mix of skills and capabilities to oversee climate-related risks and opportunities. Directors bring expertise in financial services regulation, corporate governance and the ability to understand retail banking risks, including risk identification and monitoring of risk mitigation. Board members are committed to mutuality values, sustainability and responsible banking principles.

The Board regularly reviews the skills and capabilities represented by the Directors to ensure that its composition remains appropriate to achieve Bank Australia Limited's objectives and oversee risks and opportunities, including climate-related risks and opportunities. The review is undertaken through the Board's annual performance and fit and proper assessment processes and periodic review of the Board skills matrix. These self-assessment processes assess the skills, experience and expertise required to oversee the implementation of strategy, identify any capability gaps and inform Director development, succession planning and Board renewal activities. Board members have diverse professional experience, including experience relevant to climate-related risks and opportunities (see the Director's Report for biographies of Board members in the 2026 Financial Report). The Board may also engage external experts where specialised expertise is required.

In 2026, Bank Australia Limited's Board members and executive team continued to strengthen their climate-related capabilities. This included participation in specific global forums, events and conferences, which provided the opportunity to build expertise in climate adaptation, responsible banking, sustainable finance, inclusive development, resilience in the face of global and regional crises and financial inclusion.

The Board and executives also regularly build capability via engagement with climate topics at their meetings. The table below demonstrates when climate-related risks and opportunities topics were presented and discussed with the Board of Directors, the Risk Committee, the Audit Committee and the executive Responsible Banking Committee in 2026.

Figure 1: Board and Committee meetings covering climate-related risks and opportunities

	July 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
Board of Directors					✓				✓		✓	✓
Risk Committee		✓								✓		
Audit Committee			✓			✓				✓		✓
Executive Responsible Banking Committee	✓			✓				✓		✓		

2.

Strategy

2.1 Business strategy

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. The importance of taking action on climate change is embedded into our bank-wide strategy. Our climate action strategy contains our climate-related transition plan (see page 17).

Our business model and value chain

Bank Australia Limited's business model is focused on retail banking with some commercial lending (2.15% of total lending) and investments, including bonds. Based on our strategic ambition and the actions within our climate-related transition plan, we do not expect major changes to our business model as a result of the climate-related risks and opportunities we have identified. Our value chain includes purchased goods and services, our offices and branches in our direct operations, as well as our conservation reserve, and our lending and investments.

Figure 2: Bank Australia Limited's value chain

Upstream	Direct	Downstream
• Utilities – energy, water • Consumables – stationary, food • Waste • Equipment – IT, cybersecurity, office fixtures, fittings and furniture • Commercial partners – e.g. insurance	• Our offices and branches • Our conservation reserve: 2,117 hectares on Wotjobaluk Country in western Victoria	• Lending and investments (90.7% of our total lending was for residential mortgages in FY26) • Our responsible banking policy includes screens for what we fund (positive screens) and what we do not fund (negative screens). We do not lend to coal, gas or oil extraction or fossil fuel electricity generation.

Our view of how climate change will play out

The bank considers what the impact of climate change might be over the following three time horizons:

- **Short term to 2028:** 1-3 years, aligned to the bank's strategic planning cycle
- **Medium term to 2035:** 4-10 years, aligned to the bank's 2035 emissions reduction targets
- **Long term to 2050:** 11-30 years, aligned to a typical residential mortgage term

Our view of how climate change will play out is based on 1.9°C to 2.7°C of warming by 2100 (Climate Action Tracker warming projections: global temperature increase by 2100, November 2024 update). Domestic grid decarbonisation and household electrification will continue to scale up, but a degree of physical risk is already locked in due to historical and continuing delays in global action. Transition risk escalates in the short to medium term and then drops due to a relatively ambitious pace of decarbonisation, and physical risk increases from the medium to long term.

Key assumptions and dependencies in our view of the world:

- An expectation of increasingly robust climate policy internationally, including through the United Nations Framework Convention on Climate Change (UNFCCC) nationally determined contribution (NDC) cycles. Key countries, including Australia's important trading partners, show a mixture of as-is, moderate and very strong climate action, which in turn influence changes in the Australian economy.
- An expectation of stronger domestic climate policies including the strengthened 2035 NDC (62-70% reduction) lead to energy system transformation and increasing renewables in the grid (Commonwealth target: 82% renewable electricity by 2030), home electrification and energy efficiency measures, higher housing construction standards and vehicle emissions standards.
- Australians have interest in and capacity to act on green preferences, which Bank Australia Limited can support.
- Despite mitigation efforts domestically, climate-related physical impacts escalate, and chronic impacts become locked in over the long-term horizon.
- Insurance availability and coverage may change over time, which could affect the value of some Australian homes.

2.2 Climate risks and opportunities impacting the business

We have identified the climate-related risks and opportunities that could reasonably be expected to affect our prospects, specifically our cash flows, access to finance or cost of capital over the short, medium or long term. Bank Australia Limited continues to work on other climate-related topics beyond the climate-related risks and opportunities identified for the purpose of this standard. Our work on other climate-related topics is disclosed in our annual impact report (see 2026 Impact Report page 81).

Our climate-related risks and opportunities for the purpose of this standard include:

Climate-related opportunities:

- Grow climate-aligned lending
  - The lending we count as climate-aligned includes: residential mortgages where the emissions are below the 1.5°C pathway benchmark in the reporting year ($kgCO_2e/m^2$), per our residential mortgage emissions reduction target (see page 33 – approach to target setting); personal loans for home electrification equipment; loans for fully electric vehicles; and commercial lending for climate, nature and carbon projects. See page 32 for detailed definitions of climate-aligned lending.

Climate-related risks:

- Credit risk in the mortgage portfolio – physical
- Credit risk in the mortgage portfolio – transition
- Climate-related liability risk

2.3 Nature of climate-related risks and opportunities

Our climate-related risks and opportunities are concentrated in our residential mortgage portfolio, given 90.7% of our total lending was for residential mortgages in FY26. All our lending is underpinned by our responsible banking policy which excludes lending to coal, gas or oil extraction or fossil fuel electricity generation.

No significant current effects in FY26 have been identified from our climate-related risks or opportunities on our business model or value chain, and significant future changes are not anticipated.

The table below describes the nature of each of our climate-related risks and opportunities, and our mitigation or adaptation efforts.

Figure 3: Nature of climate-related risks and opportunities and mitigation and adaptation efforts

Climate-related risks and opportunities and status under our 'view of the world'	Nature of the climate-related risk or opportunity	Mitigation or adaptation efforts
Opportunity: grow climate-aligned lending (defined on page 32) **Time horizon:** all horizons	There is an opportunity to grow climate-aligned lending as demand for energy efficient, electric homes increases in Australia. Consumer interest in energy efficient housing is supported by a foundation of high rates of rooftop solar and home battery uptake in Australia. Enabling government policies are accelerating the opportunity, including the federal government's Cheaper Home Batteries Program, increasing to $7.2b over the next four years, and the Clean Energy Finance Corporation's $1b Household Energy Upgrades Fund, alongside various state level schemes and subsidies.	Our climate-related transition plan includes our approach to supporting our customers to electrify and improve the energy efficiency of their homes. For our residential mortgage portfolio, this includes continuing with existing product initiatives like the Clean Energy Home Loan, which we have collaborated with the Clean Energy Finance Corporation on, customer enablers and incentives like the Electrify Your Home program, and data quality initiatives. We also plan to launch new product initiatives and customer enablers and incentives to support the opportunity to finance climate-aligned homes. We have introduced climate-aligned lending policy change with our policy to cease funding car loans for new fossil fuel cars from 2025, and we will continue to offer our Electric Vehicle loan to support growing our vehicle loan portfolio. We are monitoring and seeking opportunities for climate-aligned commercial loans, including growing climate-aligned residential building assets as well as exploring new climate-aligned asset classes. Per our responsible banking policy, we do not lend to coal, gas or oil extraction or fossil fuel electricity generation. More broadly, Bank Australia Limited identifies impact as one of our strategic themes, helping us differentiate and deliver on our customers' expectations. Climate action is one of our four priority impact areas, and actions taken to grow climate-aligned lending are a key way to demonstrate action.

Climate-related risks and opportunities and status under our 'view of the world'	Nature of the climate-related risk or opportunity	Mitigation or adaptation efforts
Risk: credit risk in the mortgage portfolio (physical) **Time horizon:** all horizons	Global temperatures are projected to rise through the short, medium and long terms, resulting in increasing acute climate impacts like floods, storms and fires and lock-in of chronic climate impacts like heat stress. Potential direct impacts on home loan customers include higher insurance costs (and/or less insurance coverage or availability), resulting in higher personal damage costs as well as falling values of vulnerable homes. Possible indirect impacts on home loan customers could arise from damage to local infrastructure and services and effects to the wider Australian economy, like raised costs of living and reduced household income. Cost of living strain could compound with home loan customers spending on climate adaptation. We conducted climate physical risk analysis in FY26 for our residential mortgage portfolio supported by data from Finity Consulting Pty Ltd (Finity). This analysed insured perils (e.g. storm, flood, bushfire, cyclone) as well as uninsured perils (e.g. heat stress, coastal erosion) and how they might impact the credit quality of our residential mortgages under high and low emissions scenarios in the short, medium and long term. The results indicated a low proportion of mortgages are vulnerable to climate-related physical risk (see detail of assets vulnerable to climate-related physical risk on page 32).	We manage concentration risk through limits on the number and value of loans made in certain geographic areas. We require customers to hold appropriate insurance when they take out a new home loan and we contact customers annually to remind them of the requirement to maintain appropriate insurance. Our responsible approach to lending helps us manage credit risk. The bank also has a track record of working through hardship issues with customers and has a low credit loss history. We will continue to assess climate physical risk, including through sourcing external data and expertise, and considering how we can further integrate climate physical risk information in key risk management processes.

Climate-related risks and opportunities and status under our 'view of the world'	Nature of the climate-related risk or opportunity	Mitigation or adaptation efforts
Risk: credit risk in the mortgage portfolio (transition) **Time horizon:** all horizons	Strengthened climate and energy transition policies in Australia and internationally are expected to have economic impacts, peaking in the medium term. Economic disruption is likely to be concentrated among home loan customers in locations with strong linkages to vulnerable, emissions-intensive industries. Home loan customers seeking to electrify and improve energy efficiency face upfront capital costs, while homes that are not upgraded may be devalued. We conducted climate transition risk analysis for our residential mortgage portfolio in FY26 supported by data from Finity. This considered how both current policies and a high mitigation scenario might affect the economy at a statistical area 4 level (SA4), and thus impact the credit quality of our mortgages over the short, medium and long term. The results indicated a low proportion of mortgages are vulnerable to climate-related transition risk (see detail of assets vulnerable to climate-related transition risk on page 32). Some SA4 areas in which Bank Australia Limited lends (e.g. metropolitan Melbourne or Sydney) may benefit from the transition to a low carbon economy. Bank Australia Limited also has a long history in Victoria's Latrobe Valley, an area that is modelled to be negatively impacted in a high mitigation scenario. We have historical roots in the community, including employing 17.9% of our workforce in the Latrobe Valley, and lending exposure of $400m (2.5% of the current residential mortgage portfolio). Our lending in the Latrobe Valley is within the bank's risk appetite limits for the area, and the bank continues its commitment to supporting the region as it transitions away from fossil fuel electricity generation.	We manage concentration risk through limits on the number and value of loans made in certain geographic areas. Our responsible approach to lending helps us manage credit risk. The bank also has a record of working through hardship issues with customers and has a low credit loss history. In the Latrobe Valley, the bank has a track record of supporting customers through transition events including the closure of Hazlewood power station in 2017, and has staff from key teams including Contact Centre, Lending and Customer Support and Recoveries based in the region. We will continue to assess climate transition risk, including through sourcing external data and expertise, and considering how we can integrate climate transition risk information in key risk management processes.

Climate-related risks and opportunities and status under our 'view of the world'	Nature of the climate-related risk or opportunity	Mitigation or adaptation efforts
Risk: climate-related liability risk (transition) **Time horizon:** short to medium term	Regulators scrutinise environmental claims, and compliance requirements are evolving rapidly. Falling behind these changes could result in unintended breaches with regulatory consequences, like penalties or remediation requirements. Consequential reputational damage could carry brand risk. Our customers consistently rate climate action as a high priority and expect that we act meaningfully and transparently on climate.	We will continue to actively manage climate-related liability risk by investing in capability to meet regulatory requirements and to monitor the emerging regulatory and compliance landscape, including continuing to partner with external experts where required. Our publicly available climate-related transition plan contained within our climate action strategy (pages 8-15) describes how we plan to achieve our emissions reduction targets. Claims we make about our climate credentials are subject to an internal review process.

2.4 Overview of current and anticipated financial effects

The table below describes the financial effects of climate-related risks and opportunities on Bank Australia Limited's financial position in the FY26 reporting period, and the anticipated financial effects over the short, medium and long term. These short-, medium- and long-term effects are based on our view of how climate change will play out (see page 9).

As a bank, we are exposed to climate policy and physical climate impacts as they flow through the broader financial system. These effects can be complex and evolve over long or uncertain timeframes. Estimating financial effects involves many assumptions about future policies, emissions trajectories and economic conditions. Given this level of uncertainty, reliable quantification of future financial effects is not yet feasible. We are undertaking work to improve estimates of quantitative effects for future reporting periods.

Figure 4: Current and anticipated financial effects of climate-related risks and opportunities

Climate-related risks and opportunities	FY26 financial effects	Anticipated financial effects over the short, medium and long term
Opportunity: grow climate-aligned lending (climate-aligned lending is defined on page 32)	Climate-aligned lending grew to $8.2b or 38.3% of total assets in FY26.	• We have actively sought opportunities to finance climate-aligned homes for several years in line with our climate action strategy. These opportunities are anticipated to continue in the short and medium term, including in line with more ambitious government policies. • Our climate action strategy also differentiates us in the banking market and strengthens our brand, which delivers value to our business. Our general environmental, social and governance credentials as well as specific green home assets in our sustainability funding program pool are attractive to wholesale investors and also help to attract values-aligned retail depositors. • Actions to achieve our residential mortgage emissions reduction target may incur opportunity costs, for example by reducing net interest margin for the affected loans. • The net effect on revenue from opportunity benefits and costs is uncertain but is not expected to be material to our financial prospects.
Risk: credit risk in the mortgage portfolio (physical)	No material effects in FY26.	• In the short to medium term, climate physical impacts are not estimated to result in material effects. This is due to the turnover in the mortgage portfolio and Bank Australia Limited's ability to manage risks down over time through credit policy changes. The bank's executive Credit Committee conducts periodic reviews of credit limits, which feed into the annual review of the Board's risk appetite settings. This provides regular opportunity for adjustment. • However, a degree of physical risk is already locked in. The risk could increase if the pace of emissions reduction is slower or if physical impacts are more severe than currently expected. Overall profitability could be affected and higher credit loss provisions may be required due to increasing climate physical impacts. Greater bank borrowing from increasingly expensive or volatile wholesale markets could be required if customer deposits decline due to household climate damage and/or climate adaptation costs.
Risk: credit risk in the mortgage portfolio (transition)	No material effects in FY26.	• Climate transition impacts are not currently estimated to be material, based on Bank Australia Limited's ability to manage risks down over time through credit policy changes. As described on page 13, the bank's most prominent area for transition risk based on current lending is the Latrobe Valley. The bank's executive Credit Committee conducts periodic reviews of credit limits, which feed into the annual review of the Board's risk appetite settings. This provides regular opportunity for adjustment based on monitoring of transition risk. • However, the risk will increase if the pace of the energy transition is faster and more disorderly than expected, and this may flow through to higher expected credit losses, which would impact revenue and profit.

Climate-related risks and opportunities	FY26 financial effects	Anticipated financial effects over the short, medium and long term
Risk: climate-related liability risk (transition)	No material effects in FY26.	• This risk is actively managed by Bank Australia Limited and is therefore not anticipated to result in material effects in the short, medium or long term. The bank manages climate-related liability risk through Board approval of the climate action strategy and climate-related transition plan, climate-related commitments and climate-related disclosures, internal policies and processes including oversight by legal, and engaging external experts for advice on climate-related technical matters, such as claims regarding emissions reduction targets, where required. • Litigation or regulatory action could result in material effects by reducing profitability through penalties or remediation requirements, as well as reputational damage that may affect brand value and the value of customer deposits.

No significant risk of material adjustment in the next reporting period (FY27) has been identified for the above climate-related risks and opportunities.

In FY26 we signed a Memorandum of Understanding with Police and Nurses Limited to explore a merger. If the merger proceeds, we do not expect the merged entity's strategy to manage climate-related risks and opportunities to change the financial position of the entity over the short, medium or long term. The merged entity intends to maintain the public commitments of Bank Australia Limited.

2.5 Our climate action strategy, emissions reduction targets and climate-related transition plan

Bank Australia Limited has a climate action strategy for 2026-2035, first published in FY22 and revised in FY26 following our merger with Qudos Bank and acquisition of Australian Unity's banking business. Our climate action strategy has three focus areas: climate opportunities, climate risks and climate engagement (page 4), and contains our climate-related metrics and targets (pages 4-7), and climate-related transition plan for 2027-2029 (pages 8-15), aligned to the bank's strategic planning cycle. Our climate-related transition plan is structured into three sections: foundations (pages 9-10), action (pages 11-14) and accountability (page 15), aligned to the Transition Plan Taskforce's guidance.

Emissions reduction targets

Our climate action strategy includes three gross emissions reduction targets for FY35, from an FY26 baseline:

- Reduce emissions from residential mortgages from 95,353 to 28,606 tonnes of carbon dioxide equivalent (tCO_2e) (70% reduction)
- Reduce emissions from motor vehicle loans from 1,401 to 841 tCO_2e (40% reduction)
- Reduce operational emissions from 4,934 to 2,960 tCO_2e (40% reduction)
- For further information on our emissions reduction targets, see page 33.

Resourcing

Our climate-related transition plan includes information on our approach to resourcing and ongoing capability (see climate action strategy, page 15).

The activities in the climate-related transition plan are supported by financial resources embedded across the business. This includes operational expenditure, like working with BOOM! Power to deliver the Electrify Your Home program, purchasing home energy attributes data and climate-related risk data, working with consultants to develop emissions modelling and tools and purchasing 100% renewable electricity. We also deliver retail product initiatives like our Clean Energy Home Loan through providing reduced interest rates, which reduces net interest margin for the affected loans, and our philanthropic impact fund supports our climate engagement work.

The resources required to deliver our climate-related transition plan are not anticipated to affect our financial prospects over the short, medium or long term.

Progress against our climate-related transition plan in previous reporting periods

Bank Australia Limited's climate-related transition plan covers the 2027-2029 reporting periods. Progress will be reported from 2027. Progress against the climate action strategy is reported in the 2026 Impact Report (see page 84).

2.6 Climate resilience and scenario analysis

In FY26 we undertook climate-related scenario analysis to assess our resilience, primarily focusing on applying scenarios to our residential mortgage portfolio per the nature of our climate-related risks and opportunities. We developed two tailored scenarios in house to support this exercise: a high mitigation scenario and a high emissions scenario. We used authoritative, publicly available information to develop these scenarios. In addition, we undertook quantitative analysis supported by Finity to assess climate-related physical and transition risks in our mortgage portfolio (see page 32 for vulnerability information). We validated the qualitative scenario narratives against Finity's quantitative analysis to assess alignment.

For the high mitigation scenario aligned with the latest international agreement on climate change, the Paris Agreement, we reviewed high mitigation long-term scenarios developed by the Intergovernmental Panel on Climate Change (IPCC SSP1-1.9 taking the green road) and the Network for Greening the Financial System (NGFS: low demand and net zero by 2050). We also considered descriptive elements of the NGFS short-term scenarios released in 2025: highway to Paris and sudden wake-up call, which align with net zero by 2050. Finity's scenario analysis used an Australian specific scenario for transition risk consistent with the NGFS net zero 2050 scenario. For physical risk, Finity's scenario analysis uses RCP 2.6, which does not materially differ in physical risk from SSP1-1.9 up to 2050 (described as a low emissions scenario on page 32).

For the high emissions scenario, we reviewed long-term high emissions scenarios developed by the IPCC (SSP5-8.5 fossil-fuelled development) and the NGFS (long-term 5th vintage current policies) and NGFS short-term scenarios released in 2025: disasters and policy stagnation and diverging realities). A high emissions scenario characterised by failure to mitigate emissions and severe physical risk is relevant to assessing our resilience as a bank, where collateral assets, like the homes we provide mortgages for, could face escalating damages, and disorder in the broader financial system could result in financial impacts. For physical risk, Finity's high emissions scenario is based on RCP 8.5, which is consistent with SSP5-8.5 up to 2050.

We drew together qualitative information from these IPCC and NGFS scenarios to develop two tailored scenarios to assess our business over the short (1-3 years), medium (4-10 years) and long term (11-30 years). We considered how these scenarios might impact our business operations, like our supply chain and operational costs, and our lending activities, particularly in our residential mortgage portfolio, which is the main focus of our business model (see page 9). We also considered how these scenarios might impact the broader financial system we operate in.

We reviewed how climate impacts might be reflected in our financial statements under these scenarios. This analysis indicated that financial effects in both the high mitigation and high emissions scenarios could be in the areas of higher expected credit losses, reduced net interest margin, higher share of wholesale funding and/or elevated operational costs. Broadly, these financial effects are expected to be modest or to occur in the longer term.

Resilience under a high mitigation scenario

Bank Australia Limited has a strategic focus on climate, including pursuing climate-aligned lending opportunities as well as controls and levers through the lending cycle to manage climate-related risk. We anticipate that we are relatively resilient to the high mitigation scenario overall. As a bank, we are exposed to climate policy and impacts as they flow through the broader financial system. These impacts may affect our borrowers, and in turn the credit quality of affected loans. Estimating financial effects involves assumptions about future policies, emissions trajectories and economic conditions. Reasonable and supportable information is not available at undue cost or effort to quantify the anticipated financial effects associated with climate-related risks across the broader economy, including how systemic effects would translate to property-level credit losses.

Given our strategic focus on climate, including pursuing climate-aligned lending opportunities, managing climate-related liability risk as well as controls and levers through the lending cycle to manage climate-related physical and transition risk, we anticipate that we are relatively resilient to the high mitigation scenario overall. Based on available information, financial effects under this scenario are expected to be modest or to occur in the medium to longer term.

Scenario description: high mitigation, higher transition risk | 1.5°C by 2100, net zero by 2050 | RCP 2.6

2025 domestic political outcomes allow development and lock in of key policies (as per 'our view of how climate change will play out') leading to **significant change in the Australian economy and growth in renewable energy and electrification, mirrored in key countries**. This supports avenues for customers to act on their preferences for sustainability action and outcomes.

Emissions decline sharply by 2035 but are associated with elevated transition costs in the short to medium term due to the steep reductions required as a result of previously delayed action in climate and energy transition policies. Consumers and investors increasingly favour green sectors, while high polluting sectors face rising credit risks and capital costs.

Physical impacts still escalate somewhat due to legacy emissions and previous climate inertia.

Climate-related liability risk increases due to increased regulatory scrutiny of environmental claims and compliance requirements.

What this scenario leads to:	Possible financial effects for Bank Australia Limited:
• Strengthened climate and energy transition policies in Australia and internationally are expected to have disruptive economic impacts, peaking in the medium term. • Direct effects of economic disruption on the bank are likely to be concentrated among home loan customers in locations with strong linkages to vulnerable, emissions-intensive industries. • Despite Australia's progress on emissions reductions, physical climate impacts like floods, storms or fires impact some home loan customers in geographically vulnerable regions via higher insurance costs (or less coverage/availability), resulting in higher damage costs and falling home values. • Home loan customers electrifying/improving energy efficiency face upfront capital costs, while homes that are not upgraded may be devalued.	• General economic disruption may lead to moderate to higher reductions to net interest margin over the medium to long term impacting profitability resulting from elevated inflation, interest rates, funding costs and credit quality. • Potential for somewhat higher expected credit losses, resulting in increased provisioning requirements and write-offs. Credit risk appetite may need adjustment in specific regions. • Moderate decreases to customer deposits due to cost of living pressures, possibly leading to higher cost of funding. • Potential for elevated operational costs due to supplier investment in mitigation and resilience, climate damage and living costs pressure on wages.

Resilience under a high emissions scenario

As a bank, we are exposed to climate policy and impacts as they flow through the broader financial system. Estimating financial effects involves assumptions about future policies, emissions trajectories and economic conditions. Reasonable and supportable information is not available at undue cost or effort to quantify the anticipated financial effects associated with climate-related risk across the broader economy, including how systemic effects would translate to property-level credit losses.

Given our responsible approach to lending, management of climate-related liability risk, reasonably low loan-to-value ratio portfolio and current geographic distribution, we anticipate that we are relatively resilient to the high emissions scenario overall. However, this assessment has limitations and relies on certain assumptions like the ongoing availability of home insurance.

Based on available information, financial effects under this scenario are expected to be modest or to occur in the longer term.

Scenario description: high emissions, almost entirely physical risk | 3-5°C by 2100 | RCP 8.5

Demonstrable failure to make meaningful progress on mitigation in line with the Paris Agreement leads to a **fragmenting global approach to mitigation with significantly varied rates of renewable energy growth by jurisdiction.**

Wealthy countries cooperate to try to maintain and grow their national wealth, trusting in the development of technological climate solutions primarily aimed at protecting their own citizens from **increasing physical impacts** of climate change.

Insurance is in retreat leaving collateral assets and some communities stranded.

Climate-related liability risk continues with regulator scrutiny of environmental claims and compliance requirements.

What this scenario leads to:	Possible financial effects for Bank Australia Limited:
• Physical climate impacts like floods, storms, and fires escalate in Australia and abroad and cause broader economic disruption, like raised costs of living, reduced household income, and increased damage repair and adaptation costs.	• General economic disruption may lead to moderate to higher impacts on net interest margin over the medium to long term impacting profitability resulting from elevated inflation, interest rates, funding costs and credit quality.
• Australian households are impacted via higher insurance costs (or less coverage/availability), resulting in higher personal damage costs and falling home values.	• Potential for somewhat higher expected credit losses, resulting in increased provisioning requirements and write-offs. Credit risk appetite likely to need adjustment in specific regions.
• Indirect impacts on households could arise from damage to local infrastructure and services and effects to the wider Australian economy.	• Moderate decreases to customer deposits due to cost of living pressures, possibly leading to higher cost of funding.
• Cost of living strain could compound with home loan customers spending on climate damage repair and adaptation.	• Potential for elevated operational costs due to supplier investment in mitigation and resilience, climate damage and living costs pressure on wages.

2.7 Climate resilience

We have used qualitative scenario analysis to assess our climate resilience, including against a high mitigation scenario and a high emissions scenario (see pages 18-20).

Overall, the scenario analysis indicated that financial effects in both the high mitigation and high emissions scenarios could be in the areas of higher expected credit losses, reduced net interest margin, higher share of wholesale funding and/or elevated operational costs. Broadly, these financial effects are expected to be modest or to occur in the longer term. In addition, we have risk and capital management frameworks that are designed to help us manage changes in the external environment.

3.

Risk management

3.1 Risk management and governance

Bank Australia Limited's risk appetite statement is part of our risk management strategy and is subject to Board oversight. Our Head of Enterprise and Strategic Risk coordinates an annual review and updates how risks are captured and prioritised in our enterprise-wide risk register as needed.

The Board's Risk Committee oversees the implementation and ongoing operation of the risk management framework, monitors risk identification, assessment and control methodologies, and ensures that requirements in relation to the risk management framework are met.

3.2 Climate risk and opportunity identification, assessment and processes

Climate risk is captured as a strategic risk in Bank Australia Limited's risk appetite statement and is monitored as a driver of other risks like credit risk, including through reporting on customer hardship as a result of climate-related physical impacts. Hardship information is an input to the bank's expected credit loss model.

In 2024 we completed a detailed bank-wide climate-related risk assessment with representatives across the business. The assessment included the development of a climate-related risk register containing a long list of possible risks across the bank's business model and value chain and considered the inherent consequence and likelihood of each risk, aligned to the ratings in the bank's risk appetite statement.

The climate-related risks that could reasonably be expected to affect our prospects, specifically our cash flows, access to finance or cost of capital over the short, medium or long term, are reflected in the bank's risk appetite statement and include:

- Credit risk in the mortgage portfolio – physical risk
- Credit risk in the mortgage portfolio – transition risk
- Climate-related liability risk

In FY26 we included two acute climate risk events as part of our annual Internal Capital Adequacy Assessment Process, which monitors and stress tests our capital levels.

In FY26 we completed an assessment of climate-related physical and transition risk to collateral held for residential mortgages. This analysis was supported by Finity. Information on the percentage and value of assets vulnerable to climate-related physical and transition risk, including an overview of methodology, is included in the metrics and targets section (see page 32).

While physical climate risk to the bank's operations has not been identified as a risk that could reasonably be expected to affect our financial prospects at this time, the bank's business continuity plan covers a range of disruptions to the bank's operations including acute climate events.

Our climate action strategy is strongly focused on climate-related opportunities as described above in the strategy section (see page 9). Climate-related opportunities are identified, assessed, prioritised and monitored through a range of processes, including the development of Bank Australia Limited's climate action strategy, which contains our climate-related transition plan and was informed by Bank Australia's previous climate action strategy (2022) and net zero roadmap (2024) based on a long list of opportunities which were strategically evaluated. Management and the Board receive reporting on the status on the bank's climate-related opportunities.

Our overall risk management process and integration of climate has remained similar to previous years. Improvements in FY26 included conducting scenario analysis to inform the climate resilience assessment described on page 21 and working with Finity to assess climate-related physical risk in our residential mortgage portfolio, building on work undertaken with Finity by Bank Australia in 2023 and Qudos Bank in 2022. This year we undertook our first formal analysis of climate-related transition risk in the residential mortgage portfolio supported by Finity. It will be important to continue to build capability over time to integrate climate into our risk management processes.

4.

Climate-related metrics and targets

4.1 Climate-related metrics

4.1.1 Greenhouse gas emissions

In FY26, our total absolute gross emissions were 103,283.5 tCO_2e. This included 111.0 tCO_2e Scope 1 and 656.3 tCO_2e Scope 2 (location based). We also measure Scope 2 market-based emissions as part of our 100% renewable electricity commitment, which were 0 tCO_2e.

Transition relief in relation to Scope 3 emissions per AASB S2 has been applied. We have elected to voluntarily disclose certain Scope 3 sources aligned with the GHG Protocol and lending exposures. Our Scope 3 operational (category 1-14) emissions were 4,822.7 tCO_2e, and our Scope 3 financed (category 15) emissions for our lending activities were 98,349.7 tCO_2e (this excludes treasury investments in bonds and other financial instruments).

In FY26, we reset our emissions baseline following a merger with Qudos Bank and in accordance with our target recalculation and base year policy. In future, changes driven by calculation method and technical updates will be noted where relevant.

4.1.2 Approach

We use the operational control approach to set our organisational boundary. This approach provides the most accurate reflection of our emissions, including sources we can influence through our policies and procedures. Two financially and operationally controlled entities (Buloke Funding Trust No. 1, ABN 56 626 624 981 and MEAA Funding Trust No.1, ABN 83 784 466 903) are also included within our boundary as they were active during FY26. Our emissions inventory covers Bank Australia Limited and these entities, as the entities are located on the same premises and do not have separate operations to the consolidated entity.

Figure 5: Total greenhouse gas emissions for FY26

Source	Absolute emissions (tCO_2e)
Mandatory disclosure	
Scope 1	
Mobile combustion	48.8
Stationary combustion	8.5
Refrigerants	53.7
Scope 2	
Electricity consumption (location based)	656.3
Total Scope 1 and 2 – gross emissions (before renewable energy attribute certificates)	**767.4**
Voluntary disclosure	
Scope 3 (category 1-14 per defined inventory)[1]	
Category 1: Purchased goods and services	3,095.8
Category 3: Fuel and energy related activities	13.2
Category 4: Upstream transportation and distribution	62.2
Category 5: Waste generated in operations	8.2
Category 6: Business travel	417.5
Category 7: Employee commuting	1,007.6
Category 8: Upstream leased assets	162.7
Category 13: Downstream leased assets	55.4
Scope 3 (category 15 per defined inventory)[1]	
Residential mortgages	95,353.3
Commercial real estate	1,594.9
Motor vehicle loans	1,401.5
Total Scope 3 (defined inventory)	**103,172.5**
Scope 2 (market-based)[2]	**–**
Total Scope 1, Scope 2 (market-based) and Scope 3 (defined inventory)	**103,283.5**

1 Further detail on the Scope 3 sources included in the defined inventory for each category is provided in Appendix 1: Emissions calculation methodology.

2 Further detail on market-based electricity is provided in the '100% renewable electricity' section below.

4.1.2 100% renewable electricity

Our operations run on 100% renewable electricity. This is achieved through:

- direct consumption from on-site renewable electricity generation owned by Bank Australia Limited from solar panels at our Bendigo and Moe premises
- direct procurement from a grid-connected generator through the purchase of large-scale generation certificates (LGCs) from the generator at Crowlands Wind Farm through a 10-year power purchase agreement (PPA) that started in 2019 with renewable energy developer Pacific Hydro as part of the Melbourne Renewable Energy Project
- unbundled energy attribute certificates via jurisdictional renewables and large-scale renewable energy target.

Figure 6: Total operational electricity consumption for FY26

Electricity source	MWh	Share of total consumption
Behind the meter consumption of electricity generated	86	9%
LGCs purchased and retired (including PPAs)[1]	730	74%
Jurisdictional renewables (LGCs retired)[2]	16	2%
Jurisdictional renewables (large-scale renewable energy target, applied to ACT grid electricity)	3	0%
Large-scale renewable energy target (applied to grid electricity only)[3]	152	15%
Total renewable electricity consumption	988	100%

1 Serial numbers of large-scale generation certificates (LGCs) retired voluntarily: 5487 – 5640, 87096 – 87140, 74910 – 75063, 93685 – 93687, 24994 – 25144, 48457 – 48631, 69079 – 69268, 93954 – 93958.

2 As per Climate Active guidelines, jurisdictional renewables refer to states and territories that have renewable energy targets over and above the large-scale renewable energy target requirement. In FY26, this refers to our ACT electricity consumption.

3 All electricity retailers are required to retire LGCs to meet the federal renewable energy target in line with the renewable power percentage set by the Clean Energy Regulator. In FY26, the renewable power percentage was 17.3%.

4.1.3 Financed emissions

The following tables provide detail on Bank Australia Limited's financed emissions inventory. Transition relief in relation to Scope 3 emissions per Appendix C in AASB S2 has been applied. We have disclosed emissions for sources in our boundary where we have established methodologies, and excluded emissions where underlying data quality is low and/or information is not yet available.

Exposure and emissions by industry and asset class

For residential mortgages and commercial real estate, Scope 1 and 2 electricity emissions are related to the energy use of the property or underlying security financed. For motor vehicle loans, Scope 1 emissions are from combustion and Scope 2 emissions are from electricity generation consumed in hybrid and electric vehicles.

Figure 7: Exposure included in financed emissions calculations by industry and asset class

Loan asset class[1]	Sector[2]	Funded amount ($000)	Undrawn loan commitments ($000)	Gross exposure ($000)	Gross exposure included in emissions calculation (%)	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Total Scope 1 & 2 emissions (tCO_2e)
Residential mortgages[3]		16,008,188	1,606,575	17,614,763	91%	16,759.4	78,594.0	95,353.3
Commercial real estate	Rental, hiring and real estate services	273,793	58,259	332,052	100%	338.7	1,284.4	1,524.9
	Other	56,260	55,820	112,080	50%	19.6	63.1	70.0
Motor vehicle loans		56,030	9,965	65,996	85%	1,282.9	118.6	1,401.5

1 Asset classes are defined per the Partnership for Carbon Accounting Financials (PCAF) The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Third Edition.

2 Sectors are defined per the Australian and New Zealand Standard Industrial Classification (ANZSIC) standard, division level, and only applicable for non-personal lending. 'Other' refers to a group of sectors that has been condensed for readability. Included in this grouping are: accommodation and food services, administrative and support services, agriculture, forestry and fishing, arts and recreation services, construction, education and training, healthcare and social assistance, manufacturing, other services, professional, scientific and technical services, retail trade and transport, postal and warehousing.

3 Emissions do not include under construction residential lending.

Where 100% of exposure is not included in our financed emissions calculation, reasons per asset class are:

- **Residential mortgages:** Construction loans excluded, non-property collateral excluded, if cross-collateralised only attribution factor for residential mortgages is used.
- **Commercial real estate:** Construction loans excluded, non-property collateral excluded.
- **Motor vehicle loans:** Where motor vehicle loans are financed through non-personal loans (e.g. residential mortgage loan top ups), the non-vehicle portion of the loan is excluded.

In FY26, we also excluded 100% of the exposure from treasury investments and business loans per the below asset classes from our financed emissions calculation as underlying data to estimate emissions was not available or challenging to obtain in the reporting period without undue cost or effort.

Figure 8: Exposure excluded from financed emissions calculations for FY26

Excluded	Asset class	Sector	Funded amount ($000)	Undrawn loan commitments ($000)	Gross exposure ($000)
Loans	Business loans	Other	50,151	76	50,227
Treasury investments	Listed equity and corporate bonds	Financial and insurance services	1,088,646	NA	1,088,646
	Securitisation and structured products	Financial and insurance services	407,111	NA	407,111
	Sub-sovereign debt	Government	688,251	NA	688,251
	Use of proceeds structure	Government, financial and insurance services	856,713	NA	856,713
	Business loans and unlisted equity	Financial and insurance services	112,660	NA	112,660

Scope 3 (category 15) emissions intensity

The emissions intensity was 28.3 $kgCO_2e/m^2$ for residential mortgages, and 26.9 $kgCO_2e/m^2$ for commercial real estate. The majority of our commercial real estate portfolio is secured by residential properties, therefore emissions intensity is relatively similar for both asset classes.

4.1.4 Emissions calculation methodology

Calculation standard

Scope 1 and 2 emissions have been measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

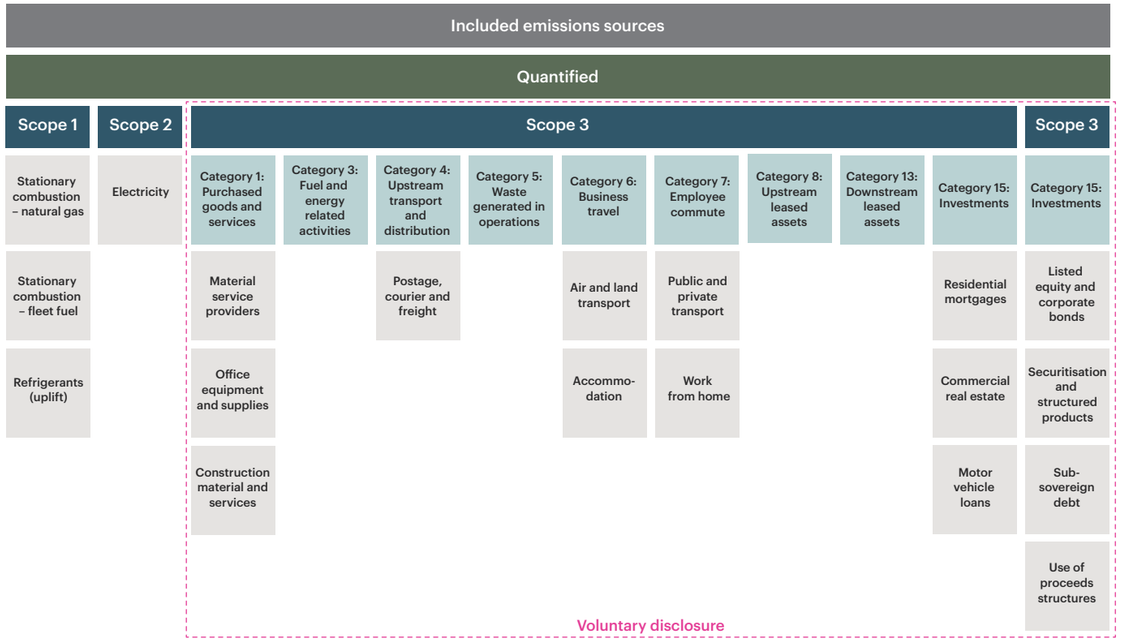
Voluntarily disclosed Scope 3 emissions have been calculated using the GHG Protocol, The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Corporate Value Chain Standard) and the Technical Guidance for Calculating Scope 3 Emissions (V1.0) (GHG Protocol Technical Guidance), the Partnership for Carbon Accounting Financials (PCAF).

Our emissions inventory and targets incorporate the 7 greenhouse gases listed under the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).

Defined inventory

Our included emissions sources per the GHG Protocol are listed below:

Figure 9: Emissions reporting boundary



For this reporting period, we have voluntarily disclosed Scope 3 emissions and have not quantified emissions for some category 15 sources as underlying data to estimate emissions was not available or challenging to obtain in the reporting period without undue cost or effort.

We exclude the following categories from our emissions boundary as they are not relevant to our business model and value chain: capital goods, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life of sold products and franchises.

See Appendix 1 for details on our calculation methods.

4.1.5 Climate-related risk and opportunity metrics

Climate-related risks

In FY26, our analysis of vulnerability to climate-related physical risk and climate-related transition risk has focused on our residential mortgage portfolio, which represents 90.7% of our total lending portfolio, and 75% of total assets. 1.9% of residential mortgage portfolio assets were excluded from analysis because of data quality issues.

Assets vulnerable to climate-related physical risk
To assess assets vulnerable to climate-related physical risk, we have used externally sourced data from Finity. The analysis assessed Bank Australia Limited's mortgage portfolio by address, reviewing two key elements: potential for increased annual average insurance losses due to climate events (assumed to affect property values, and therefore influence loss given default); and increased insurance premiums (assumed to affect loan serviceability, and therefore influence probability of default). It also considers exposure to uninsured perils like coastal erosion and heat stress. The assessment assumes the portfolio remains static and tests the current portfolio composition at different periods in time under low and high emissions scenarios.

Of our residential mortgage assets, 0.2%, or $24m currently, are considered vulnerable to climate-related physical risk. By 2050, this remains stable at 0.2% under a low emissions scenario and increases to 2.1% under a high emissions scenario.

Assets vulnerable to climate-related transition risk
To assess assets vulnerable to climate-related transition risk, we have used externally sourced data from Finity. The analysis used Bank Australia Limited's expected credit loss (ECL) model as a basis and uses economic shocks at a statistical area 4 (SA4) level to stress employment (affecting probability of default) and house prices (affecting loss given default) in these regions. The assessment assumes the portfolio remains static, and tests the current portfolio composition at different periods in time against a current policies scenario and a high mitigation scenario.

Of our residential mortgage assets, in the short term 0.4%, or $65m, are considered vulnerable to climate-related transition risk. By 2050, this increases to 2.1% under a current policies scenario, and increases to 3.0% under a high mitigation scenario.

Qualitative information about our risks is outlined in the strategy section of this report (see page 10).

Climate-related opportunities

Qualitative information about our opportunities is outlined in the strategy section of this report (see page 10). $8.18b, or 38.3%, of our total group assets are climate-aligned lending.

Climate-aligned lending is defined as:

- Residential mortgages where the underlying collateral has an emissions intensity under the 1.5°C pathway benchmark ($kgCO_2e/m^2$), per our residential mortgage emissions reduction target (see page 33 – approach to target setting). This benchmark goes down each year as emissions intensity is expected to reduce, which means there are changes over time in which homes fall under the benchmark.
- Personal loans for home electrification equipment
- Loans for fully electric vehicles
- Commercial lending for:
  - climate and environment technology solutions
  - nature protection and sustainable land use
  - carbon avoidance or reduction projects.

We also assess residential mortgages against the Australian Sustainable Finance Taxonomy. With the current data we have available, $15.56m, or 0.07% of our total assets, are aligned to the green criteria per the taxonomy's construction and buildings sector: construction of new buildings activity (page 101 of the taxonomy). These are homes constructed to the energy efficiency requirements of the National Construction Code (2022) and are all-electric.

A range of data points are required to assess whether a residential mortgage meets the criteria in the taxonomy. The availability of this data is currently very limited. We are working to improve data quality, which also relies on the market maturing, such as increased uptake of NatHERS Whole of Home ratings.

We also report on the nature and biodiversity co-benefits of our climate-aligned assets. For further information, see our 2026 Impact Report, page 96.

4.1.6 Other metrics

Finance deployment

During FY26, $1.97b of financing was deployed towards our climate-related risks and opportunities. This is composed of financing our opportunity of climate-aligned lending as defined above. Of this, $1.95b was residential mortgages where the underlying collateral has an emissions intensity under the 1.5°C pathway benchmark ($kgCO_2e/m^2$), per our residential mortgage emissions reduction target. There was no significant finance deployed towards our climate-related risks this year.

Carbon price

We do not use an internal carbon price as part of our operational decision making or when evaluating investments.

Remuneration

We don't factor specific climate-related considerations into executive remuneration, as our remuneration approach does not include bonuses for specific performance.

4.2 Climate-related targets

Our climate-related targets have been reset following a merger with Qudos Bank and acquisition of Australian Unity's banking business (see process in the 'base year and target recalculation policy' section).

All our targets are set for FY35 from an FY26 baseline:

- Reduce emissions from **residential mortgages** from **95,353** to **28,606 tCO_2e (-70% reduction)**
- Reduce emissions from **motor vehicle loans** from **1,401** to **841 tCO_2e (-40% reduction)**
- Reduce **operational emissions** from **4,934** to **2,960 tCO_2e (-40% reduction)**

These are gross absolute emissions reduction targets with the objective of mitigating our emissions over a period of FY27-FY35, with no net component and no use of carbon credits involved. Progress against our targets will be reported in future years. We have not set interim targets as the target period of 9 years (from FY26-FY35) aligns with what the SBTI's Corporate Near-Term Criteria (April 2026) defines as near-term: a minimum of five and maximum of ten years from the baseline.

4.2.1 Approach to target setting

Our climate-related targets are set to meet the level of decarbonisation required to meet the upper range of ambition of the Paris Agreement (1.5°C pathway) and are aligned with Australian Government's Nationally Determined Contribution and net zero by 2050 target.

These targets have not been validated by an external third party. They are reviewed and endorsed internally by the executive and approved by the Board. Progress is monitored annually and reported to the Responsible Banking Committee and the Board, and there is regular engagement between the Climate Action Strategy Steering Committee and Responsible Banking Committee to review performance and, where needed, agree on any corrective actions.

The details of each target scope, metrics, and methodology for target setting are as follows:

Residential mortgages

This target applies to our Scope 3 category 15 residential mortgage emissions, has been set to meet the level of decarbonisation needed for the upper range of ambition of the Paris Agreement (1.5°C pathway) and was developed considering the SBTi Buildings Target Setting tool (version 1.2), using the sectoral decarbonisation approach. The target endpoint is aligned with the 1.5°C pathway. Our emissions are expected to exceed the pathway from 2027-2030. From 2030 onwards, emissions are expected to drop below the 1.5°C pathway as the impacts of grid decarbonisation and additional action to grow climate-aligned lending (see page 11) take effect. The target considered our current emissions, reduction feasibility, and impact of lending policies and products on decarbonisation.

Motor vehicle loans

This target applies to our Scope 3 category 15 motor vehicle loan emissions, has been set to meet the level of decarbonisation needed for the upper range of ambition of the Paris Agreement (1.5°C pathway) and was developed considering the SBTi Corporate Near-Term Criteria, using the absolute contraction approach. This target focuses on a linear decrease in total emissions over time. The target considered our current emissions, reduction feasibility, and impact of our existing lending policies to not provide car loans for new fossil fuel vehicles.

Operational emissions

This target applies to our Scope 1, Scope 2 (market-based) and Scope 3 category 1-14 (defined inventory) emissions. The target was set using the approach described above for motor vehicle loans. The target considered our current emissions, reduction feasibility, and impact of future reduction actions.

4.2.2 Base year and target recalculation policy

We review our targets regularly and consider any material changes to our business and the assumptions used to model our baseline, targets, and emissions reduction trajectories, per our base year and target recalculation policy.

Targets are to be reviewed at a minimum, and if necessary, recalculated, and revalidated, every 5 years. Further to this minimum 5-year review, emissions reduction targets should be recalculated if there are significant data errors or significant changes to the inventory (at a threshold of 5% or more of the annual inventory total). Recalculation can also be triggered by the issuance of new target setting guidance applicable to financial institutions. Timing of the base year recalculation will take practical implications of reporting timelines into consideration.

4.2.3 Offsetting emissions

Until FY26, Bank Australia had a net zero by 2035 target. As outlined above, we have now reset our targets to gross emissions reduction only, and there is no net component and offsetting involved.

Separate to our emissions reduction targets, we purchased offsets for our FY26 carbon neutral claim under the Climate Active program, which we will cease certifying under from FY27, and for loans originated under our car loan product before the carbon offset feature was phased out in 2025. We'll continue to offset car loan emissions for the remaining term of applicable loans; however, they will decrease over time as the loans are repaid. For further information on offsets see our 2026 Impact Report, page 85-86.

Appendices

Appendix 1: Emissions calculation methodology

Emission source	Measurement approach	Data inputs	Emission factors	Data quality and measurement uncertainty
Scope 1 and gas consumption for Scope 3 Category 3 (Fuel and energy related activities) and Category 8 (Upstream leased assets)				
Stationary combustion – gas	Direct measurement of MJ gas consumed. Where only partial invoice data was available, gas consumption was estimated by averaging daily usage over the available period and extrapolating it for the rest of the reporting period.	Primary data from invoices, and verified data from Australian emission factors.	2025 Australian National Greenhouse Accounts factors.	High data quality and low measurement uncertainty, as primary and verified data is used with limited estimation.
Mobile combustion – fleet vehicles	Indirect measurement of L fuel consumed. Vehicle-specific fuel efficiency factors applied to convert distance to fuel consumption. Where only partial data was available, vehicle fuel use was estimated using FY24–FY25 fuel use per full-time equivalent staff (FTE), scaled to FY26 FTE.	Primary data from mileage log. Secondary and verified data from Australian Government Green Vehicle Guide.	2025 Australian National Greenhouse Accounts factors.	Medium data quality and high measurement uncertainty, as primary fuel consumption data is not available, and modelled fuel consumption is used instead.
Refrigerants	Estimation to quantify fugitive emissions from refrigerants due to unavailability of primary data. Uplift factor derived from benchmarking the percentage contribution of refrigerant emissions to total emissions reported by peer banks.	Secondary and unverified data from peer banks.	No emission factors were used in calculating emissions from this source.	Medium data quality and high measurement uncertainty, as secondary and unverified data is used for estimation.
Scope 2 and electricity consumption for Scope 3 Category 3 (Fuel and energy related activities) and Category 8 (Upstream leased assets)				
Electricity	Direct measurement of kWh electricity consumed. Where only partial invoice data was available, electricity consumption was estimated using FTE-based extrapolation from sites with verified data. For market based method: Behind-the-meter (BTM) electricity consumption, electricity exported to the grid, and Large-scale Generation Certificates (LGCs) purchased and retired were accounted for in accordance with Climate Active's Electricity Accounting Guidelines. The large-scale renewable energy target (LRET) was also applied as a market-based electricity accounting input.	Primary data from invoices, and verified data from Australian emission factors.	2025 Australian National Greenhouse Accounts factors.	High data quality and low measurement uncertainty, as primary and verified data is used with limited estimation.

Voluntary disclosure

The measurement approach, data inputs and assumptions used for our Scope 3 emissions are disclosed with reference to the GHG Protocol and PCAF data scores. In FY26, we also disclosed our emissions under the Climate Active program and have applied the program's technical guidance where necessary for practicality and comparability.

Emission source	Measurement approach	Data inputs	Emission factors	Data quality and measurement uncertainty
Scope 3 – Category 1: Purchased goods and services				
Cleaning and chemicals, Construction materials and services, Food, ICT services and equipment, Machinery and vehicles, Office equipment and supplies, Products	Direct measurement of total spend on construction materials and services from general ledger data. Emissions were calculated by applying spend-based emission factors.	Secondary and verified data from industry average emission factors.	IELab, provided by FootprintLab. Scope 3 GHG emissions intensities ($kgCO_2$-e/$ purchaser's price), using 2023 emissions and economic data.	Low data quality and high measurement uncertainty as secondary data is not specific to suppliers.
Professional services	For ~86% of emissions from this source: Direct measurement of total spend on construction materials and services from general ledger data. Emissions were calculated by applying spend-based emission factors. For ~14% of emissions from this source: Direct measurement based on supplier reported emissions.	For ~86% of emissions from this source: primary data from general ledger, secondary and verified data from industry average emission factors. For ~14% of emissions from this source: primary and unverified data from suppliers.	IELab, provided by FootprintLab. Scope 3 GHG emissions intensities ($kgCO_2$-e/$ purchaser's price), using 2023 emissions and economic data.	Medium data quality and high measurement uncertainty, as emissions estimation methodologies used by suppliers are unverified.
Water	Direct measurement of L water consumed. Where only partial invoice data was available, water consumption was estimated using FTE-based extrapolation from sites with verified data.	Primary data from invoices. Secondary and verified data from Australian emission factors.	AusLCI published processes, version 1.45, CN assumption, released June 2025.	High data quality and moderate measurement uncertainty, as primary and verified data is used with moderate estimation.
Scope 3 – Category 4: Upstream transport and distribution				
Postage, courier and freight	For ~8% of emissions from this source: Direct measurement of total spend on construction materials and services from general ledger data. Emissions were calculated by applying spend-based emission factors. For ~92% of emissions from this source: Direct measurement based on supplier reported emissions.	For ~8% of emissions from this source: Secondary and verified data from industry average emission factors. For ~92% of emissions from this source: primary and unverified data from suppliers.	IELab, provided by FootprintLab. Scope 3 GHG emissions intensities ($kgCO_2$-e/$ purchaser's price), using 2023 emissions and economic data.	Medium data quality and high measurement uncertainty, as emissions estimation methodology used by suppliers are unverified.
Scope 3 – Category 5: Waste generated in operations				
Waste generated in offices and branches	Direct measurement of waste tonnage, classified by destination and treatment type. Where only partial data was available, waste generation was estimated using FTE-based extrapolation from sites with verified data.	Primary and verified data from supplier and Australian emission factors.	2025 Australian National Greenhouse Accounts factors.	Medium data quality and high measurement uncertainty, as primary and verified data is used with moderate estimation.
Scope 3 – Category 6: Business travel				
Air travel	Direct measurement of flight booking data from travel providers. Passenger-kilometres (pax-km) travelled were calculated by multiplying travellers by flight distance. Flights were classified by haul length; cabin class was classified from booking data or defaulted to economy if unavailable.	Primary data from travel provider and general ledger. Secondary and verified data from UK Government emission factors.	UK Department for Environment, Food & Rural Affairs (DEFRA) 2025 factors.	High data quality and moderate measurement uncertainty, as primary and verified data is used with moderate estimation and emission factors are from outside the Australian jurisdiction. These factors have been selected based on their methodological robustness, frequency of updates, and relevance to the emission source.

Emission source	Measurement approach	Data inputs	Emission factors	Data quality and measurement uncertainty
Scope 3 – Category 6: Business travel				
Hotel accommodation	Direct measurement of hotel booking data from travel providers. Emissions were based on nights stayed, classified by hotel rating (domestic) or country (international). Hotel star rating was defaulted to 4 star if unavailable. Where data on the number of nights stayed was not available, direct measurement of spend on accommodation was used.	Primary data from travel provider and general ledger. Secondary and verified data from UK Government emission factors.	Cornell Hotel Sustainability Benchmarking Index 2024 (Rooms Footprint Per Occupied Room (M1), Limited service, median, Australia).	High data quality and low measurement uncertainty, as primary and verified data is used with limited estimation.
Taxi and rideshare	Direct measurement of total spend on taxis and hire cars was undertaken using spend data from general ledger and supplier-provided data. Emissions were calculated by applying a spend-based emission factor to the total spend during the reporting period.	Primary data from supplier and general ledger. Secondary and verified data from industry average emission factors.	IELab, provided by FootprintLab. Scope 3 GHG emissions intensities ($kgCO_2$-e/$ purchaser's price), using 2023 emissions and economic data.	High data quality and low measurement uncertainty, as primary and verified data is used with limited estimation.
Employee-owned car travel and salary packaged vehicles	Direct measurement of kilometres travelled by staff for business purposes using employee mileage logs and claims. Total kilometres travelled were calculated from primary and verified mileage data.	Primary data from mileage log. Secondary and verified data from UK emission factors.	UK Department for Environment, Food & Rural Affairs (DEFRA) 2025 factors.	High data quality and low measurement uncertainty, as primary and verified data is used with limited estimation and emission factors are from outside the Australian jurisdiction. These factors have been selected based on their methodological robustness, frequency of updates, and relevance to the emission source.

Emission source	Measurement approach	Data inputs	Emission factors	Data quality and measurement uncertainty
Scope 3 – Category 7: Employee commute				
Public and private transport	Direct measurement of total distance travelled by transport mode and state using employee commute survey. Responses were tabulated and extrapolated to average annual FTE for the reporting period.	Primary data from survey. Secondary and verified data from UK emission factors.	UK Department for Environment, Food & Rural Affairs (DEFRA) 2025 factors.	High data quality and moderate measurement uncertainty, as primary and verified data is used with moderate estimation and emission factors are from outside the Australian jurisdiction. These factors have been selected based on their methodological robustness, frequency of updates, and relevance to the emission source.
Work from home	Direct measurement of days worked from home and renewable electricity consumed using employee commute survey. Responses were tabulated and extrapolated to average annual FTE for the reporting period. Emissions calculated using Climate Active's Working-from-home Emissions Calculator.	Primary and verified data from survey. Secondary and unverified data from Climate Active emissions calculator.	Emission factors embedded within Climate Active's Working-from-home Emissions Calculator version 6.0.	High data quality and moderate measurement uncertainty, as primary and verified data is used with moderate estimation and emission factors are unverified. These factors have been used as it is current practice within the organisation to support Climate Active certification.
Scope 3 – Category 13: Downstream leased assets				
Gas and electricity	Direct measurement of MJ gas consumed. Estimation of kWh electricity consumption apportioned to floor space using consumption intensity from other sites.	Primary data from invoices, and verified data from Australian emission factors for gas. Secondary data for electricity estimation, and verified data from Australian emission factors.	2025 Australian National Greenhouse Accounts factors.	High data quality and moderate measurement uncertainty, as primary and verified data is used with moderate estimation.

Emission source	Measurement approach	Data inputs	Emission factors	Data quality and measurement uncertainty
Scope 3 – Category 15: Investments				
Residential mortgages	Emissions are calculated for each mortgage using a six-method hierarchy, applied in order of data quality and specificity; the highest-quality method supported by available data is used. All methods are indirect estimation measurement and use secondary verified data for industry average emission factors. An attribution factor of loan to value ratio is applied in each method. **Method 1:** NatHERS Whole of Home certificate, and associated details relating to annual energy load (MJ/m^2), energy sources, conditioned floor area (m^2) and onsite renewable generation (kWh). **Method 2:** NatHERS certificate (Thermal Rating), and associated details relating to annual thermal load (MJ/m^2) and conditioned floor area (m^2). **Method 3:** Energy analysis from external provider, including assumed energy rating and associated details relating to annual thermal load (MJ/m^2) and conditioned floor area (m^2). **Method 4:** Assumed NatHERS rating based on the phasing in of minimum building standards across jurisdictions and the year built for individual dwellings (applicable only to dwellings constructed on or after 1 May 2007). **Method 5:** Jurisdictional-level average dwelling profile where the state or territory of a dwelling is known. **Method 6:** National-level average dwelling profile where no state or territory average can be applied. Homes under construction are excluded.	Each method incorporates a mix of primary and secondary data for energy related attributes. All methods use secondary and verified Australian emission factors. **Method 1:** 0.01% of mortgages: verified primary data source **Method 2:** 0.7% of mortgages: unverified primary data source **Method 3:** 53.6% of mortgages: unverified secondary data source **Method 4:** 14.7% of mortgages: unverified secondary data source **Method 5:** 27.7% of mortgages: unverified secondary data source **Method 6:** 0.03% of mortgages: unverified secondary data source	2025 Australian National Greenhouse Accounts factors.	Medium data quality and high measurement uncertainty, as all measurement is indirect and uses secondary data for emission factors. Data quality scores per PCAF are: **Method 1 and 2:** Score 3 – Estimated building energy consumption per floor area based on official building energy labels and floor area financed. **Methods 3-6:** Score 4 – Estimated building energy consumption per floor area based on building type and location-specific statistical data and floor area financed.

Emission source	Measurement approach	Data inputs	Emission factors	Data quality and measurement uncertainty
Commercial real estate	Collateral against which commercial lending is secured are primarily residential dwellings, and residential dwelling methods described are as above. Non-residential collateral are excluded as they were under construction during the reporting period.			
Motor vehicle loans	Indirect measurement of emissions multiplied by an attribution factor of loan-to-value ratio. Vehicle emissions are estimated based on emissions intensity by vehicle archetype (internal combustion engine, hybrid or electric vehicle) and national statistics for average distance travelled.	Primary and verified data inputs: vehicle archetype, combined loan to value ratio. Secondary and verified data inputs: average emissions intensity per vehicle archetype from National Transport Commission, average Wh/km for electric vehicles from EV Database, average distance travelled from Australian Bureau of Statistics.	2025 Australian National Greenhouse Accounts factors.	Low data quality (PCAF data quality score 4: 'known vehicle type' and 'average distance travelled' (local/regional data)) and high measurement uncertainty, as there is no direct measurement.

Assurance statement

EY
Shape the future with confidence

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent auditor's review report to the members of Bank Australia Limited

Conclusion on selective sustainability information

We have conducted a review of the following information in the Sustainability Report of Bank Australia Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 30 June 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	**Location in Sustainability Report**
Governance	Paragraph 6	Pages 5 to 7
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Page 10, Paragraph 2.2
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Pages 26 to 27, Figure 5 (Mandatory disclosure) & Figure 6, and Page 27

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Conclusion on subject matter

We have conducted a review of the following information in the Sustainability Report of the Company for the year ended 30 June 2026 (the 'subject matter'):

Subject Matter	Criteria	**Location in Sustainability Report**
Scope 3 emissions (Relevant categories 1-14)	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)	Page 25, 4.1.1 Greenhouse gas emissions, Paragraph 2 Page 26, Figure 5 (Voluntary disclosure) and Pages 38 to 41
Scope 3 emissions (Category 15)	The Partnership for Carbon Accounting Financials – The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Third Edition, 2025 (PCAF 2025)	Page 25, 4.1.1 Greenhouse gas emissions, Paragraph 2 Page 29, Figure 7 and Pages 42 to 43

Based on the procedures we have performed and the evidence we have obtained, we have not become aware of any matter in the course of our review that makes us believe that the subject matter outlined

above for the Company is not prepared, in all material respects, in accordance with the criteria for the year end 30 June 2026.

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management 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 and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other information

The directors of the Company are responsible for the other information. The other information comprises the Financial Report, the Directors' Report and the Sustainability Report, but does not include the selective sustainability information and our review report thereon

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon in this review report. We have issued a separate auditor's report on the Financial Report.

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Management of the Company are responsible for:

- The identification, selection of suitable criteria for the subject matter;
- The preparation of the subject matter in accordance with the criteria; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the subject matter, in accordance with the criteria that is free from material misstatement, whether due to fraud or error.

Inherent limitations

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Shape the future
with confidence

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of the Company's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2

The procedures we performed for the review of the subject matter included, but were not limited to:

- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to the subject matter
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the subject matter
- Agreed the subject matter disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the subject matter against the requirements of the criteria

Ernst & Young

Ernst & Young

Justin Mckenzie

Justin Mckenzie
Partner
Melbourne
24/09/2026

Bank Australia Limited ABN 21 087 651 607 Australian Financial Services Licence / Australian Credit Licence Number 238431.

1026/BAU864